

COREX GOLD CORPORATION
(An Exploration Stage Company)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended – October 31, 2006

(Unaudited – Prepared by Management)

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-103, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

COREX GOLD CORPORATION
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
October 31, 2006 and April 30, 2006
(Unaudited – See Readers Note)

	October 31, 2006	April 30, 2006
ASSETS		
Current		
Cash	\$ 588,648	\$ 835,882
Receivables – Note 6	18,204	59,367
Prepaid expenses – Note 6	27,143	27,574
	<u>633,995</u>	922,823
Equipment – Note 3	35,689	39,659
Resource properties – Notes 4, 6	305,270	129,478
	<u>\$ 974,954</u>	\$ 1,091,960
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 6	\$ 47,143	\$ 26,942
SHAREHOLDERS' EQUITY		
Share capital – Note 5	14,700,412	14,556,052
Contributed surplus	343,822	343,822
Deficit	(14,116,423)	(13,834,856)
Total shareholders' equity	<u>927,811</u>	1,065,018
	<u>\$ 974,954</u>	\$ 1,091,960

Commitments – Notes 4, 5 and 9

APPROVED BY THE DIRECTORS:

“Patrick Downey” Director
Patrick Downey

“Craig Schneider” Director
Craig Schneider

SEE ACCOMPANYING NOTES

COREX GOLD CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

For the Six Months Ended October 31

(Unaudited – See Readers Note)

	Three months ended October 31		Six months ended October 31	
	2006	2005	2006	2005
General and Administrative Expenses				
Accounting and legal fees	\$ 16,782	\$ 25,899	\$ 17,670	\$ 28,518
Amortization	107	2,126	3,148	4,207
Bank charges and interest, <i>net</i>	(1,201)	275	(9,694)	340
Consulting fees – Note 6	45,363	47,031	90,297	89,160
Filing Fees	2,701	(153)	2,701	748
Investor relations, website development and marketing	1,096	10,048	13,183	17,430
Office and administration	9,075	2,627	17,548	4,573
Rent– Notes 6 and 9	4,303	8,553	8,664	12,128
Shareholder communication	10,268	6,851	28,861	7,123
Stock based compensation expense	—	165,869	—	165,869
Telephone	2,824	3,386	4,692	6,457
Transfer agent fees	1,410	5,285	3,270	5,617
Travel	2,645	11,620	5,136	16,845
Loss before other items:	(95,373)	(289,417)	(185,476)	(359,015)
Other items				
Property evaluation – Note 6	(84,362)	(5,470)	(97,229)	(5,470)
Foreign exchange gain (loss)	8,383	(8,201)	1,139	(9,331)
Net loss for the period	(171,353)	(303,088)	(281,567)	(373,816)
Deficit, beginning of period	\$(13,945,070)	\$(12,551,075)	\$(13,834,856)	\$(12,480,347)
Deficit, end of period	\$(14,116,423)	\$(12,854,163)	\$(14,116,423)	\$(12,854,163)
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.03)
Weighted average number of shares outstanding	16,984,510	15,631,230	16,947,196	14,483,659

SEE ACCOMPANYING NOTES

COREX GOLD CORPORATION
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended October 31
(Unaudited – See Readers Note)

	Three months ended October 31		Six months ended October 31	
	2006	2005	2006	2005
Operating Activities				
Net loss for the year	\$ (171,353)	\$ (303,088)	\$ (281,567)	\$ (373,816)
Add items not involving cash:				
Amortization	929	2,126	3,970	4,207
Stock based compensation expense	—	165,869	—	165,869
Changes in non-cash working capital items related to operations:				
Prepaid expenses	(3,268)	5,266	431	(13,283)
Receivables	23,575	(27,641)	41,163	(29,266)
Accounts payable and accrued liabilities	22,605	12,227	20,201	21,573
Cash flows used in operating activities	(127,512)	(145,241)	(215,802)	(224,716)
Investing Activities				
Expenditures on resource properties	1,676	(74,049)	(60,792)	(187,533)
Purchase of equipment	—	(18,713)	—	(18,713)
Net cash provided by investing activities	1,676	(92,762)	(60,792)	(206,246)
Financing Activity				
Proceeds from issuance of share capital, net of share issue costs	—	503,962	29,360	536,462
Net cash provided by financing activities	—	503,962	29,360	536,462
Increase (decrease) in cash during the period	\$ (125,836)	\$ 295,959	\$ (247,234)	\$ 105,500
Cash, beginning of the period	\$ 714,484	\$ 683,661	\$ 835,882	\$ 844,120
Cash, end of the period	\$ 588,648	\$ 949,620	\$ 588,648	\$ 949,620
Supplementary disclosure of cash flow information				
Cash paid for:				
Interest	\$ —	\$ —	\$ —	\$ —
Income taxes	\$ —	\$ —	\$ —	\$ —

