PLATORO WEST HOLDINGS INC.

CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2008 and 2007

(Stated in Canadian Dollars)

BDO Dunwoody LLP
Chartered Accountants

#604 – 750 West Pender Street
Vancouver, BC, Canada V6C 2T7
Telephone: (604) 689-0188
Fax: (604) 689-9773

AUDITORS' REPORT

To the Shareholders,
Platoro West Holdings Inc.

We have audited the consolidated balance sheets of Platoro West Holdings Inc. as at May 31, 2008 and 2007 and the consolidated statements of operations and deficit and cash flows for the year ended May 31, 2008 and for the period May 16, 2006 to May 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2008 and 2007 and the results of its operations and its cash flows for the year ended May 31, 2008 and for the period May 16, 2006 to May 31, 2007 in accordance with Canadian generally accepted accounting principles.

(signed) “BDO Dunwoody LLP”

Chartered Accountants

Vancouver, Canada
September 20, 2008

BDO *Dunwoody* LLP is *a Limited Liability Partnership registered in Ontario*

PLATORO WEST HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
May 31, 2008 and 2007
(Stated in Canadian Dollars)

ASSETS	2008	2007
Current		
Cash	$ 876,208	$ 342,714
Prepaid expenses and deposits – Note 7	12,821	2,500
Goods and services taxes receivable	9,561	647
	898,590	345,861
Equipment and leaseholds – Note 3	9,868	9,706
Resource properties – Notes 4 and 7	306,341	133,014
	$ 1,214,799	$ 488,581
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 7	$ 127,755	$ 25,500
SHAREHOLDERS' EQUITY		
Share capital – Notes 4 and 5	1,181,489	520,000
Shares subscribed – Note 5	90,000	-
Share subscriptions receivable	(27,900)	-
Contributed surplus – Note 5	178,982	70,000
Deficit	(335,527)	(126,919)
	1,087,044	463,081
	$ 1,214,799	$ 488,581

Commitments – Notes 4 and 5
Subsequent Events – Notes 4 and 5

APPROVED BY THE DIRECTORS:

"Edward Devenyns" Director
Edward Devenyns

"Gary Arca" Director
Gary Arca

SEE ACCOMPANYING NOTES

PLATORO WEST HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
for the year ended May 31, 2008 and
for the period from May 16, 2006 to May 31, 2007
(Stated in Canadian Dollars)

	2008	2007
Expenses		
Accounting and audit fees	$ 27,081	$ 15,195
Amortization	2,654	2,426
Bank charges and interest	831	828
Consulting fees – Note 7	30,000	-
Corporate and administration fees	27,650	5,500
Filing fees	14,589	380
Insurance	937	-
Legal fees	7,485	-
Management fees – Note 7	48,000	15,000
Office and miscellaneous – Note 7	22,505	13,311
Rent – Note 7	26,601	13,971
Shareholder communications	7,197	202
Stock-based compensation – Note 5	-	70,000
Loss for the period before other items	(215,530)	(136,813)
Other items:		
Foreign exchange gain	104	529
Interest and investment income	6,818	9,365
	6,922	9,894
Net loss and comprehensive loss for the period	(208,608)	(126,919)
Deficit, beginning of the period	(126,919)	-
Deficit, end of the period	$ (335,527)	$ (126,919)
Basic and diluted loss per share	$ (0.03)	$ (0.02)
Weighted average number of shares outstanding	7,009,115	8,350,001

SEE ACCOMPANYING NOTES

PLATORO WEST HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year ended May 31, 2008 and
for the period from May 16, 2006 to May 31, 2007
(Stated in Canadian Dollars)

