

Financial Statements

**Aldershot Resources Ltd.**

**(an exploration stage company)**

(Expressed in Canadian dollars)

January 31, 2007

## AUDITORS' REPORT

To the Shareholders of  
**Aldershot Resources Ltd.**  
**(an exploration stage company)**

We have audited the balance sheets of **Aldershot Resources Ltd. (an exploration stage company)** as at January 31, 2007 and 2006 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our 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 financial statements present fairly, in all material respects, the financial position of the company as at January 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada,  
April 30, 2007.

*/s/Ernst & Young LLP*  
Chartered Accountants

**Aldershot Resources Ltd.**  
(an exploration stage company)

**BALANCE SHEETS**

[See Note 1 - Nature and Continuance of Operations]

As at January 31

	2007	2006
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	158,065	28,970
Restricted cash [note 4]	8,914	4,313
Short-term investments	91,260	373,200
Receivables	18,244	39,428
Share subscription receivable [note 5]	104,312	—
Prepaid expenses	22,821	6,448
	<b>403,616</b>	452,359
Equipment [note 3]	11,914	9,259
Resource properties [note 4]	1,040,075	471,300
	<b>1,455,605</b>	932,918
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	246,734	73,138
Due to related parties [note 7]	3,729	37,729
	<b>250,463</b>	110,867
<b>Shareholders' equity [note 5]</b>		
Capital stock		
Authorized		
10,000,000 Series "A" cumulative, redeemable, convertible preferred shares with a par value of \$1.00		
Issued: nil [2006 - 498,211]	—	498,211
500,000,000 common shares without par value		
Issued: 37,710,683 [2006 - 27,786,988]	8,681,633	5,924,550
Common shares issuable as settlement of preferred shares [note 5]	530,151	—
Contributed surplus [note 5]	964,027	708,261
Deficit	(8,970,669)	(6,308,971)
	<b>1,205,142</b>	822,051
	<b>1,455,605</b>	932,918

See accompanying notes

On behalf of the Board:

"Jeremy Caddy"  
Director

"Frank DeMarte"  
Director

**Aldershot Resources Ltd.**  
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**STATEMENTS OF OPERATIONS AND DEFICIT**

Years ended January 31

	2007	2006
	\$	\$
<b>EXPENSES</b>		
Exploration costs <i>[note 4]</i>	1,016,235	619,892
Amortization	3,423	2,954
Bank charges	2,854	2,326
Consulting	118,400	60,153
Foreign exchange (gain) loss	(6,990)	46,698
Insurance	10,874	10,918
Investor relations	152,521	90,931
Management fees <i>[note 7]</i>	120,000	80,000
Administration and secretarial	16,996	89,541
Office and rent	97,411	70,869
Professional fees	148,705	118,272
Property investigation	221,797	171,882
Regulatory, and trust company fees	36,992	30,667
Shareholder information	7,623	2,912
Stock-based compensation <i>[note 6]</i>	255,354	441,479
Travel and related expenses	155,329	152,563
Website design and maintenance	3,795	3,100
Loss before other items	(2,361,319)	(1,995,157)
<b>Other items</b>		
Interest income	19,848	5,638
Write-down of resource properties' costs <i>[note 4]</i>	(62,000)	(119,632)
	(42,152)	(113,994)
<b>Net loss for the year</b>	<b>(2,403,471)</b>	<b>(2,109,151)</b>
Deficit, beginning of year	(6,308,971)	(4,199,820)
Dividends on preferred shares <i>[note 5]</i>	(258,227)	—
<b>Deficit, end of year</b>	<b>(8,970,669)</b>	<b>(6,308,971)</b>
<b>Basic and diluted loss per share</b>	<b>(0.07)</b>	<b>(0.08)</b>
<b>Weighted average number of shares outstanding</b>	<b>33,241,630</b>	<b>25,064,630</b>

*See accompanying notes*

**Aldershot Resources Ltd.**  
(an exploration stage company)

**STATEMENTS OF CASH FLOWS**

Years ended January 31

	2007	2006
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(2,403,471)	(2,109,151)
Items not affecting cash:		
Amortization	3,423	2,954
Stock-based compensation	255,354	441,479
Write-down of resource properties' costs	62,000	119,632
Changes in non-cash working capital items:		
Receivables	(83,128)	(19,138)
Prepaid expense	(16,373)	(2,471)
Accounts payable and accrued liabilities	173,596	14,500
<b>Cash used in operating activities</b>	<b>(2,008,599)</b>	<b>(1,552,195)</b>
<b>FINANCING ACTIVITIES</b>		
Due to related party	(34,000)	(17,146)
Share issue costs	(15,561)	(62,456)
Proceeds from issuance of capital stock	2,245,994	1,992,070
<b>Cash provided by financing activities</b>	<b>2,196,433</b>	<b>1,912,468</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of equipment	(6,078)	(8,223)
Resource properties acquisition costs	(330,000)	(151,000)
Restricted cash	(4,601)	(4,313)
Short-term investments, net	281,940	(373,200)
<b>Cash used in investing activities</b>	<b>(58,739)</b>	<b>(536,736)</b>
<b>Increase (decrease) in cash during the year</b>	<b>129,095</b>	<b>(176,463)</b>
Cash, beginning of year	28,970	205,433
<b>Cash, end of year</b>	<b>158,065</b>	<b>28,970</b>
Cash paid during the year for interest	—	—
Cash paid during the year for income taxes	—	—