Non-cash Transactions – Note 8

SEE ACCOMPANYING NOTES

COREX GOLD CORPORATION

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2006

(Unaudited See Readers Notice)

1. BASIS OF PREPARATION

These interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP") based on accounting policies and practices consistent with those used in the preparation of the annual audited consolidated financial statements. The interim consolidated financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2006 and the notes thereto.

	October 31 2006	April 30 2006
Working Capital	\$ 586,852	\$ 808,940
Deficit	\$ 14,116,423	\$ 13,834,856

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned U.S. subsidiary, Latitude Operating Company (incorporated in Nevada) and its wholly-owned Mexican subsidiary, Corex Global S. de R.L. de C.V. ("Corex Global"). All inter-company transactions and balances have been eliminated.

Equipment and Amortization

Equipment is recorded at cost and is amortized over their useful lives using the straight-line method with the following annual rates:

Furniture and equipment	20%
Computer equipment	30%
Vehicles	30%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

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

Resource Properties

The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at October 31, 2006.

Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets are recorded in the period the asset is put into use, with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, depreciation and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and depreciation of the related asset. At October 31, 2006, the Company cannot reasonably estimate the fair value of the resource properties' site restoration costs, if any.

Financial Instruments

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate fair value as a result of the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

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

Stock-based Compensation

The fair value of all share purchase options granted are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

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

Foreign Currency Translation

The accounts of the non-Canadian subsidiaries, which are considered to be dependent on the Company, and transactions of the Company denominated in foreign currencies, are translated to Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the current rate of exchange and other assets and liabilities are translated at historical rates of exchange. Revenues and expenses are translated at average rates of exchange for the year, except for depreciation and amortization, which are translated at rates in effect when the related assets were acquired. All exchange gains and losses are recognized currently in earnings.

Loss Per Share

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

Comparative Figures

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

3. EQUIPMENT

	October 31, 2006		
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 11,389	\$ 3,200	\$ 8,189
Computer equipment	15,735	6,063	9,673
Vehicle	26,446	8,596	17,625
Total	\$ 53,346	\$ 17,859	\$ 35,487

	April 30, 2006		
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 14,864	\$ 4,867	\$ 9,997
Computer equipment	13,321	4,060	9,261
Vehicle	26,446	6,045	20,401
Total	\$ 54,631	\$ 14,972	\$ 39,659

4. RESOURCE PROPERTIES

Period ended October 31, 2006	Zuloaga/ Santa Rita Mexico	Evalina Property Argentina	Total
Acquisition costs, beginning of year	\$ 33,204	\$ —	\$ 33,204
Shares issued	—	115,000	115,000
For property payment	—	—	—
For finders' fees	—	—	—
Finders' fees payments	—	—	—
Cash payments	—	—	—
Filing fees	—	5,920	5,920
Acquisition costs, end of period	33,204	120,920	154,124
Deferred exploration costs, beginning of period	96,274	—	96,274
Field supplies and equipment	1,435	335	1,770
Geological consulting – Note 6	6,946	4,484	11,430
Geological surveys	13,760	—	13,760
Government taxes	3,680	—	3,680
Legal	422	—	422
Mapping	—	3,498	3,498
Property taxes	18,184	—	18,184
Site visits and vehicle costs	1,069	1,059	2,128
Deferred exploration costs, end of period	175,523	9,375	151,147
Total costs, end of October 31, 2006	\$ 208,727	\$ 130,295	\$ 305,270