	2008	2007
Cash Flows used in Operating Activities		
Net loss for the period	$ (208,608)	$ (126,919)
Non-cash items:		
Amortization	2,654	2,426
Stock-based compensation	-	70,000
	(205,954)	(54,493)
Changes in non-cash working capital items:		
Prepaid expenses and deposits	(10,321)	(2,500)
Goods and services tax receivable	(8,914)	(647)
Accounts payable and accrued liabilities	102,255	25,500
	(122,934)	(32,140)
Cash Flows used in Investing Activities		
Resource properties	(173,327)	(133,014)
Equipment and leaseholds	(2,816)	(12,132)
	(176,143)	(145,146)
Cash Flows from Financing Activities		
Issuance of common shares (net of share issue costs)	770,471	520,000
Share subscriptions receivable	(27,900)	-
Shares subscribed	90,000	-
	832,571	520,000
Increase in cash	533,494	342,714
Cash, beginning of the period	342,714	-
Cash, end of the period	$ 876,208	$ 342,714
Supplementary disclosure of cash flow information:		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

Non-cash Transaction – Note 9

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations

The Company was incorporated on May 16, 2006 under the British Columbia Business Corporations Act, and commenced operations on June 1, 2006.

The Company is in the exploration stage and has entered into an option agreement and a right of first refusal agreement to acquire resource properties in the United States of America. The recoverability of amounts from the properties will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreement and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof. The outcome of these matters cannot be predicted with any certainty at this time.

Note 2 Significant Accounting Policies

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada and are stated in Canadian dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgement. Actual results may vary from these estimates.

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

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, PWH Nevada Inc. All significant inter-company transactions have been eliminated.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. At May 31, 2008 and 2007 there were no common share equivalent securities outstanding and accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Note 2 Significant Accounting Policies – (cont'd)

Equipment and leaseholds

Equipment and leaseholds are recorded at cost. The Company provides for amortization using the following methods and annual rates:

Furniture and equipment	20% declining balance method
Leasehold improvements	5 years straight-line basis

Cash and Cash Equivalents

Cash and cash equivalents include cash in accounts and securities that on acquisition are convertible to cash within three months. These investments are highly liquid marketable securities and deposits, which are designated as held-for-trading and are recorded at their fair values. Fair values are determined by reference to quoted market prices at the balance sheet date. Unrealized gains and losses on held-for-trading investments are recognized in income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. At each balance sheet date, the Company assesses for any impairment in value that is considered to be other than temporary, and records any write-downs to net loss for the period.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are determined based on differences between tax and accounting basis of assets and liabilities. The future tax assets or liabilities are calculated using the tax rates for the period in which the differences are expected to be settled. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

Resource 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 included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on an annual basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Note 2 Significant Accounting Policies – (cont'd)

Resource Properties – (cont'd)

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Foreign Currency Translation

The Company and its wholly-owned subsidiary maintain accounting records in their functional currencies, Canadian dollars and US dollars, respectively.

The Company and its subsidiary translate foreign currency transactions into their respective functional currencies in the following manner: at the transaction date, each asset, liability, revenue and expense is translated into the functional currency by the use of the exchange rate in effect at that date; at the period end, foreign currency monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the balance sheet date. The resulting difference is allocated to resource properties based on the amount of expenditure spent on the properties during the year.

In preparing the consolidated financial statements, the Company translates the monetary assets and liabilities of its subsidiary into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate prevailing at the respective transaction dates. Revenue and expenses are translated into Canadian dollars at the average exchange rate for the applicable period except for amortization, which is translated at historical exchange rates. Translation gains or losses are included in operations.

Share-based Compensation

Stock-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's shares, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate, as determined at the grant date. The estimated fair value of awards of stock-based compensation are charged to expense over their vesting period, with offsetting amounts recognized as contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

Note 2 Significant Accounting Policies – (cont'd)

Share-based Compensation – (cont'd)

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

Share Issue Costs

Share issue costs, which include commissions, professional and regulatory fees are charged directly to share capital.

Financial Instruments

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861, Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These sections apply to fiscal years beginning on or after October 1, 2006 and provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives, and describe when and how hedge accounting may be applied. Section 1530 provides standards for the reporting and presentation of comprehensive income, which is defined as the change in equity, from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles. A statement of comprehensive income has not been presented as no components of comprehensive income have been identified and therefore have not affected the current period balances on the financial statements. Under these new standards, all financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of changes in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, investments held to maturity and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, derecognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to debt financings will be expensed in the period incurred.