*See accompanying notes*

**Aldershot Resources Ltd.**  
(an exploration stage company)

**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Aldershot Resources Ltd. (the "Company"), which commenced operations on October 4, 1996, is engaged in the acquisition, exploration and development of resource properties. The Company has not yet determined whether their properties contain enough mineral reserves, such that their recovery would be economically viable.

The Company is in the exploration stage. These financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise adequate financing or achieving profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. The Company's working capital and deficit position's are as follows:

	<b>2007</b>	<b>2006</b>
	\$	\$
Working capital	<b>153,153</b>	341,492
Deficit	<b>(8,970,669)</b>	(6,308,971)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from these estimates.

**Aldershot Resources Ltd.**  
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## **NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, and all highly liquid debt instruments purchased with a maturity of three months or less.

#### **Restricted cash**

Cash is considered to be restricted as it is subject to rights of a government agency.

#### **Short-term investments**

Short-term investments, which consist of financial instruments purchased with an original maturity of greater than three months and less than one year, are recorded at the lower of cost and net recoverable amount.

#### **Exploration and development costs**

Exploration costs are charged to operations as incurred.

When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized. Capitalized amounts may be written down if future undiscounted cash flows, including potential sales proceeds, related to a mineral property are estimated to be less than the carrying value of the property.

#### **Resource properties**

Resource property acquisition costs are capitalized until the viability of the mineral interest is determined. Capitalized acquisition costs are expensed in the period in which it is determined that the mineral property has no future economic value.

Capitalized amounts may be written down if future cash flows, including potential sales proceeds, related to the property are estimated to be less than the carrying value of the property. Management of the Company reviews the carrying value of each resource property interest periodically, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Reductions in the carrying value of each property would be recorded to the extent the carrying value of the investment exceeds the estimated future net cash flows.

**Aldershot Resources Ltd.**  
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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

**Equipment**

Equipment is recorded at cost less accumulated amortization. Amortization is provided for over the estimated useful lives of the assets on a declining balance basis at the following annual rates:

Furniture and equipment	20%
Computer equipment	30%

**Stock-based compensation**

The Company follows the fair value accounting provisions of CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments" ("CICA 3870") for all stock-based compensation. Under this method, the fair value of the stock options at the date of grant is recognized as a charge to the Statement of Operations and Deficit and is amortized over the vesting period with the offsetting credit to contributed surplus.

**Comparative figures**

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

**Income taxes**

Income taxes are accounted for under the liability method of accounting for income taxes. Under the liability method, future tax liabilities and assets are recognized for the estimated future tax consequences attributable to differences between the amounts reported in the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted income tax rates expected to apply when the asset is realized or the liability settled. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

**Aldershot Resources Ltd.**  
(an exploration stage company)

**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

**Loss per share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For loss per share information the dilutive effect is the same as the basic amount, as the Company's net loss from operations causes the dilutive securities outstanding to be anti-dilutive.

Loss per share is calculated using the weighted-average number of shares outstanding during the year.

**3. EQUIPMENT**

	2007			2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and equipment	7,818	5,209	2,609	5,993	4,899	1,094
Computer equipment	17,601	8,296	9,305	13,348	5,183	8,165
	<b>25,419</b>	<b>13,505</b>	<b>11,914</b>	<b>19,341</b>	<b>10,082</b>	<b>9,259</b>

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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**4. RESOURCE PROPERTIES**

The carrying values of the Company's resource properties are as follows:

	2007 \$	2006 \$
Hornitos Group of Copper Claims, Chile	30,000	62,000
Fort Coulonge Uranium Properties, Quebec, Canada		
Pool, Halliwell and Hupon Uranium Claims	244,825	129,300
Sandy Creek Uranium Claims	52,000	—
Huddersfield Uranium Prospect	48,500	—
	345,325	129,300
Saguenay River Uranium Claims, Quebec, Canada	209,000	—
Kert Uranium Prospect, Quebec, Canada	56,000	—
Sept Iles Area Uranium Claims, Quebec, Canada	136,000	—
Latour Uranium Claims, Quebec, Canada	12,500	—
British Columbia Uranium Claims, British Columbia, Canada	251,250	280,000
	1,040,075	471,300

The Company has a \$8,914 (AUS\$10,000) bank guarantee for two properties in Australia regarding performance under two separate exploration licences. These funds are held as term deposits and are restricted from general operation business funds.

