

Consolidated Financial Statements

**Aldershot Resources Ltd.**  
**(an exploration stage company)**  
(Expressed in Canadian dollars)  
January 31, 2008 and 2007

## AUDITORS' REPORT

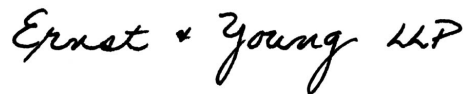
To the Shareholders of  
**Aldershot Resources Ltd.**  
**(an exploration stage company)**

We have audited the consolidated balance sheets of **Aldershot Resources Ltd. (an exploration stage company)** (the "Company") as at January 31, 2008 and 2007 and the statements of operations, comprehensive loss 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2008 and 2007 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 4, 2008.



Chartered Accountants

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

**CONSOLIDATED BALANCE SHEETS**  
[See Note 1 - Nature and Continuance of Operations]

As at January 31

	2008	2007
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents <i>[note 4]</i>	284,940	249,325
Restricted cash <i>[note 6]</i>	10,182	8,914
Accounts receivable	23,893	18,244
Share subscriptions receivable <i>[note 7]</i>	—	104,312
Prepaid expenses and deposits	212,223	22,821
Due from related parties <i>[note 9(b)]</i>	5,800	—
	<b>537,038</b>	403,616
Equipment <i>[note 5]</i>	247,382	11,914
Resource properties <i>[note 6]</i>	2,194,625	1,040,075
	<b>2,979,045</b>	1,455,605
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	428,129	246,734
Due to related parties <i>[note 9(b)]</i>	—	3,729
	<b>428,129</b>	250,463
Commitments <i>[note 11]</i>		
<b>Shareholders' equity</b>		
Capital stock <i>[note 7]</i>	12,153,937	8,681,633
Common shares issuable as settlement of preferred shares <i>[note 7]</i>	—	530,151
Contributed surplus <i>[note 7]</i>	5,195,643	964,027
Deficit	(14,798,664)	(8,970,669)
	<b>2,550,916</b>	1,205,142
	<b>2,979,045</b>	1,455,605
Subsequent events <i>[note 14]</i>		

See accompanying notes  
On behalf of the Board:

“Jeremy Caddy”  
Director

“Frank DeMarte”  
Director

**Aldershot Resources Ltd.**  
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**CONSOLIDATED STATEMENTS OF OPERATIONS,  
COMPREHENSIVE LOSS AND DEFICIT**

Years ended January 31

	2008	2007
	\$	\$
<b>EXPENSES</b>		
Exploration costs [notes 6 and 9(a)]	2,825,573	1,016,235
Amortization	40,426	3,423
Consulting fees [note 9(a)]	149,795	141,816
Insurance	25,366	10,874
Interest and bank charges	22,896	2,854
Investor relations	258,080	160,144
Management fees [note 9(a)]	110,000	120,000
Office and miscellaneous	35,928	28,379
Professional fees	182,220	125,289
Property investigation costs	38,410	221,797
Regulatory and trust company fees	67,185	36,992
Rent [note 9(a)]	66,031	46,586
Salaries and benefits administration	78,413	16,996
Stock-based compensation [note 7]	736,641	255,354
Telephone	20,864	26,241
Travel	116,825	155,329
Loss before other items	(4,774,653)	(2,368,309)
<b>Other items</b>		
Foreign exchange (loss) gain	(102,542)	6,990
Interest income	62,950	19,848
Write-down of resource properties' costs [note 6]	(1,013,750)	(62,000)
	(1,053,342)	(35,162)
<b>Net loss for the year</b>	<b>(5,827,995)</b>	<b>(2,403,471)</b>
<b>Other comprehensive income (loss) for the year</b>	<b>—</b>	<b>—</b>
<b>Comprehensive loss for the year</b>	<b>(5,827,995)</b>	<b>(2,403,471)</b>
Deficit, beginning of year	(8,970,669)	(6,308,971)
Dividends on preferred shares [notes 7 and 9(a)]	—	(258,227)
<b>Deficit, end of year</b>	<b>(14,798,664)</b>	<b>(8,970,669)</b>
<b>Basic and diluted loss per share</b>	<b>(0.10)</b>	<b>(0.07)</b>
<b>Weighted average number of shares outstanding</b>	<b>57,847,811</b>	<b>33,241,630</b>

See accompanying notes

**Aldershot Resources Ltd.**  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended January 31

	2008 \$	2007 \$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(5,827,995)	(2,403,471)
Items not affecting cash:		
Amortization	40,426	3,423
Stock-based compensation	736,641	255,354
Write-down of resource properties' costs	1,013,750	62,000
Changes in non-cash working capital items:		
Accounts receivable	(5,649)	(83,128)
Prepaid expenses and deposits	(189,402)	(16,373)
Accounts payable and accrued liabilities	181,395	173,596
<b>Cash used in operating activities</b>	<b>(4,050,834)</b>	<b>(2,008,599)</b>
<b>FINANCING ACTIVITIES</b>		
Due to/from related parties	(9,529)	(34,000)
Share issue costs	(557,807)	(15,561)
Proceeds from issuance of share capital	5,444,697	2,245,994
<b>Cash provided by financing activities</b>	<b>4,877,361</b>	<b>2,196,433</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of equipment	(275,894)	(6,078)
Resource properties acquisition costs	(513,750)	(330,000)
Restricted cash	(1,268)	(4,601)
<b>Cash used in investing activities</b>	<b>(790,912)</b>	<b>(340,679)</b>
<b>Increase (decrease) in cash during the year</b>	<b>35,615</b>	<b>(152,845)</b>
Cash and cash equivalents, beginning of year	249,325	402,170
<b>Cash and cash equivalents, end of year</b>	<b>284,940</b>	<b>249,325</b>
<b>Supplemental information</b>		
Cash paid during the year for interest	9,000	—
Cash paid during the year for income taxes	—	—
Resource properties acquired by the issuance of share capital	1,654,550	329,525