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

4. RESOURCE PROPERTIES (cont'd)

Year ended April 30, 2006	Zuloaga/ Santa Rita Mexico	El Trebol Mexico	Puerto De los Viejos Mexico	Total
Acquisition costs, beginning of year	\$ 33,204	\$ 36,899	\$ 1,977	\$ 72,080
Cash payments	—	25,200	—	25,200
Less: acquisition costs written-off	—	(62,099)	(1,977)	(64,076)
Acquisition costs, end of year	33,204	—	—	33,204
Deferred exploration costs, beginning of year	70,687	273,585	4,568	348,840
Mapping	—	305	—	305
Sampling	—	53,068	—	53,068
Field supplies and equipment	—	21,366	—	21,366
Drilling and site preparation	—	94,031	—	94,031
Geological consulting – Note 6	2,595	90,645	—	93,240
Site visits and vehicle costs	—	22,954	—	22,954
Government taxes	—	34,495	—	34,495
Trenching	—	30,867	—	30,867
Legal	—	11,865	—	11,865
Property taxes	22,992	11,069	—	34,061
Less: deferred exploration costs written-off	—	(644,250)	(4,568)	(648,818)
Deferred exploration costs, end of year	96,274	—	—	96,274
Total costs, end of year	\$ 129,478	\$ —	\$ —	\$ 129,478

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

ARGENTINA**Evelina Property**

On May 1, 2006 the Company entered into an option agreement with Viceroy Exploration Ltd. ("Viceroy"), a company with a common director, whereby Corex can earn a 60% interest in the Evelina Property located in Argentina by incurring minimum annual exploration expenditures aggregating to US \$3.5 million over four years, and by issuing a total of 800,000 common shares (100,000 issued) over four years. Viceroy has the right to increase its interest to 60%, thereby reducing Corex's interest to 40% by incurring one and a half times the US\$3,500,000 expenditures made by Corex.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

4. RESOURCE PROPERTIES (cont'd)

MEXICO

Zuloaga/Santa Rita Properties

During the year ended April 30, 2004, the Company staked 16,896 hectares in Zacatecas, Mexico that comprises the Zuloaga Property and is owned 100% by the Company.

During the year ended April 30, 2005, the Company staked a further 22,982 hectares in Zacatecas, Mexico that comprises the Santa Rita Property and is owned 100% by the Company.

In June 2006, the Company entered into an option agreement with Hemis Corporation ("Hemis") whereby Hemis can earn a 49% interest in the Santa Rita property by spending USD\$950,000 in exploration expenditures over a three year term and by issuing the Company 200,000 common shares in the capital stock of Hemis.

El Trebol Property

By a Memorandum of Understanding ("MOU") dated May 28, 2004, the Company obtained an option to acquire a 100% interest in four mining claims consisting of 344 hectares located in Zacatecas, Mexico collectively known as the "El Trebol" Property. On signing the MOU the Company made a cash payment of US\$3,000 to the optionor and paid a finders' fee of US\$6,000 to an unrelated third party. A finder's fee of 15,000 common shares was issued.

On December 3, 2004 the Company entered into an option agreement wherein the Company may earn a 100% interest in the El Trebol property, subject to a 2% net smelter return royalty for consideration of US\$200,000 cash over a four year period, issuing an aggregate of 80,000 common shares and incurring an aggregate of US\$2,000,000 in exploration expenditures over a five year period on the property.

On December 13, 2005 the Company negotiated an amendment to the agreement whereby the due dates for outstanding cash payments and obligation to issue common shares of the Company were extended by six months. All other terms and conditions of the formal agreement executed on December 3, 2004 remained the same.

Subsequent to the Company's year end, upon review of the exploration data received to date, the Company elected to terminate the option on the El Trebol property. As at April 30, 2006, acquisition and deferred exploration costs of \$706,349 were written off.

Puerto de Los Viejos Property

On May 29, 2004, the Company signed a MOU to acquire up to a 100% interest in the Puerto De Las Viejos Property located in the State of Zacatecas, Mexico, which lies contiguous to the El Trebol property. Consideration consists of US\$14,000 cash, the issuance of 10,000 common shares and incurring exploration expenditures of US\$500,000.

During reconnaissance work, the Company discovered that the optionors had lost title to the property as a result of unpaid property taxes. The Company does not anticipate signing a formal agreement under the terms of the MOU as a result of the owner's loss of title and has determined not to proceed any further on this acquisition. As at April 30, 2006, acquisition and deferred exploration costs of \$6,545 were written off.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

5. SHARE CAPITAL

Authorized:

Unlimited common shares at no par value

Issued:	Number	Amount
Balance, April 30, 2005	14,079,862	13,650,055
For cash:		
– pursuant to exercise of options – at \$0.25	287,000	71,750
– pursuant to exercise of warrants – at \$0.25	2,120,350	530,088
– pursuant to exercise of warrants – at \$0.65	65,250	42,412
– pursuant to exercise of warrants – at \$0.75	288,417	216,313
Add: share issue costs recovered	—	2,384
Contributed surplus reclassified on exercise of share purchase options	—	43,050
Balance, April 30, 2006	16,840,879	\$ 14,556,052
For cash:		
– pursuant to exercise of warrants – at \$0.65	33,631	21,860
– pursuant to exercise of warrants – at \$0.75	10,000	7,500
For mineral property – at \$1.15	100,000	115,000
Balance, October 31, 2006	16,984,510	\$ 14,700,412

Escrowed Shares:

As at October 31, 2006, 5,625 shares are held in escrow, subject to release by regulatory approval.