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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**4. RESOURCE PROPERTIES (cont'd.)**

**Hornitos Group of Copper Claims – Chile**

On October 3, 2006, the Company renegotiated its option agreement with International PBX Ventures Ltd (“PBX”) to explore PBX’s Hornitos property in Region III, Northern Chile. The Hornitos claims cover an area of 3,200 hectares. Pursuant to the terms of the agreement, the Company can earn a 65% interest in the claims by paying PBX a total of \$338,000 and spending \$1,170,000 in an exploration work program as set out in the table below:

	<b>Cash payments</b>	<b>Exploration expenditures</b>
	\$	\$
October 3, 2007	30,000	130,000 best efforts
October 3, 2008	60,000	130,000
October 3, 2009	100,000	390,000
October 3, 2010	148,000	520,000

The renegotiation of the terms under the October 3, 2006 option agreement were agreed to by PBX when the Company surrendered its San Joint Venture in Chile with PBX. As a result, \$62,000 was written off to operations for the year ended January 31, 2007.

**Fort Coulonge Uranium Properties**

**Pool, Halliwell and Hupon Uranium Claims, Quebec, Canada**

The Company has entered into option agreements on May 25, 2005 for the right to acquire a 100% interest in three groups of mineral claims in the Province of Quebec in Canada. The first group, known as the Pool Group, comprise 42 claims located in Huddersfield and Clapham Townships. The second group, known as the Halliwell Group, comprise 17 claims located in Huddersfield, Clapham and Pontefract Townships. The third group, known as the Hupon Group, comprise 6 claims located in Huddersfield Township. During the year ended January 31, 2007, the Company paid the vendor \$40,000 and issued 285,000 common shares valued at \$75,525 pursuant to the terms of the option agreement. In addition, the Company has staked 185 contiguous claims in order to consolidate its holding in the Province of Quebec. The Company incurred more than the required aggregate minimum exploration expenditures of \$100,000 during the second year.

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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**4. RESOURCE PROPERTIES (cont'd.)**

a] Pool Group

Pursuant to the terms of the agreement, the Company may earn its 100% interest by paying \$140,000, issuing 750,000 common shares and incurring exploration expenditures of \$500,000 over a five year period. During the year-ended January 31, 2006 the Company paid the vendor \$15,000 and issued 150,000 common shares valued at \$39,750. The Company incurred more than the required minimum exploration expenditures of \$50,000 during the first year, ending May 13, 2006.

b] Halliwell Group

Pursuant to the terms of the agreement, the Company may earn its 100% interest by paying \$100,000, issuing 500,000 common shares and incurring exploration expenditures of \$400,000 over a five year period. During the year-ended January 31, 2006 the Company paid the vendor \$10,000 and issued 100,000 common shares valued at \$26,500. The Company incurred more than the required minimum exploration expenditures of \$40,000 during the first year, ending May 13, 2006.

In addition, the Company has staked four claims near these 17 claim sites, for which staking costs of \$27,000 were incurred. The costs of the staking activities were also capitalized as part of the acquisition cost during the year-ended January 31, 2006.

c] Hupon Group

Pursuant to the terms of an agreement dated June 28, 2005, the Company may earn its 100% interest by paying \$36,000, issuing 175,000 common shares over a four year period and incurring exploration expenditures of \$100,000 over a five year period. During the year-ended January 31, 2006 the Company paid the vendor \$3,000 and issued 35,000 common shares valued at \$8,050. The Company incurred more than the required minimum exploration expenditures of \$10,000 during the first year ending July 14, 2006.

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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**4. RESOURCE PROPERTIES (cont'd.)**

**Sandy Creek Uranium Claims, Quebec, Canada**

The Company entered into an option agreement on February 28, 2006 to acquire a 100% interest in a group of 14 mineral claims in the Sandy Creek Area and a group of 9 mineral claims in the Rive Uranium Prospect, all located within its Quebec project claim block in the Province of Quebec. The Company may earn its 100% interest in the claims for the purchase price of \$45,000 and the issuance of 650,000 common shares over a three year period and by spending \$350,000 in exploration expenditures over a five year period. During the year-ended January 31, 2007, the Company paid \$10,000 and issued 150,000 common shares valued at \$42,000 to the vendor and is required to carry out exploration expenditures of \$100,000 during the initial year.

**Huddersfield Uranium Prospect, Quebec, Canada**

On August 3, 2006 the Company entered into an agreement pursuant to which the Company has to acquired a 100% interest in a group of 6 mineral claims in the Huddersfield Township located in the Province of Quebec.