*See accompanying notes*

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2008 and 2007

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

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

These consolidated 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 its assets and discharge its 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 which cannot be predicted at this time. These consolidated 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.

### **2. ACCOUNTING CHANGES**

#### a) Adoption of new accounting policies

On February 1, 2007, the Company changed its accounting policies and adopted the provisions of the Canadian Institute of Chartered Accountants (the “CICA”) Handbook Section 3855 *Financial Instruments – Recognition and Measurement*, CICA Handbook Section 1530 – *Comprehensive Income*, CICA Handbook Section 3861 *Financial Instruments – Presentation and Disclosure* and CICA Handbook Section 3865 – *Hedges*. These provisions, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments. The standards were adopted retroactively without restating prior periods.

#### i) Financial Instruments – Recognition and Measurement

CICA Handbook Section 3855 prescribes the recognition and measurement of financial instruments. The standard requires that all financial instruments must be classified as one of the following categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale assets or other financial liabilities. All financial assets

### **2. ACCOUNTING CHANGES (cont’d)**

**Aldershot Resources Ltd.**  
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and liabilities (including derivatives) are to be measured at fair value on initial recognition except for loans and receivables, held-to-maturity and other financial liabilities, which are measured at amortized cost.

Subsequent measurements and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income or loss and available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income or loss until the investment is derecognized or impaired, at which time the amounts would be recorded in net income or loss.

Upon adoption of these new standards, the Company classified its cash and cash equivalents, restricted cash and deposits as held-for-trading. Accounts receivable and amounts due from related parties are classified as loans and receivables. Accounts payable are classified as other financial liabilities. The Company's classifications did not have a material impact on the consolidated financial statements.

ii) Comprehensive Income

The CICA Handbook Section 1530 establishes standards for the reporting and disclosure of other comprehensive income in a new category, Accumulated Other Comprehensive Income, which will be included in shareholders' equity on the balance sheet. Comprehensive income includes all changes in equity of the Company during a period that results from transactions, events or circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net income or loss such as unrealized gains and losses on held-for-trading financial assets and available-for-sale investments.

The Company had no other comprehensive income or loss transactions for the year ended January 31, 2008 and no opening balance of accumulated other comprehensive income or loss as of February 1, 2007.

**2. ACCOUNTING CHANGES (cont'd)**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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iii) Financial Instruments – Presentation and Disclosure

The CICA Handbook Section 3861 establishes standards for the disclosure and presentation of financial instruments as determined in accordance with CICA Handbook Section 3855 above. The new disclosure requirements are extensive and include methods and significant assumptions used to determine fair value and disclosure by fair value source such as quoted market prices, valuation techniques with observable inputs and valuation techniques with certain inputs that are not observable.

iv) Hedges

The CICA Handbook Section 3865 sets out standards that are applicable for a company that chooses to designate a hedging relationship for accounting purposes. This Section specifies how hedge accounting is applied and what disclosures are required if it is applied. The recommendations of this section are optional and are only required if applying hedge accounting. The adoption of this section has no impact on the Company's consolidated financial statements as no hedge accounting has been applied.

b) New Canadian Accounting Standards

In February 2008, the CICA Accounting Standards Board (“AcSB”) confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required in 2011 for public companies in Canada (i.e., IFRS will replace Canadian generally accepted accounting principles for public companies). The official changeover date will apply for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of the implementation of IFRS.

The CICA has issued several new standards which may affect the financial disclosures and results of operations of the Company for the interim and annual periods beginning February 1, 2008. The Company will adopt the requirements commencing in the interim period ended April 30, 2008.

i) CICA Handbook Section 1535 – *Capital Disclosures*

This section establishes standards for disclosing information about a company's capital and how it is managed. Under this standard, the Company will be required to disclose

### **2. ACCOUNTING CHANGES (cont'd)**

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

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b) New Canadian Accounting Standards (cont'd)

the following, based on the information provided internally to the Company's key management personnel:

- i) qualitative information about its objectives, policies and processes for managing capital;
- ii) summary qualitative data about what it manages as capital;
- iii) whether during the period it complied with any externally imposed capital requirements to which the Company is subject; and
- iv) when the Company has not complied with such externally imposed capital requirements (if any), the consequences of such non-compliance.

The Company does not believe that CICA Section 1535 will have a significant impact on its consolidated financial statements.

ii) CICA Handbook Section 3862 – *Financial Instruments – Disclosures*

The new disclosure standard requires companies to provide disclosure of quantitative and qualitative information in their financial statements that enables users to evaluate (a) the significance of financial instruments for the company's financial position and performance and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Companies will be required to disclose the measurement basis or bases used and the criteria used to determine classification for different types of instruments.

