

**BRETT RESOURCES INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2007 AND 2006**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The consolidated financial statements of Brett Resources Inc. are the responsibility of the Company's management and are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

*"Patrick Soares"*

Patrick Soares  
President and CEO

*"Ronald K. Netolitzky"*

Ronald K. Netolitzky  
Director

Vancouver, British Columbia  
November 16, 2007

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF BRETT RESOURCES INC.

We have audited the consolidated balance sheets of Brett Resources Inc. as at August 31, 2007 and 2006 and the consolidated statements of income 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 August 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.

*“Smythe Ratcliffe LLP” (signed)*

Chartered Accountants

Vancouver, British Columbia  
November 16, 2007 except as to note 9  
which is as of December 10, 2007.

**BRETT RESOURCES INC.**  
CONSOLIDATED BALANCE SHEETS

	August 31, 2007	August 31, 2006
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 5,064,200	\$ 3,540,110
Accounts receivable	173,587	212,345
Marketable securities (note 4)	62,745	-
Prepaid expenses and deposits	45,451	45,551
	5,345,983	3,798,006
<b>Mineral property interests</b> (note 6)	6,668,547	1,504,531
<b>Equipment</b> (note 5)	142,744	19,747
	\$ 12,157,274	\$ 5,322,284
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 819,750	\$ 616,136
<b>Shareholders' Equity</b>		
<b>Capital stock</b> (note 7)	20,389,995	15,078,394
<b>Contributed surplus</b> (note 7)	784,481	264,565
<b>Deficit</b>	(9,836,952)	(10,636,811)
	11,337,524	4,706,148
	\$ 12,157,274	\$ 5,322,284

Nature and continuance of operations (note 1)  
Subsequent events (note 9)

On behalf of the Board:

*"Ronald K. Netolitzky"*  
..... Director  
Ronald K. Netolitzky

*"Thomas Hasek"*  
..... Director  
Thomas Hasek

**BRETT RESOURCES INC.**CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT  
YEARS ENDED

	<b>August 31, 2007</b>	<b>August 31, 2006</b>
<b>Expenses</b>		
Stock-based compensation	\$ 521,846	\$ 182,473
Management and consulting fees	188,215	109,342
Property evaluations	79,928	36,171
Office and miscellaneous	75,352	25,882
Investor relations	47,695	17,095
Rent and administration	29,348	15,700
Listing and transfer agent fees	27,849	22,259
Professional fees	27,260	33,443
Shareholder communications	8,451	6,445
Overhead recovery	(42,559)	(26,298)
Amortization	23,635	2,259
<b>Loss before other items and future income tax recovery</b>	<b>(987,020)</b>	<b>(424,771)</b>
<b>Other items</b>		
Interest income	178,287	22,978
Gain (loss) on foreign exchange	(62,084)	4,090
Write down of marketable securities	(19,745)	-
Mineral property option payments in excess of costs	135,641	-
	232,099	27,068
<b>Loss before future income tax recovery</b>	<b>(754,921)</b>	<b>(397,703)</b>
Future income tax recovery (note 11)	1,554,780	60,839
<b>Net income (loss) for year</b>	<b>799,859</b>	<b>(336,864)</b>
<b>Deficit, beginning of year</b>	<b>(10,636,811)</b>	<b>(10,299,947)</b>
<b>Deficit, end of year</b>	<b>\$ (9,836,952)</b>	<b>\$ (10,636,811)</b>
<b>Basic earnings (loss) per share</b>	<b>\$ 0.02</b>	<b>\$ (0.02)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.02</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>34,013,552</b>	<b>21,417,942</b>

**BRETT RESOURCES INC.**  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED

	<b>August 31, 2007</b>	<b>August 31, 2006</b>
<b>Operating activities</b>		
Net income (loss)	\$ 799,859	\$ (336,864)
Items not involving cash		
Stock-based compensation	521,846	182,473
Amortization	23,635	2,259
Mineral property option payments received	(135,641)	-
Future income tax recovery	(1,554,780)	(60,839)
Write down of marketable securities	19,745	-
Changes in non-cash working capital		
Accounts receivable	38,758	(211,822)
Prepaid expenses and deposits	100	(44,551)
Accounts payable and accrued liabilities	(31,430)	35,516
<b>Cash used in operating activities</b>	<b>(317,908)</b>	<b>(433,828)</b>
<b>Financing Activities</b>		
Proceeds on issuance of capital stock	6,617,122	4,457,267
Share issue costs	(200,637)	(138,652)
<b>Cash provided by financing activities</b>	<b>6,416,485</b>	<b>4,318,615</b>
<b>Investing activities</b>		
Acquisition and expenditures on mineral property interests	(4,510,381)	(766,044)
Property option payments received	-	56,950
Cancellation payments received	82,526	64,163
Purchase of equipment	(146,632)	(22,006)
<b>Cash used in investing activities</b>	<b>(4,574,487)</b>	<b>(666,937)</b>
<b>Increase in cash during year</b>	<b>1,524,090</b>	<b>3,217,850</b>
<b>Cash, beginning of year</b>	<b>3,540,110</b>	<b>322,260</b>
<b>Cash, end of year</b>	<b>\$ 5,064,200</b>	<b>\$ 3,540,110</b>
<b>Non-cash items</b>		
Issuance of shares for mineral property interests	\$ 401,250	\$ 207,250
Issuance of share purchase warrants for mineral property interests	\$ 46,716	\$ -
Shares received in lieu of option payments	\$ 82,490	\$ -

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

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

Brett Resources Inc. (the "Company") was incorporated under the *Company Act* of British Columbia on September 11, 1986. The Company's principal business activity is the exploration for and development of mineral properties in Latin America, Canada and Alaska.