During the year-ended January 31, 2007, the Company has paid \$17,500 and issued 100,000 common shares valued at \$31,000 to the vendor in order to earn its 100% interest in the claims.

**Saguenay River Uranium Claims, Quebec, Canada**

On July 31, 2006 the Company entered into an option agreement pursuant to which the Company has been granted the right to acquire a 100% interest in a group of 50 mineral claims in the Saguenay River Area located in the Province of Quebec.

The Company may earn its 100% interest in the Claims for the purchase price of \$115,000 and the issuance of 1,200,000 shares in its capital over a three-year period. To date, the Company has paid \$70,000 and issued 300,000 common shares valued at \$99,000 to the vendor. The Company paid \$40,000 to another vendor under a second option agreement in the same area signed subsequent to January 31, 2007 [see note 11[f]].

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## **NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

### **4. RESOURCE PROPERTIES (cont'd.)**

#### **Kert Uranium Prospect, Quebec, Canada**

On October 3, 2006 the Company entered into an agreement pursuant to which the Company has acquired a 100% interest in a group of 20 mineral claims in the Aldfield and Masham Townships located in the Province of Quebec.

During the year-ended January 31, 2007, the Company has paid \$15,000 and issued 200,000 common shares valued at \$41,000 to the vendor in order to earn its 100% interest in the claims. The vendor has a 2% NSR which may be acquired in full by the Company for \$1,000,000.

#### **Sept Iles Uranium Claims, Quebec, Canada**

On September 20, 2006 the Company entered into an option agreement pursuant to which the Company has been granted the right to acquire a 100% interest in a group of 40 mineral claims in the Sept Iles Area located in the Province of Quebec.

The Company may earn its 100% interest in the claims for the purchase price of \$250,000 and the issuance of 1,000,000 common shares over a five-year period. To date, the Company has paid \$45,000 and issued 200,000 common shares valued at \$41,000 to the vendor.

The Company prepaid \$50,000 to other vendor under a second option agreement in the same area signed subsequent to January 31, 2007 [see note 11[f]].

#### **Latour Uranium Claims, Quebec, Canada**

On November 17, 2006 the Company entered into an option agreement pursuant to which the Company has been granted the right to acquire a 100% interest in a group of 40 mineral claims in the Latour Area located in the Province of Quebec.

The Company may earn its 100% interest in the claims for the purchase price of \$125,000 and the issuance of 875,000 common shares over a five-year period. During the year ended January 31, 2007, the Company has paid \$12,500 to the vendor.

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## **NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

### **4. RESOURCE PROPERTIES (cont'd.)**

#### **British Columbia Uranium Claims, Canada**

The Company entered into an option agreement dated June 28, 2005 to acquire a 100% interest in five groups of mineral claims located in the province of British Columbia in Canada. Pursuant to the agreement, the Company issued 1,000,000 common shares valued at \$230,000 and paid \$50,000. A 2% net smelter return royalty is also payable with advance royalties of \$10,000 per property group payable annually on the anniversary date of the acquisition so long as the Company retains an interest in the property. The five prospective uranium properties cover 115 claim blocks totaling approximately 34,000 hectares.

During the year ended January 31, 2007, the Company returned to treasury 125,000 common shares valued at \$28,750 originally issued in July 2005 pursuant to a property option agreement.

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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**4. RESOURCE PROPERTIES (cont'd.)**

The following is a summary of exploration and development costs incurred by the Company related to its mineral property interests, and charged to operations.

2007	Hornitos Group of Copper Claims \$	Fort Coulonge Uranium Properties \$	Saguenay River Uranium Claims \$	Kert Uranium Prospect \$	Sept Iles Area Uranium Claims \$	Latour Uranium Claims \$	British Columbia Uranium Claims \$	Yuinmery Uranium Project \$	Turee Creek Uranium Project \$	Northern Territory Uranium Project \$	Total \$
Equipment rental	—	2,100	—	—	—	—	2,500	—	—	—	4,600
Field crew labour	—	5,828	—	—	—	—	12,200	983	983	—	19,994
Geological consulting	—	184,583	4,813	17,556	503	252	61,681	53,533	60,198	105,208	488,327
Geophysical and airborne surveying	—	20,081	—	3,885	—	—	85,700	39,541	4,927	147,285	301,419
Lab tests and assays	—	—	—	446	—	—	835	—	—	512	1,793
Maintenance, licence and staking fees	—	24,644	—	—	—	—	—	38,714	25,373	11,581	100,312
Maps and reproduction	25	3,506	—	—	—	—	3,801	8,301	13,309	25,307	54,249
Materials and field supplies	—	15,153	100	1,323	—	—	634	311	689	1,295	19,505
Meals and lodging	—	10,034	694	4,725	—	—	6,168	1,051	1,998	8,208	32,878
Mineral resource database	—	—	—	—	—	—	—	823	365	1,093	2,281
Telephone and communication	—	252	—	—	—	—	—	—	—	—	252
Travel and transport	—	10,555	104	3,906	—	—	3,241	667	622	1,530	20,625
	25	276,736	5,711	31,841	503	252	176,760	143,924	108,464	302,019	1,046,235
Recovery of exploration costs	(30,000)	—	—	—	—	—	—	—	—	—	(30,000)
Total exploration costs for the period	(29,975)	276,736	5,711	31,841	503	252	176,760	143,924	108,464	302,019	1,016,235