The section requires specific disclosures to be made, including the criteria for:

- i) designating financial assets and liabilities as held-for-trading;
- ii) designating financial assets and liabilities as available-for-sale; and
- iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

The Company does not believe that CICA Section 3862 will have a significant impact on its consolidated financial statements.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of consolidation**

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These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, all of which are inactive: Kariba Uranium Ltd., O'Higgins Minerals Ltd. and 0795134 BC Ltd. All significant intercompany transactions and balances have been eliminated.

**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 amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and all highly liquid investments that are readily convertible into cash.

**Restricted cash**

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

**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.

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

**Resource properties**

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Resource property acquisition costs are capitalized until the viability of the mineral interest is determined. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon estimated proven and probable reserves.

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.

**Equipment**

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

Computer equipment	30% declining-balance basis
Furniture and fixtures	20% declining-balance basis
Leasehold improvements	20% straight-line basis
Mining and resource equipment	30% declining-balance basis

**Asset impairment**

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate the related carrying amounts may not be recoverable. Impairment is considered to exist if total estimated future cash flows or probability-weighted cash flows on an undiscounted basis are less than the carrying amount of the assets, including resource properties and equipment. An impairment loss is measured and recorded based on discounted estimated future cash flows or the application of an expected present value technique to estimate fair value in the absence of a market price.

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

**Asset retirement obligations**

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site, are recognized and recorded as a liability at fair

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value as at the time in which they are incurred or the event occurs giving rise to such an obligation. The liability is increased (accrued) over time through periodic charges to earnings. The corresponding asset retirement cost is capitalized as part of the asset's carrying value, and is amortized over the asset's estimated useful life. The amount of the liability will be subject to re-measurement at each reporting period.

The Company, where possible, has estimated asset retirement obligations based on current best practice. These estimates, made by management, are subject to change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised.

**Stock-based compensation**

The Company accounts for all stock options using the fair value method. Under this method, the fair value of the stock options at the date of grant is recognized as a charge to stock-based compensation expense and is amortized over the vesting period with the offsetting credit to contributed surplus. Fair value is determined using an option pricing model.

**Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using historical rates. Revenue and expense items are translated at exchange rates prevailing at the time of the transaction. Foreign exchange gains and losses are included in the determination of net loss for the year.

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

**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

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(an exploration stage company)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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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.

**Loss per share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments with the loss per share calculated using the weighted average number of shares outstanding during the year. 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.

**4. CASH AND CASH EQUIVALENTS**

	<b>2008</b>	<b>2007</b>
	\$	\$
Cash	<b>86,139</b>	158,065
Cash equivalents	<b>198,801</b>	91,260

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**284,940**      249,325

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As at January 31, 2008, the Company had cash of AUD \$53,267 (2007 – AUD\$(23,225)) and cash equivalents of AUD \$50,000 (2007 – AUD \$100,000) in Australian dollars (“AUD”) which is included in the above amounts.

**5. EQUIPMENT**

	<b>Cost</b> \$	<b>Accumulated Amortization</b> \$	<b>Net Book Value</b> \$
<b>2008</b>			
Computer equipment	47,162	15,522	31,640
Furniture and fixtures	15,162	6,466	8,696
Leasehold improvements	78,099	7,810	70,289
Mining and resource equipment	160,890	24,133	136,757
	<b>301,313</b>	<b>53,931</b>	<b>247,382</b>
<b>2007</b>			
Computer equipment	17,601	8,296	9,305
Furniture and fixtures	7,818	5,209	2,609
	<b>25,419</b>	<b>13,505</b>	<b>11,914</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2008 and 2007

**6. RESOURCE PROPERTIES**

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

	<b>2008</b>	<b>2007</b>
	\$	\$
Quebec		
Fort Coulonge Area		
Pool, Halliwell and Hupon	<b>362,375</b>	244,825
Huddersfield	<b>48,500</b>	48,500
Litchfield	<b>65,000</b>	—
Sandy Creek	<b>116,000</b>	52,000
	<b>591,875</b>	345,325
Forestville	<b>275,000</b>	—
Kert	—	56,000
Latour	<b>315,000</b>	12,500
Otish Mountains	<b>401,750</b>	—
Saquenay River	<b>160,000</b>	209,000
Sept Iles	<b>310,500</b>	136,000
Quebec	<b>2,054,125</b>	758,825
British Columbia	<b>140,500</b>	251,250
Chile	—	30,000
	<b>2,194,625</b>	1,040,075

The Company has a \$10,182 (2007 - \$8,914) 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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**6. RESOURCE PROPERTIES (cont'd)**

**Quebec, Canada**

**Fort Coulonge Area**

**Pool, Halliwell and Hupon Uranium Claims**

The Company entered into option agreements in 2005 for the right to acquire a 100% interest in three groups of mineral claims in Quebec. 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. In addition, the Company has staked 185 contiguous claims in order to consolidate its holding in Quebec.

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, 2008, the Company paid the vendor \$25,000 (cumulative since agreement date, "cumulative" - \$60,000) and issued 150,000 common shares (cumulative - 450,000 common shares) valued at \$34,500 (cumulative - \$114,000). The Company has incurred the required minimum exploration expenditures and complied with all cash and share payments on a cumulative basis.