(Stated in Canadian Dollars) – Page 5

Note 2 Significant Accounting Policies – (cont'd)

Financial Instruments – (cont'd)

The Company's financial instruments consist of cash, which is classified as held-for-trading and accounts payable and accrued liabilities, which are classified as other financial liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Recently Released Canadian Accounting Standards

Recent CICA Handbook revisions include Section 1506, Accounting changes, Section 1400, Assessing Going Concern, Section 1540, Cash Flow Statements, Section 3064, Goodwill and Intangible Assets, Sections 3862 and 3863, Disclosure and Presentation on Financial Instruments and Section 1535, Capital Disclosures.

The Company does not expect the adoption of these new Sections to result in any significant change in the disclosure within the current financial statements except for the capital disclosure requirements of Section 1535 which are applicable for periods commencing June 1, 2008. This section specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The new section relates to disclosures and will not have an impact on the Company's financial results.

Also effective for year-ends commencing on or after January 1, 2011, all public companies will be required to adopt International Financial Reporting Standards.

Note 3 Equipment and Leaseholds – Note 7

	May 31, 2008		
	Cost	Accumulated Amortization	Net
Furniture and equipment	$ 4,248	$ 800	$ 3,448
Leasehold improvements	10,700	4,280	6,420
	$ 14,948	$ 5,080	$ 9,868

	May 31, 2007		
	Cost	Accumulated Amortization	Net
Furniture and equipment	$ 1,432	$ 286	$ 1,146
Leasehold improvements	10,700	2,140	8,560
	$ 12,132	$ 2,426	$ 9,706

(Stated in Canadian Dollars) – Page 6

Note 4 Resource Properties – Note 7

a) Summary of Resource Properties:

	May 31, 2008	May 31, 2007
Wildhorse Property		
Balance, beginning of period	$ 104,962	$ -
Acquisition costs	32,718	11,273
Deferred expenditures		
Assays and cores		4,709
Claims maintenance fees	8,082	14,974
Consulting fees	41,978	
Field work and supplies	6,556	159
Mapping and reports	2,915	492
Sampling and surveying	-	69,730
Staking costs	-	3,625
Vehicles	185	-
	59,716	93,689
Balance, end of period	197,396	104,962
Right of First Refusal Properties		
Balance, beginning of period	28,052	$ -
Deferred expenditures		
Claims maintenance fees	23,794	28,052
Consulting fees	28,686	-
Field work and supplies	5,032	-
Vehicles	1,967	-
	59,479	28,052
Balance, end of period	87,531	28,052
Other Properties		
Deferred expenditures		
Claims maintenance fees	21,414	-
Balance, end of year	21,414	-
Total of resource properties	$ 306,341	$ 133,014

Note 4 Resource Properties – Note 7 – (cont'd)

a) Summary of Resource Properties: – (cont'd)

Wildhorse Property

Pursuant to a mineral property option agreement ("Option Agreement") dated September 1, 2006, with a director of the Company, the Company may acquire a 100% undivided interest, subject to a 3% net smelter royalty ("NSR"), in 36 mining claims located in Pershing County, State of Nevada, United States of America ("Wildhorse Property"). Consideration for the acquisition is reimbursement of the optionor's costs associated with the acquisition of the property, cash payments totalling an aggregate amount of US$1,000,000, issuance of 500,000 common shares of the Company and exploration expenditures of US$1,000,000 on the property as follows:

- pay US$10,000 (paid) upon signing of the agreement and issue 50,000 common shares forthwith after June 13, 2008, the effective date (subsequently issued);
- pay US$30,000, and issue 100,000 common shares on or before June 13, 2009;
- pay US$45,000, issue 150,000 common shares and incur US$150,000 in exploration expenditures on or before June 13, 2010;
- pay US$75,000, issue 200,000 common shares and incur US$200,000 in exploration expenditures on or before June 13, 2011;
- pay US$80,000 and incur US$200,000 in exploration expenditures on or before June 13, 2012;
- pay US$100,000 and incur US$200,000 in exploration expenditures on or before Jun 13, 2013;
- pay US$120,000, and incur US$250,000 in exploration expenditures on or before June 13, 2014;
- pay US$140,000 on or before June 13, 2015; and
- pay US$400,000 on or before June 13, 2016.