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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**4. RESOURCE PROPERTIES (cont'd.)**

2006	Las Lomas Project	Hornitos Group of Claims	Quebec Uranium Claims	British Columbia Uranium Claims	Yuinmery Uranium Project	Turee Creek Uranium Project	Northern Territory Project	Ripplesea Joint Venture	Fields Find Gold Property	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equipment rental	—	—	4,201	—	—	—	—	—	—	4,201
Geological consulting	—	30,000	38,371	—	6,767	19,120	29,723	7,463	39,193	170,637
Geophysical and airborne surveying	—	—	182,069	167,970	—	—	—	—	—	350,039
Lab tests and assays	—	—	—	—	1,079	1,079	1,336	—	—	3,494
Maintenance and licence fees	—	4,982	—	1,680	8,440	1,057	28,062	964	33,187	78,372
Maps and reproduction	—	—	1,960	3,004	944	1,230	10,055	41	—	17,234
Materials and field supplies	—	—	2,344	—	213	213	—	379	—	3,149
Mineral resource database	—	567	—	—	214	2,357	70	—	—	3,208
Travel and transport	—	—	—	—	—	326	511	1,697	—	2,534
Recovery of costs	(6,488)	(6,488)	—	—	—	—	—	—	—	(12,976)
<b>Total exploration costs for the period</b>	<b>(6,488)</b>	<b>29,061</b>	<b>228,945</b>	<b>172,654</b>	<b>17,657</b>	<b>25,382</b>	<b>69,757</b>	<b>10,544</b>	<b>72,380</b>	<b>619,892</b>

**Aldershot Resources Ltd.**  
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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**5. CAPITAL STOCK**

**Common shares**

	<b>Number of Shares #</b>	<b>Capital Stock \$</b>	<b>Contributed Surplus \$</b>
Authorized 500,000,000 common shares without par value			
Issued			
<b>Balance as at January 31, 2005</b>	16,985,897	3,419,663	291,034
Private placements	4,900,307	1,409,095	—
Finder's fees	22,400	6,944	—
Exercise of stock options	100,000	25,000	—
Exercise of share purchase warrants	2,906,500	479,975	—
Exercise of broker warrants	600,000	78,000	—
Preferred shares converted to common shares	986,884	246,721	—
Shares issued pursuant to property agreements	1,285,000	304,300	—
Contributed surplus on the exercise of stock options	—	24,252	(24,252)
Share issue costs	—	(69,400)	—
Stock based compensation	—	—	441,479
<b>Balance as at January 31, 2006</b>	27,786,988	5,924,550	708,261
Private placements [i] and [ii]	7,605,248	2,154,312	412
Finder's fees [i]	76,300	22,890	—
Exercise of share purchase warrants [iv]	227,000	91,270	—
Shares returned to treasury [note 4]	(125,000)	(28,750)	—
Settlement of dividends to preferred share holders [iii]	905,147	226,287	—
Shares issued pursuant to property agreements [note 4]	1,235,000	329,525	—
Share issue costs	—	(38,451)	—
Stock based compensation [note 6]	—	—	255,354
<b>Balance as at January 31, 2007</b>	37,710,683	8,681,633	964,027

During the year ended January 31, 2007, the Company:

- i] Completed a 5,060,000 unit non-brokered private placement at \$0.30 per unit for gross proceeds of \$1,518,000. Each unit consists of one common share and one purchase warrant exercisable at \$0.35 until March 14, 2008. The Company paid finder's fees of 76,300 units, valued at \$22,890, with terms that are the same as that for the private placement units, and \$6,930 in cash. The proceeds of the private placement will be used for exploration work on the Company's uranium projects in Quebec, British Columbia and general working capital.

**Aldershot Resources Ltd.**  
(an exploration stage company)

**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**5. CAPITAL STOCK (cont'd.)**

- ii] Completed a 2,545,248 common share non-brokered private placement at \$0.25 per common share for gross proceeds of \$636,312. The proceeds of the private placement will be used for future exploration work and general working capital. As at January 31, 2007, \$93,812 of the proceeds had not been received. This is shown as share subscriptions receivable. Subsequent to the year, the Company received the outstanding proceeds.
- iii] On March 21, 2006, the Company issued 905,147 common shares which reduced the declared dividends of \$226,287, including amounts related to preferred shares that were converted during the 2006 fiscal year of \$58,943 as at January 31, 2006 to \$nil.
- iv] Issued 227,000 common shares for gross proceeds of \$91,270 pursuant to the exercise of share purchase warrants. As at January 31, 2007, \$10,500 of the proceeds had not been received. This is shown as share subscriptions receivable. Subsequent to the year, the Company received the outstanding proceeds.