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, 2008, the Company paid the vendor \$20,000 (cumulative - \$45,000) and issued 100,000 common shares (cumulative - 300,000 common shares) valued at \$23,000 (cumulative - \$76,000). The Company has incurred the required minimum exploration expenditures and complied with all cash and share payments on a cumulative basis.

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

**Aldershot Resources Ltd.**  
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### **Quebec, Canada (cont'd)**

#### **Fort Coulonge Area (cont'd)**

#### **Pool, Halliwell and Hupon Uranium Claims (cont'd)**

In addition, during the year ended January 31, 2006, the Company staked four claims near these 17 claim sites, for which staking costs of \$27,000 were incurred, which have been capitalized as part of the acquisition costs for this group of claims.

#### c] Hupon Group

Pursuant to the terms of the agreement, the Company may earn its 100% interest by paying \$36,000, issuing 175,000 common shares and incurring exploration expenditures of \$100,000 over a five-year period. During the year ended January 31, 2008, the Company paid the vendor \$7,000 (cumulative - \$15,000) and issued 35,000 common shares (cumulative - 105,000 common shares) valued at \$8,050 (cumulative - \$25,375). The Company has incurred the required minimum exploration expenditures and complied with all cash and share payments on a cumulative basis.

#### **Huddersfield Uranium Claims**

On August 3, 2006, the Company entered into an agreement pursuant to which the Company has 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 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.

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

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(an exploration stage company)

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Quebec, Canada (cont'd)**

**Fort Coulonge Area (cont'd)**

### **Litchfield Uranium Claims**

On August 30, 2007, the Company entered into an agreement to acquire a 100% interest in a group of 25 mineral claims in Litchfield area on the southern edge of the Fort Coulonge Claims in Quebec. During the year ended January 31, 2008, the Company paid \$25,000 and issued 200,000 common shares valued at \$40,000 to the vendor in order to earn its 100% interest in the claims. The vendor has a 2% net smelter royalty ("NSR"), of which up to 1% NSR may be acquired by the Company for \$1,000,000.

### **Sandy Creek Uranium Claims**

On February 28, 2006, the Company entered into an option agreement 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 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 and by spending \$350,000 in exploration expenditures over a three-year period. During the year ended January 31, 2008, the Company paid the vendor \$10,000 (cumulative - \$20,000) and issued 150,000 common shares (cumulative - 300,000 common shares) valued at \$54,000 (cumulative - \$96,000). The Company has incurred the required minimum exploration expenditures and complied with all cash and share payments on a cumulative basis.

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

**Quebec, Canada (cont'd)**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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### **Forestville Uranium Claims**

On February 1, 2007, the Company entered into option agreements with two vendors pursuant to which the Company has been granted the right to acquire a 100% interest in a combined total of 88 mineral claims in the Forestville area of Quebec. In each agreement, the vendor has a 2% NSR, of which up to 1% NSR may be acquired by the Company for \$1,000,000.

a] In the agreement covering 48 claims, the Company may earn its 100% interest in the claims for the purchase price of \$480,000 and the issuance of 1,800,000 shares in its capital over a five-year period. During the year ended January 31, 2008, the Company paid the vendor \$80,000 (cumulative - \$80,000) and issued 300,000 common shares (cumulative - 300,000 common shares) valued at \$105,000 (cumulative - \$105,000). The Company has complied with all cash and share payments on a cumulative basis.

b] In the agreement covering 40 claims, the Company may earn its 100% interest in the claims for the purchase price of \$120,000 and the issuance of 1,200,000 shares in its capital over a five-year period. During the year ended January 31, 2008, the Company paid the vendor \$20,000 (cumulative - \$20,000) and issued 200,000 common shares (cumulative - 200,000 common shares) valued at \$70,000 (cumulative - \$70,000). The Company has complied with all cash and share payments on a cumulative basis.

### **Kert Uranium Claims**

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 Quebec by the payment of \$15,000 cash and the issuance of 200,000 common shares valued at \$41,000 to the vendor.

During the year ended January 31, 2008, the Company decided not to pursue its interest in these claims and therefore all related acquisition costs totalling \$56,000 have been written off.

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

### **Quebec, Canada (cont'd)**

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### **Latour Uranium Claims**

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 Quebec. In this agreement, the vendor has a 2% NSR, of which up to 1% NSR may be acquired by the Company for \$750,000. On February 8, 2007, the Company entered into a second option agreement with another vendor pursuant to which the Company has been granted the right to acquire a 100% interest in a group of 47 mineral claims in the Latour Area located in Quebec. Three further agreements were signed on June 19 and June 22, 2007 with other vendors to acquire a 100% interest in a group of 99 mineral claims in the Latour area located in Quebec. In each of these three agreements, the vendors have a 2% NSR, of which up to 1% NSR may be acquired by the Company for \$1,000,000.

a] In the agreement dated November 17, 2006, covering 40 claims, the Company may earn its 100% interest in the claims for the purchase price of \$125,000 and the issuance of 875,000 shares in its capital over a five-year period. During the year ended January 31, 2008, the Company paid the vendor \$Nil (cumulative - \$12,500) and issued 125,000 common shares (cumulative - 125,000 common shares) valued at \$35,000 (cumulative - \$35,000). The Company has complied with all cash and share payments on a cumulative basis.

b] In the agreement dated February 8, 2007, covering 47 claims, the Company may earn its 100% interest in the claims for the purchase price of \$180,000 and the issuance of 1,000,000 shares in its capital over a three-year period. During the year ended January 31, 2008, the Company paid the vendor \$60,000 (cumulative - \$60,000) and issued 250,000 common shares (cumulative - 250,000 common shares) valued at \$80,000 (cumulative - \$80,000). During the year ended January 31, 2008, the Company decided not to pursue its interest in these claims and therefore all related acquisition costs totalling \$140,000 have been written off.