Pursuant to the agreement the Company may purchase up to one half of the NSR for US$2,000,000 for each 1% of the royalty purchased (total of $3,000,000 for the entire 1.5%). During the term of the Wildhorse option agreement, the Company is responsible for maintaining the claims in good standing, including paying required taxes, fees and rentals, and completing necessary assessment work.

Note 4 Resource Properties – Note 7 – (cont'd)

a) Summary of Resource Properties: – (cont'd)

Wildhorse Property – (cont'd)

During the year ended May 31, 2008, the Company staked an additional 32 claims.

On August 29, 2007, the Company entered into a Purchase and Sale Agreement with Nevada Lands & Resource Company, whereby the Company acquired 160 acres of land in Pershing County, Nevada, for a purchase price of US$32,000.

Right of First Refusal Properties

Pursuant to a right of first refusal agreement on September 1, 2006 (the "ROFR Agreement") with a director of the Company, the Company entered into an agreement to have the first right of refusal to acquire up to 172 claims in various counties in the State of Nevada, as listed below (the "ROFR Properties"). Under the terms of the ROFR Agreement, the Company, as optionee, was granted the sole right and option to purchase the ROFR Properties in consideration of the Company reimbursing all acquisition costs including filing fees, holding fees, staking costs, and other costs directly associated with the acquisition of the ROFR Properties. The former officer and director and the Company agreed to determine the terms of the purchase by August 31, 2007, which period was extended to August 31, 2009 by the Company maintaining the claims in good standing. The ROFR Properties are comprised of 172 claims as follows:

- Antelope Springs Project in Pershing County, Nevada, comprised of 24 claims;
- Willow Project in Pershing County, Nevada, comprised of 6 claims;
- Buckhorn East Project in Eureka County, Nevada, comprised of 52 claims;
- Fencemaker Project in Pershing County, Nevada comprised of 37 claims;
- Kennedy North Project in Pershing County, Nevada comprised of 13 claims;
- Rangefront Project in Humboldt County, Nevada comprised of 9 claims;
- Rosial Project in Pershing County, Nevada comprised of 23 claims; and
- Spring City Project in Humboldt County, Nevada comprised of 8 claims.

(Stated in Canadian Dollars) – Page 9

Note 4 Resource Properties – Note 7 – (cont'd)

a) Summary of Resource Properties: – (cont'd)

Other Properties

During the year ended May 31, 2008, the Company expended $21,414 for filing and recording fees for various claims located within the White Mountains in eastern Esmeralda County, Nevada. The claims are all exploration phase projects.

b) Environmental Protection Practices

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Note 5 Share Capital and Contributed Surplus

a) Authorized:

Unlimited common shares without par value

b) Share Issuances:

	Number	Amount	Contributed Surplus
Issued for cash pursuant to:			
Founders' shares at $0.01 per share	3,500,001	$ 35,000	$ 70,000
Private placement at $0.10 per share	4,850,000	485,000	-
Balance, May 31, 2007	8,350,001	520,000	70,000
Returned to treasury (Founders' shares)	(1,750,001)	(108,982)	108,982
Issued for cash pursuant to:			
Private placement at $0.18 per share	4,404,000	792,720	-
Filing and legal fees	-	(22,249)	-
Balance, May 31, 2008	**11,004,000**	**$ 1,181,489**	**$ 178,982**

Note 5 Share Capital and Contributed Surplus – (cont'd)

Private Placements

During the year ended May 31, 2007, the Company issued 3,500,001 shares to Founders at $0.01 per share for cash proceeds of $35,000. On December 17, 2007, a total of 1,750,001 Founders' shares were gifted back to the Company to facilitate the listing on the Canadian Trading and Quotation System Inc. (the "CNQ") (Note 9). The Founders' shares are subject to an escrow agreement. 25% were released on June 13, 2008 and 25% will be released every six months thereafter. The Founders' shares were valued by management and directors based on the relative price of other common share issuances at the time, discounted for the effect of the escrow requirement, among other factors. The result of this valuation was that the Company recorded a stock-based compensation expense of $70,000 during the year ended May 31, 2007.