During the year ended January 31, 2006, the Company:

- i] Completed a 3,900,307 unit private placement at \$0.31 per unit for gross proceeds of \$1,209,095. Each unit is comprised of one common share and a non-transferable share purchase warrant. Two warrants entitle the holder to acquire one common share for \$0.41 per share until April 18, 2007. The Company paid a 7% finder's fee of \$45,787 to three separate parties (\$38,843 in cash and \$6,944 as 22,400 units with the same terms as the private placement).
- ii] Issued 2,906,500 common shares for gross proceeds of \$479,975 pursuant to the exercise of share purchase warrants. The Company also issued 600,000 common shares for gross proceeds of \$78,000 pursuant to the exercise of broker warrants related to the February 2004 private placement transaction. The Company also issued 100,000 common shares pursuant to the exercise of stock options for gross proceeds of \$25,000.
- iii] Issued 1,000,000 common shares at \$0.20 per unit for gross proceeds of \$200,000 pursuant to a non-brokered private placement. Each unit consists of one common share and one warrant exercisable at \$0.25 until February 25, 2006 and \$0.30 until February 25, 2007.
- iv] Issued 986,884 common shares at a price of \$0.25 per share pursuant to the conversion of 246,721 preferred shares [note 11(c)].
- v] Issued 1,000,000 common shares at a price of \$0.23 per share pursuant to a property option agreement related to the mineral claims in British Columbia.

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## **NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

### **5. CAPITAL STOCK (cont'd.)**

vi] Issued 285,000 common shares at a cost of \$74,300 at prices between \$0.23 and \$0.27 per share pursuant to a property option agreement related to the mineral claims in Quebec.

#### **Preferred shares**

On February 28, 2006, the Company declared a dividend on the preferred shares. In settlement of the dividend, on March 21, 2006, the Company issued 905,147 common shares which reduced the declared dividends of \$226,287, including amounts related to preferred shares that were converted during the 2006 fiscal year of \$58,943 as at January 31, 2006 to \$nil.

On October 21, 2006, the Company converted 498,211 preferred shares into 1,992,844 common shares. At October 21, 2006, dividends of \$31,940 were due to the holders of the converted preferred shares which will be settled by the issuance of 127,762 common shares. As at January 31, 2007, the Company had not issued the common shares pursuant to the conversion of the preferred shares and the dividends associated with the converted preferred shares. This is shown as an obligation to issue 2,120,606 common shares valued at \$530,151. These shares were issued subsequent to the period on February 12, 2007.

#### **Stock options**

The Company, in accordance with the policies of the TSX-V, may grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock at the date of grant less a discount in accordance with TSX-V policies. The options can be granted for a maximum term of 5 years.

**Aldershot Resources Ltd.**  
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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**5. CAPITAL STOCK (cont'd.)**

A summary of the stock options outstanding at January 31, 2007:

<b>Number Outstanding January 31, 2006</b>	<b>Granted</b>	<b>Exercised</b>	<b>Cancelled</b>	<b>Expired</b>	<b>Number Outstanding January 31, 2007</b>	<b>Exercise Price Per Share</b>	<b>Expiry Date</b>
1,000,000	—	—	—	—	1,000,000	\$0.25	April 1, 2009
—	50,000	—	—	—	50,000	\$0.25	August 30, 2009
350,000	—	—	—	—	350,000	\$0.25	November 9, 2009
925,000	—	—	—	—	925,000	\$0.28	April 21, 2010
325,000	—	—	—	—	325,000	\$0.24	August 4, 2010
—	60,000	—	—	—	60,000	\$0.25	March 1, 2011
—	750,000	—	—	—	750,000	\$0.25	May 23, 2011
<b>2,600,000</b>	<b>860,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,460,000</b>		

Stock option transactions are summarized as follows:

	<b>Number of Options #</b>	<b>Weighted Average Exercise Price \$</b>
<b>Balance, January 31, 2005</b>	1,550,000	0.25
Options granted	1,250,000	0.27
Options exercised	(100,000)	0.25
Options cancelled	(100,000)	0.25
<b>Balance, January 31, 2006</b>	2,600,000	0.26
Options granted	860,000	0.25
Options exercised	—	—
Options cancelled	—	—
<b>Balance, January 31, 2007</b>	3,460,000	0.26
Number currently exercisable	3,460,000	0.26