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

#### **Quebec, Canada (cont'd)**

#### **Latour Uranium Claims (cont'd)**

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c] In the agreements dated June 19, 2007 and June 22, 2007 covering 99 claims, the Company may earn its 100% interest in the claims by the issuance of 3,000,000 common shares in its capital to the three vendors (1,000,000 common shares each) over a three-year period. During the year ended January 31, 2008, the Company issued 750,000 common shares to these vendors (cumulative - 750,000 common shares) valued at \$267,500 (cumulative - \$267,500). The Company has complied with all share payments on a cumulative basis.

### **Otish Mountains Uranium Claims**

During the year ended January 31, 2008, the Company staked 450 claims in the Otish Mountain area in Northern Quebec for cash payments totalling \$51,750. In addition, pursuant to an agreement dated June 19, 2007, the Company acquired 178 additional claims in the Otish Mountain area by issuing 1,000,000 common shares which were valued at \$350,000.

### **Saguenay River Uranium Claims**

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 Quebec. On February 1, 2007, 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 70 mineral claims in the Saguenay River Area located in Quebec.

a] In the agreement dated July 31, 2006 covering 50 claims, 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. During the year ended January 31, 2008, the Company paid the vendor \$5,000 (cumulative - \$75,000) and issued 300,000 common shares (cumulative - 600,000 common shares) valued at \$63,000 (cumulative - \$162,000). During the year ended January 31, 2008, the Company decided not to pursue its interest in these claims and therefore all related acquisition costs totalling \$237,000 have been written off.

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

### **Quebec, Canada (cont'd)**

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### **Saguenay River Uranium Claims (cont'd)**

b] In the agreement dated February 1, 2007, covering 70 claims, 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. During the year ended January 31, 2008, the Company paid the vendor \$15,000 (cumulative - \$55,000) and issued 300,000 common shares (cumulative - 300,000 common shares) valued at \$105,000 (cumulative - \$105,000). The Company has complied with all cash and share payments on a cumulative basis.

### **Sept Iles Uranium Claims**

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 Quebec. On November 16, 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 108 mineral claims in the Sept Iles Area located in Quebec.

a] In the agreement dated September 20, 2006, covering 40 claims, the Company may earn its 100% interest in the claims for the purchase price of \$250,000 and the issuance of 1,000,000 shares in its capital over a five-year period. During the year ended January 31, 2008, the Company paid the vendor \$35,000 (cumulative - \$92,500) and issued 150,000 common shares (cumulative - 350,000 common shares) valued at \$27,000 (cumulative - \$68,000).

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

### **Quebec, Canada (cont'd)**

#### **Sept Iles Uranium Claims (cont'd)**

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b] In the agreement dated November 16, 2006 covering 108 claims, the Company may earn its 100% interest in the claims for the purchase price of \$375,000 and the issuance of 2,625,000 shares in its capital over a five-year period. During the year ended January 31, 2008, the Company paid the vendor \$Nil (cumulative - \$37,500) and issued 375,000 common shares (cumulative - 375,000 common shares) valued at \$112,500 (cumulative - \$112,500). The Company has complied with all cash and share payments on a cumulative basis.

### **Lac Cassette Uranium Claims**

On February 8, 2007, the Company entered into an option agreement to purchase a 100% interest in 127 claims in the Lac Cassette area for the purchase price of \$180,000 and the issuance of 1,000,000 common shares over a three-year period. During the year ended January 31, 2008, the Company paid the vendor \$60,000 (cumulative - \$60,000) and issued 250,000 common shares (cumulative - 250,000 common shares) valued at \$80,000 (cumulative - \$80,000).

During the year ended January 31, 2008, the Company decided not to pursue its interest in these claims and therefore all related acquisition costs totalling \$140,000 have been written off.

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

### **British Columbia, 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

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Canada. The five prospective uranium properties cover 115 claim blocks totaling approximately 34,000 hectares. Pursuant to the agreement, the Company may earn its 100% interest in the claims for the purchase price of a cash payment of \$50,000 plus advance royalty payments of a maximum of \$10,000 for each property, as long as the Company retains an interest in the property for a total maximum of \$50,000 per year and the issuance of 1,000,000 common shares (later reduced to 875,000) in the capital stock of the Company.

During the year ended January 31, 2008, the Company paid the vendor \$100,000 (cumulative - \$150,000) and issued Nil common shares (cumulative - 875,000 common shares) valued at \$Nil (cumulative - \$201,250). The Company has complied with all cash and share payments on a cumulative basis. During the year ended January 31, 2008, the Company decided not to pursue its interest in three of the five groups of claims and therefore all related acquisition costs totalling \$210,750 have been written off.