Commitments:

Share Purchase Warrants:

At October 31, 2006, 470,877 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

<u>Number</u>	<u>Price Per Share</u>	<u>Expiry Date</u>
14,033	\$0.65	February 7, 2007
60,719	\$0.65	March 28, 2007
396,125	\$0.75	March 28, 2007
470,877		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

5. SHARE CAPITAL (cont'd)

Commitments: (cont'd)

Stock-based Compensation Plan:

The Company has a stock option plan (the "Plan") for officers, directors, employees and consultants whereby a maximum of 10% of the issued shares will be reserved for issuance under the Plan. Options are granted with an exercise price determined by the Board of Directors, which may not be less than the market price of the Company's stock on the date of the grant. The vesting provisions are determined by the Board of Directors and are defined in each stock option agreement.

At October 31, 2006, 1,330,409 stock options were outstanding under the Plan as follows:

<u>Number</u>	<u>Exercise price</u>	<u>Expiry Date</u>
762,998	\$0.25	September 2, 2008
87,411	\$0.60	January 15, 2009
<u>480,000</u>	<u>\$0.65</u>	<u>October 3, 2010</u>
<u>1,330,409</u>		

A summary of the status of the stock option plan is presented below:

	<u>October 31,</u> <u>2006</u>		<u>April 30,</u> <u>2006</u>	
	<u>Shares</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>	<u>Shares</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>
Options outstanding, beginning of period	1,330,409	\$0.42	1,137,409	\$0.28
Granted	—	—	480,000	\$0.65
Exercised	—	—	(287,000)	\$0.25
Outstanding and exercisable, end of period	1,330,409	\$0.42	1,330,409	\$0.42

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SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

6. RELATED PARTY TRANSACTIONS

The Company incurred the following amounts charged by directors/officers of the Company and companies controlled by directors/officers of the Company:

	Six Months Ended October 31,	
	<u>2006</u>	<u>2005</u>
Geological consulting fees-deferred exploration	\$ 2,254	\$ 40,332
Property evaluation	33,722	—
Consulting fees	<u>39,000</u>	<u>38,575</u>
	<u>74,976</u>	<u>\$ 37,030</u>

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At October 31, 2006, receivables include \$14,795 (October 31, 2005 - \$Nil) due from a company with common directors.

At October 31, 2006, receivables include \$4,398 (October 31, 2005 - \$Nil) due from a company with common directors.

At October 31, 2006, prepaid expenses include \$6,980 (October 31, 2005 - \$Nil) of expense advances and management fees for a director of the Company.

At October 31, 2006, accounts payable and accrued liabilities include \$21,367 (October 31, 2005 -\$9,330) due to a director of the Company.

During the six months ended October 31, 2006, the Company issued 100,000 shares to a Company that had a common director pursuant to Evelina option agreement, see Note 4.

7. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties for development. Geographical information is as follows:

	October 31 2006		April 30 2006	
	Canada	Mexico	Canada	Mexico
Current assets	\$ 774,736	\$ 5,402	\$ 917,093	\$ 5,730
Capital assets	36,416	202	39,457	202
Resource properties	—	306,946	—	129,478
Total assets	<u>\$ 811,152</u>	<u>\$ 312,550</u>	<u>\$ 956,550</u>	<u>\$ 135,410</u>
Net loss for the period	<u>\$ (106,393)</u>	<u>\$ (3,821)</u>	<u>\$ (611,684)</u>	<u>\$ (742,825)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited See Readers Notice)

8. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flow. The following transactions have been excluded from the statements of cash flows:

During the period ended October 31, 2006:

- the Company issued 100,000 common shares pursuant to a resource property option agreement.

9. COMMITMENTS

Effective August 1, 2005 the Company entered into a three-year lease agreement for office space at a rate of \$3,000 per month. The Company leases out a portion of the office for \$1,500 per month under an agreement for the term of the head lease.