**Aldershot Resources Ltd.**  
(an exploration stage company)

**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**5. CAPITAL STOCK (cont'd.)**

**Warrants**

A summary of the share purchase warrants outstanding at January 31, 2007:

Number Outstanding January 31, 2006	Granted	Exercised	Cancelled	Expired	Number Outstanding January 31, 2007	Exercise Price Per Share	Expiry Date
400,000	—	—	—	400,000	—	\$0.21	February 20, 2006
1,000,000	—	—	—	—	1,000,000	\$0.30	February 25, 2007
1,961,353	—	197,000	—	—	1,764,353	\$0.41	April 18, 2007
—	5,060,000	30,000	—	—	5,030,000	\$0.35	March 14, 2008
—	76,300	—	—	—	76,300	\$0.35	May 9, 2008
3,361,353	5,136,300	227,000	—	400,000	7,870,653		

**6. STOCK BASED COMPENSATION**

During the year ended January 31, 2007, the Company granted 860,000 [2006 - 1,250,000] stock options to employees, directors and officers. The estimated fair value of these options is recorded as \$255,354 [2006 - \$441,479] at a weighted average fair value of \$0.30 per option [2006 - \$0.35]. This amount has been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' equity.

The following assumptions were used for Black-Scholes valuation of the stock options granted during the year:

	2007	2006
Risk-free interest rate	4.08% - 4.50%	3.4% - 3.5%
Expected life of options	3 - 5 years	5 years
Annualized volatility	155% - 216 %	189% - 193%
Dividend rate	0.00%	0.00%

**Aldershot Resources Ltd.**  
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**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**7. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- [a] Paid or accrued management fees of \$120,000 [2006 - \$80,000] to a director of the Company.
- [b] Paid or accrued consulting fees of \$nil [2006 - \$10,511] to a company controlled by a director of the Company.
- [c] Paid or accrued legal fees of \$nil [2006 - \$9,735] to legal firms of which an officer and a director of the Company are partners.
- [d] Paid or accrued geological consulting fees of \$26,663 [2006 - \$35,004] to a company controlled by a director.
- [e] Declared dividends on preferred shares of \$8,240 [2006 - \$76,769] are due to a director.
- [f] Paid or accrued administration fees of \$29,576 [2006 - \$7,881] to a director of the Company.

The following amounts due to (from) related parties are non-interest bearing and have no specific terms of repayment:

	<b>2007</b>	<b>2006</b>
	\$	\$
Thundelarra Explorations Ltd., a company with common directors	<b>(290)</b>	23,492
Directors	<b>4,019</b>	14,237
	<b>3,729</b>	<b>37,729</b>

Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

**Aldershot Resources Ltd.**  
(an exploration stage company)

**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**8. SEGMENTED INFORMATION**

All of the Company's operations are in the mineral resource exploration industry with its principal business activity in the acquisition and development of mineral resource properties. The Company has mineral resource properties located in Chile, Australia, and Canada (in British Columbia and Quebec).

	<b>Assets</b>	<b>Exploration</b>
	\$	Costs
		\$
<b>January 31, 2007</b>		
Chile	30,900	(29,975)
Australia	87,922	445,166
Canada	1,336,783	461,425
	<u>1,455,605</u>	<u>876,616</u>
<b>January 31, 2006</b>		
Chile	62,900	22,573
Australia	179,139	195,720
Africa	42	—
Canada	690,837	401,599
	<u>932,918</u>	<u>619,892</u>

**9. INCOME TAXES**

A reconciliation of current taxes at statutory rates with the reported taxes is as follows based on an income tax rate of 34.12% [2006 - 34.75%]:

	<b>2007</b>	<b>2006</b>
	\$	\$
Loss before income taxes	<u>(2,403,471)</u>	<u>(2,109,151)</u>
Current income taxes (recovery)	<b>(820,064)</b>	(732,930)
Permanent differences	<b>100,263</b>	180,235
Income tax rate changes	<b>194,524</b>	48,910
Change in valuation allowance	<b>525,277</b>	503,785
Total current income taxes (recovery)	<u>—</u>	<u>—</u>

**Aldershot Resources Ltd.**  
(an exploration stage company)

**NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

**9. INCOME TAXES (cont'd.)**

The tax effects of temporary differences that give rise to significant components of future income tax assets and liabilities are as follows:

	2007	2006
	\$	\$
<b>Future income tax assets (liabilities):</b>		
Non-capital losses	721,175	571,975
Mineral resource expenditures	1,173,491	806,176
Other	38,103	44,000
	<b>1,932,769</b>	1,422,151
Valuation allowance	<b>(1,932,769)</b>	(1,422,151)
Net future income tax asset (liability)	—	—

The Company has incurred operating losses of approximately \$2,806,000 which, if unutilized will expire through January 31, 2017 as follows:

	\$
2008	50,000
2009	126,000
2010	119,000
2011	252,000
2015	375,000
2016	1,082,000
2017	802,000
	<b>2,806,000</b>

Subject to certain restrictions, the Company also had resource exploration expenditures available to reduce taxable income of future years of approximately \$1,098,748. Future tax benefits which may arise as a result of these losses and resource deductions have not been recognized in these financial statements, as their realization is not judged likely to occur.