### **Hornitos and Palo Negro Group of Claims – Chile**

On August 30, 2007, the Company renegotiated its option agreement with International PBX Ventures Ltd. (“PBX”) to explore properties in Chile. The properties include the Hornitos and Palo Negro claims representing 35 exploration concessions covering 9,700 hectares located in the Copiapo Mining District of Region III in Northern Chile. Pursuant to the terms of the agreement, the Company can earn an 80% interest in the claims by issuing PBX 1,000,000 common shares of the Company and spending \$3,000,000 on an exploration work program over a four-year period.

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

### **Hornitos and Palo Negro Group of Claims – Chile (cont'd)**

During the year ended January 31, 2008, the Company paid the vendor \$Nil (cumulative - \$30,000) and issued 1,000,000 common shares (cumulative – 1,000,000 common

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shares) valued at \$200,000 (cumulative - \$200,000). During the year ended January 31, 2008, the Company decided not to pursue its interest in these claims and therefore all related acquisition costs totalling \$230,000 have been written off.

**Australia**

The Company has licences in the Northern Territory and in Western Australia. Yuinmery and Turee Creek are located in Western Australia and the George, Waterhouse, ABC, Mt. Thomas and Ngalia uranium properties are located in the Northern Territory. All rents have been paid, expenditure commitments met and reports submitted as required to maintain these licences in good standing.

**Kariba Project, Republic of Zambia, Africa**

The Company has been granted a prospecting licence which is located in the southern part of the Republic of Zambia and on the northern shores of Lake Kariba. This granted prospecting licence covers approximately 780 square kilometers and an application for a prospecting license at the southern tip of the granted licence covers an area of approximately 250 square kilometers. All requirements have been met to maintain this licence in good standing.

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**6. 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.

2008	CANADA		AUSTRALIA		ZAMBIA	CHILE	TOTAL	
	Quebec \$	British Columbia \$	Northern Territory \$	Yuimery \$	Turee Creek \$	Lake Kariba \$		Hornitos Pal Negro \$
Drilling	—	—	86,134	181,703	—	—	—	267,837
Equipment rental	51,696	69,678	12,698	1,391	702	—	116	136,281
Field crew labour	262,952	67,400	9,738	1,950	268	—	—	342,308
Geological consulting [note 9(a)]	300,906	81,559	306,311	180,515	79,208	327,998	7,502	1,283,999
Geophysical and airborne surveying	—	—	8,343	4,759	43,777	69,324	17,550	143,753
Lab tests and assays	4,800	6,285	7,502	22,080	164	608	—	41,439
Maintenance, licence and staking fees	78,667	22,637	24,831	43,133	2,340	4,509	4,450	180,567
Maps and reproduction	6,663	24,467	1,717	854	14	3,221	—	36,936
Materials and field supplies	60,340	725	17,977	11,409	3,781	—	—	94,232
Meals and lodging	96,818	16,538	34,429	10,217	1,440	3,190	577	163,209
Mineral resource database	—	—	147	—	—	—	—	147
Telephone and communication	911	1,103	4,887	885	328	180	—	8,294
Travel and transport	31,902	42,206	21,509	16,791	4,753	1,297	8,113	126,571
	895,655	332,598	536,223	475,687	136,775	410,327	38,308	2,825,573
Recovery of exploration costs	—	—	—	—	—	—	—	—
Total exploration costs for the year	895,655	332,598	536,223	475,687	136,775	410,327	38,308	2,825,573

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

2007	CANADA		AUSTRALIA		ZAMBIA	CHILE	TOTAL	
	Quebec \$	British Columbia \$	Northern Territory \$	Yuimery \$	Turee Creek \$	Lake Kariba \$		Hornitos Pal Negro \$
Drilling	—	—	—	—	—	—	—	
Equipment rental	2,100	2,500	—	—	—	—	4,600	
Field crew labour	5,828	12,200	—	983	983	—	19,994	
Geological consulting [note 9(a)]	207,707	61,681	105,208	53,533	60,198	—	488,327	
Geophysical and airborne surveying	23,966	85,700	147,285	39,541	4,927	—	301,419	
Lab tests and assays	446	835	512	—	—	—	1,793	
Maintenance, licence and staking fees	24,644	—	11,581	38,714	25,373	—	100,312	
Maps and reproduction	3,506	3,801	25,307	8,301	13,309	—	54,249	
Materials and field supplies	16,576	634	1,295	311	689	—	19,505	
Meals and lodging	15,453	6,168	8,208	1,051	1,998	—	32,878	
Mineral resource database	—	—	1,093	823	365	—	2,281	
Telephone and communication	252	—	—	—	—	—	252	
Travel and transport	14,565	3,241	1,530	667	622	—	20,625	
	315,043	176,760	302,019	143,924	108,464	—	25	1,046,235
Recovery of exploration costs	—	—	—	—	—	—	(30,000)	(30,000)
Total exploration costs for the year	315,043	176,760	302,019	143,924	108,464	—	(29,975)	1,016,235

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**7. CAPITAL STOCK**

Authorized  
10,000,000 Series "A" cumulative, redeemable,  
convertible preferred shares with a par value of \$1.00  
Issued: nil [2007 - nil]  
500,000,000 common shares without par value