The Company completed the first tranche of a private placement in August 2006 and issued 4,280,000 shares of the Company at a price of $0.10 per share, for gross proceeds of $428,000, and the second tranche in September 2006 and issued 570,000 shares of the Company at a price of $0.10 per share, for gross proceeds of $57,000.

As at May 31, 2008 and 2007, there were no outstanding stock options and warrants.

During the year ended May 31, 2008, the Company completed the first tranche of a private placement. On April 28, 2008, the Company issued 4,404,000 shares at a price of $0.18 per share, for gross proceeds of $792,720.

Subsequent to the year ended May 31, 2008, the Company completed the second tranche of the private placement. On June 6, 2008, the Company issued 2,821,000 shares at a price of $0.18 per share, for gross proceeds of $507,780. Cash proceeds of $90,000 were received and recorded as shares subscribed at May 31, 2008. The total finders' fee was cash of $78,810.

Note 6 Corporate Income Taxes

The Company has available a non-capital loss of approximately$ 258,000 as at May 31, 2008 (approximately $ 57,000 – May 31, 2007), which may be carried forward to reduce taxable income in future years. The non-capital losses expire beginning in 2027.

(Stated in Canadian Dollars) – Page 11

Note 6 Corporate Income Taxes – (cont'd)

The significant components of the Company's future income tax assets are as follows:

	May 31, 2008	May 31, 2007
Non-capital losses	$ 67,000	$ 19,000
Share issue costs	5,000	-
Capital assets	1,000	1,000
Less: valuation allowance	(73,000)	(20,000)
	$ -	$ -

The Company has recorded a valuation allowance against its future income tax assets based on the extent to which it is more-likely-than-not that sufficient taxable income will not be realized during the carry-forward period to utilize all the future tax assets.

A reconciliation of income taxes at statutory rates to the reported income tax provision is as follows:

	2008	2007
Basic statutory and provincial income tax rates	34.12%	34.24%
Expected tax recovery on net loss, before income tax	$ (68,700)	$ (43,300)
Differences due to recognition of items for tax purposes:		
Effect of reduction in statutory tax rate	21,000	23,900
Increase (decrease) in valuation allowance	47,700	19,400
	$ -	$ -

(Stated in Canadian Dollars) – Page 12

Note 7 Related Party Transactions – Note 4

The Company incurred the following costs with a director and companies controlled by directors of the Company:

	May 31 2008	May 31 2007
Consulting fees	$ 30,000	$ -
Equipment and leaseholds	2,815	12,132
Management fees	48,000	15,000
Office and telephone	8,958	8,932
Prepaid expenses and deposits	-	2,500
Rent	26,601	13,971
Resource properties	29,770	42,097
	$ 146,144	$ 94,632

These expenditures were measured by the exchange amount, which are the amounts agreed upon by the transacting parties.

Included in accounts payable and accrued liabilities is $70,720 due to a director and companies controlled by directors (2007 - $10,500 due to a director for an option payment and $17,500 due to a director and a company controlled by a director for management fees).

Included in prepaid expense and deposits is $2,500 (2007 - $2,500) paid to a company controlled by a director for rent and administrative expenses.

Note 8 Segmented Information

The Company operates in one reportable operating and geographic segment, being the exploration and evaluation of mineral properties for development in the United States of America.

Note 9 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. During the year ended May 31, 2008, a total of 1,750,001 founders' shares were returned to the Company's treasury and cancelled. The assigned value of these shares of $108,982 was deducted from share capital and recorded as contributed surplus. This transaction was excluded from the statement of cash flows.