As the Company carries on activities in Chile and Australia, in addition to Canada, the Company may become subject to tax in these other jurisdictions in the future.

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## **NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

### **10. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities and due to related parties. The fair value of these financial instruments approximates their carrying value, unless otherwise noted. The Company's management does not believe they are exposed to significant credit or interest rate risk resulting from these financial instruments.

### **11. SUBSEQUENT EVENTS**

Subsequent to January 31, 2007, the Company:

- [a] Received \$104,312 in proceeds that remained outstanding at January 31, 2007 related to a private placement and the exercise of warrants.
- [b] Issued 1,000,000 common shares on February 12, 2007 for warrants exercised at \$0.41 per share for proceeds of \$410,000.
- [c] Issued 2,120,606 common shares on February 13, 2007 pursuant to the conversion of the preferred shares into common shares and dividends on the converted preferred shares.
- [d] Entered into a Tenement Swap Agreement and a royalty agreement with Thundelarra Exploration Ltd ("THX"), on February 28, 2007. The Company owned a tenement and mining information in the Ngalia Basin region of the Northern Territory and it swapped this with THX for its tenement and mining information in the Murchison region of Western Australia free from any encumbrances under the terms and conditions of this agreement. As additional consideration for the sale, assignment and transfer of the assets, the Company will pay to THX a royalty of \$1.00 per tonne of ore produced from the site acquired from THX to an aggregate maximum of \$500,000. In return, THX will also pay the Company a royalty of \$1.00 per tonne of ore produced from the site from the Company to an aggregate maximum of \$500,000.
- [e] Entered into the CHF Investor Relations Agreement on March 15, 2007, which is a twelve (12) month fixed term agreement expiring on March 14, 2008 for a monthly fee of \$6,000 per month. In addition, CHF Investor Relations was granted stock options to purchase up to:
  - an aggregate of 250,000 common shares, exercisable at \$0.45 per share until March 15, 2011
  - an aggregate of 250,000 common shares, exercisable at \$0.60 per share until March 15, 2011
  - an aggregate of 250,000 common shares, exercisable at \$0.80 per share for four years upon completion of the private placement with Northern Securities Inc.

## **NOTES TO FINANCIAL STATEMENTS**

January 31, 2007 and 2006

### **11. SUBSEQUENT EVENTS (cont'd.)**

- [f] Entered into the following mineral property option agreements:
- i] An option to purchase a 100% interest in the Sept Iles Uranium Claims (2) in consideration for the issuance of 2,625,000 common shares and cash payments of \$375,000 over a six year period.
  - ii] An option to purchase a 100% interest in the Saguenay Uranium Project (2) in consideration for the issuance of 300,000 common shares and cash payments of \$135,000, over a three year period.
  - iii] An option to purchase a 100% interest in the Forestville Uranium Project in consideration for the issuance of 1,200,000 common shares and cash payments of \$120,000, all over a six year period.
  - iv] An option to purchase a 100% interest in the Forestville Uranium Project (2) in consideration for the issuance of 1,800,000 common shares and cash payments of \$480,000, all over a six year period.
  - v] An option agreement to purchase a 100% interest in the 22CI4 et al Latour Uranium Property Project in consideration for the issuance of an aggregate of 1,000,000 common shares over a four year period (250,000 common shares per year) and cash payments of an aggregate of \$180,000 over a four year period.
  - vi] An option agreement to purchase a 100% interest in the Lac Cassette Uranium Property Project in consideration for the issuance of an aggregate of 1,000,000 common shares over a four year period (250,000 common shares per year) and cash payments of an aggregate of \$180,000 over a four year period.
- [g] Closed a private placement on April 27, 2007, brokered by Northern Securities Inc. ("Northern"). The Company issued an aggregate of 18,518,519 units at \$0.27 per unit for gross proceeds of \$5,000,000, with each unit comprised of one common share and one share purchase warrant exercisable at \$0.42 per share until April 27, 2009. The Company paid Northern a commission equal to 10% of the aggregate gross proceeds of the offering and issue 10% broker warrants based on the aggregate number of units purchased through this offering, with each broker warrant exercisable into one agent's unit at \$0.27 per share, expiring April 27, 2009. Each agent's unit has the same terms as the units issued pursuant to the private placement. The common shares issued have a hold period expiring August 27, 2007.

### **12. COMPARATIVE FIGURES**

Certain 2006 comparative figures have been reclassified to conform with the presentation adopted in the current year.