**Common shares**

	Number of Shares #	Capital Stock \$	Contributed Surplus \$
<b>Issued:</b>			
<b>Balance as at January 31, 2006</b>	27,786,988	5,924,550	708,261
Private placements	7,605,248	2,154,312	412
Exercise of share purchase warrants	227,000	91,270	—
Shares issued pursuant to property agreements	1,235,000	329,525	—
Finder's fees	76,300	22,890	—
Settlement of dividends to preferred share holders	905,147	226,287	—
Shares returned to treasury	(125,000)	(28,750)	—
Share issue costs	—	(38,451)	—
Stock based compensation	—	—	255,354
<b>Balance as at January 31, 2007</b>	<b>37,710,683</b>	<b>8,681,633</b>	<b>964,027</b>
Private placement [i]	18,518,519	5,000,000	—
Valuation of warrants pursuant to private placement	—	(3,125,788)	3,125,788
Exercise of share purchase warrants [ii]	1,098,500	340,385	—
Shares issued pursuant to property agreements [note 6]	5,635,000	1,654,550	—
Settlement of preferred shares [iv]	2,120,606	530,151	—
Agent's warrants	—	(369,187)	369,187
Share issue costs	—	(557,807)	—
Stock-based compensation	—	—	736,641
<b>Balance as at January 31, 2008</b>	<b>65,083,308</b>	<b>12,153,937</b>	<b>5,195,643</b>

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

During the year ended January 31, 2008, the Company:

- i] Completed an 18,518,519 unit brokered private placement at \$0.27 per unit for gross proceeds of \$5,000,000. Each unit consists of one common share and one purchase warrant exercisable at \$0.42 per share until April 27, 2009. In conjunction with this private placement, the Company paid the broker commissions, finder's fees and incurred other expenses for cash payments of \$557,807 and issued 1,810,955 agent's warrants which are exercisable at \$0.27 per share until April 27, 2009.

The Company has valued the agent's warrants and the warrants issued in connection with this private placement at fair market value using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 4.17%; volatility 101.5%; dividend yield 0% and approximate expected lives of 2 years. The resultant value of \$369,187 attributable to the agent's warrants has been charged to share issue costs and contributed surplus. The resultant value of \$3,125,788 attributable to the private placement warrants has been reclassified from share capital and charged to contributed surplus.

- ii] Issued 1,098,500 common shares for gross proceeds of \$340,385 pursuant to the exercise of share purchase warrants.
- iii] Issued 5,635,000 common shares valued at \$1,654,550 pursuant to resource property agreements as described in Note 6. The shares have been valued with reference to the market price of the Company's shares on the date when the obligation to issue the shares arises.
- iv] Issued 2,120,606 common shares valued at \$530,151 pursuant to the conversion of the preferred shares into common shares and dividends on the converted preferred shares.

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 common share purchase warrant exercisable at \$0.35 per share 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.

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

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- ii] Completed a 2,545,248 common share non-brokered private placement at \$0.25 per common share for gross proceeds of \$636,312. As at January 31, 2007, \$93,812 of the proceeds had not been received. This was shown as share subscriptions receivable as at January 31, 2007 and the proceeds were received during the year ended January 31, 2008.
- 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 was shown as share subscriptions receivable as at January 31, 2007 and the proceeds were received during the year ended January 31, 2008.

**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 on February 12, 2007.

As of January 31, 2008, there are no preferred shares outstanding.

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

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**Stock options**

The Company, in accordance with the policies of the TSX Venture Exchange (“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 an applicable discount (if applicable) in accordance with the TSX-V policies. The options can be granted for a maximum term of 5 years and generally vest immediately, except for options granted to personnel performing investor relations activities, which vest over a period of one year in accordance with the TSX-V policies.

A summary of the continuity of the Company’s stock options is as follows:

	2008		2007	
	Number of Common Shares Issuable	Weighted Average Exercise Price \$	Number of Common Shares Issuable	Weighted Average Exercise Price \$
Options outstanding, beginning of the year	3,460,000	0.26	2,600,000	0.26
Granted	2,970,000	0.36	860,000	0.26
Exercised	—	—	—	—
Expired	(150,000)	0.25	—	—
Options outstanding, end of the year	6,280,000	0.30	3,460,000	0.26
Options exercisable	6,092,500	0.29	3,460,000	0.26

These options expire in various amounts from 2009 to 2012.

**7. CAPITAL STOCK (cont’d)**

**Stock options (cont’d)**

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The fair value of each option granted has been estimated as of the date of grant using the Black-Scholes Option Pricing Model with the following assumptions:

	<b>2008</b>	<b>2007</b>
Risk-free interest rate	<b>4.03%</b>	4.08% - 4.50%
Approximate expected life of options	<b>2.93 years</b>	3 – 5 years
Volatility	<b>151.86%</b>	155% - 216%
Dividend yield	<b>0%</b>	0%

**Warrants**

A summary of the continuity of the Company's warrants is as follows:

	<b>2008</b>		<b>2007</b>	
	<b>Number of Common Shares Issuable</b>	<b>Weighted Average Exercise Price \$</b>	<b>Number of Common Shares Issuable</b>	<b>Weighted Average Exercise Price \$</b>
Warrants outstanding, beginning				
of the year	<b>7,870,653</b>	<b>0.36</b>	3,361,353	0.35
Granted	<b>20,329,474</b>	<b>0.42</b>	5,136,300	0.35
Exercised	<b>(1,098,500)</b>	<b>0.31</b>	(227,000)	0.40
Expired	<b>(1,665,853)</b>	<b>0.41</b>	(400,000)	0.21
Warrants outstanding, end				
of the year	<b>25,435,774</b>	<b>0.41</b>	7,870,653	0.36

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

**Warrants (cont'd)**

**Aldershot Resources Ltd.**  
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The warrants expire as follows:

<b>Number of Warrants</b>	<b>Expiry Date</b>
5,030,000	March 14, 2008
76,300	May 9, 2008
20,329,474	April 27, 2009
<u>24,435,774</u>	

The 5,030,000 warrants noted above expired unexercised on March 14, 2008.

**8. INCOME TAXES**

A reconciliation of current taxes at statutory rates with the reported taxes is as follows based on an income tax rate of 32.15% [2007 - 34.12%]:

	<b>2008</b>	<b>2007</b>
	\$	\$
Loss before income taxes	<b>(5,827,995)</b>	(2,403,471)
Current income taxes (recovery)	<b>(1,873,700)</b>	(820,064)
Permanent differences	<b>59,616</b>	100,263
Income tax rate changes	<b>684,081</b>	194,524
Other	<b>9,430</b>	—
Losses and timing differences not recognized	<b>1,120,573</b>	525,277
Total current income taxes (recovery)	<b>—</b>	—

**8. 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:

<b>2008</b>	<b>2007</b>
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	\$	\$
Future income tax assets (liabilities):		
Non-capital losses	<b>926,363</b>	721,175
Mineral resource expenditures	<b>1,977,844</b>	1,173,491
Other	<b>149,135</b>	38,103
	<b>3,053,342</b>	1,932,769
Valuation allowance	<b>(3,053,342)</b>	(1,932,769)
Net future income tax asset (liability)	—	—

The Company has incurred operating losses of approximately \$3,596,000 which, if unutilized will expire as follows:

	\$
2009	126,000
2010	119,000
2011	252,000
2015	375,000
2026	667,000
2027	767,000
2028	1,290,000
	<b>3,596,000</b>

Subject to certain restrictions, the Company also had resource exploration expenditures available to reduce taxable income of future years of approximately \$9,923,000. 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 Australia, Zambia and Chile in addition to Canada, the Company may become subject to tax in these other jurisdictions in the future.

**9. RELATED PARTY TRANSACTIONS**

[a] Related party transactions with directors and officers or companies controlled by them during the years ended January 31 are as follows:

	2008	2007
	\$	\$

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Exploration costs--geological consulting fees	<b>40,568</b>	26,663
Consulting fees	<b>15,000</b>	—
Management fees	<b>110,000</b>	120,000
Rent	<b>39,117</b>	—
Dividends on preferred shares	—	8,240

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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.

[b] The balances due from (to) related parties are non-interest bearing and have no fixed repayment terms.

**10. 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 conducts its mineral resource exploration activities in Canada, Australia, Zambia and Chile.

	Assets	Exploration
	\$	Costs
		\$
<hr/>		
<b>January 31, 2008</b>		
Canada	<b>2,639,845</b>	<b>1,228,253</b>
Australia	<b>339,200</b>	<b>1,148,685</b>
Zambia	—	<b>410,327</b>
Chile	—	<b>38,308</b>
	<hr/> <b>2,979,045</b>	<hr/> <b>2,825,573</b>

**10. SEGMENTED INFORMATION (cont'd)**

	Assets	Exploration
	\$	Costs
		\$
<hr/>		

**January 31, 2007**

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

January 31, 2008 and 2007

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Canada	1,336,783	491,803
Australia	87,922	554,407
Zambia	—	—
Chile	30,900	(29,975)
	<hr/>	<hr/>
	1,455,605	1,016,235

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**11. COMMITMENTS**

The Company has entered into office rental lease contracts with minimum lease payments for the next five years as follows:

	\$
2009	61,909
2010	61,909
2011	61,909
2012	61,909
2013	25,796
	<hr/>
	273,432

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Subsequent to the year end, the Company terminated this lease without penalty.

The Company also has cash and share commitments pursuant to its mineral property option agreements which are outlined in Note 6.

**12. FINANCIAL INSTRUMENTS**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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The carrying value of cash and cash equivalents, accounts receivable, amounts due from related parties, deposits, and accounts payable approximates their fair value because of the short-term nature of these instruments.

The Company is not subject to significant interest rate or credit risks arising from these financial instruments. The Company is subject to foreign currency risk since it conducts operations in jurisdictions other than Canada.

### **13. COMPARATIVE FIGURES**

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

### **14. SUBSEQUENT EVENTS**

Subsequent to January 31, 2008, the Company:

- [a] Sold an exploration licence in Mt. Thomas in the Northern Territory of Australia for cash of \$133,000. The Company still retains several licences in this area.
- [b] Negotiated a release without penalty of the rental agreement covering office space in Australia. In conjunction with this release, the Company received reimbursement for leasehold improvements paid of \$78,099 and release of their rental deposit of \$34,553.