The Company's consolidated financial statements have been presented on the basis that it will continue as a going-concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going-concern is dependent on continued financial support from its shareholders and other related parties, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company's liabilities as they become payable. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going-concern.

	2007	2006
Working capital	\$ 4,526,233	\$ 3,181,870
Deficit	\$ (9,836,952)	\$ (10,636,811)

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Principles of consolidation**

These financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Gridiron Exploration Ltd. (British Columbia), Compania Minera Magallanes S.A. (Peru), Brett Resources El Salvador, S.A. de C.V. (formerly Exploracion Lucero S.A. de C.V.) (El Salvador) and Brett Alaska Resources Inc. All significant intercompany balances and transactions are eliminated.

#### **Marketable securities**

Marketable securities are recorded at the lower of cost and market value on a portfolio basis. When market value of the marketable securities is below cost, any unrealized loss is charged to operations.

#### **Mineral property interests**

All costs related to the acquisition, exploration and development of mineral property interests, net of recoveries, are capitalized on a property by property basis. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and will be amortized using the unit-of-production method. When a property is abandoned, all related costs are written-off to operations. If after management review it is determined that the carrying amount of a mineral property interest is impaired, that property is written-down to its estimated fair value. A mineral property interest is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is credited to operations.

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

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

The amounts shown for mineral property interests do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

#### **Equipment**

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis at the following annual rates:

Computer equipment	30%
Automotive equipment	30%
Field equipment	20%

Additions during the year are amortized at one-half the annual rates.

#### **Foreign currency translation**

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- a. Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- b. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- c. Revenues and expenses (excluding amortization, which is at the same rate as the related asset), at the average rate of exchange by quarter.

Gains and losses arising from this translation of foreign currency are included in the determination of net income or loss for the year.

#### **Earnings (loss) per share**

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings (loss) 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 year. Diluted loss per share is the same as basic loss per share when the effects of various conversions and exercise of options and warrants would be anti-dilutive.

#### **Asset retirement obligations**

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets the Company is required to settle. This would include obligations related to future removal of property and equipment, and site restoration costs. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The adoption of this accounting policy has not affected the Company's financial statements.

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

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

#### **Income taxes**

The Company uses the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change in tax rates is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

#### **Flow-through common shares**

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares. A future income tax liability arises from the renunciation of mineral exploration costs to investors of flow-through shares.

#### **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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include rates for amortization, the impairment of mineral property interests, determination of accrued liabilities, valuation allowance for future tax assets and determination of the variables used in the calculation of stock-based compensation. Management believes the estimates are reasonable; however, actual results could differ from those estimates and would impact future results of operations and cash flows.

#### **Stock-based compensation**

The Company accounts for stock-based compensation expense using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this method, stock-based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to contributed surplus. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to capital stock.

### **3. FINANCIAL INSTRUMENTS**

#### **Fair value**

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

#### **Interest rate risk**

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

**BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**3. FINANCIAL INSTRUMENTS (cont'd...)****Credit risk**

The Company is not exposed to significant credit risk with respect to its accounts receivable.

The Company's financial asset that is exposed to credit risk consists primarily of cash, which is placed with major financial institutions.

**Currency risk**

The Company is exposed to foreign currency fluctuations to the extent that certain mineral property expenditures incurred by the Company and expenditure commitments in property agreements are not denominated in Canadian dollars.

**Derivatives – mineral properties**

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral interests to which they relate are not sufficiently developed to reasonably determine value.

**4. MARKETABLE SECURITIES**

	2007	2006
Condor Resources Limited (market value - \$62,745)	\$ 62,745	\$ -

During fiscal 2007, the Company received 500,000 common shares of Condor Resources Limited (note 6).

**5. EQUIPMENT**

	2007			2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 14,688	\$ 2,502	\$ 12,186	\$ 1,174	\$ 176	\$ 998
Automotive equipment	84,938	12,741	72,197	-	-	-
Field equipment	69,012	10,651	58,361	20,832	2,083	18,749
	\$ 168,638	\$ 25,894	\$ 142,744	\$ 22,006	\$ 2,259	\$ 19,747

**BRETT RESOURCES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006**6. MINERAL PROPERTY INTERESTS**

	Canada	Alaska, US	El Salvador	Peru	Other	Total
Balance,						
August 31, 2005	\$ -	\$ -	\$ 100,001	\$ -	\$ 1	\$ 100,002
Additions:						
Acquisition costs	130,021	129,134	23	9,831	-	269,009
Analyses	1,300	13,455	4,054	4,410	-	23,219
Drilling/trenching	-	394,136	245,656	-	-	639,792
Field support	92,910	199,280	87,144	8,987	-	388,321
Geology/geophysics	129,029	112,400	109,704	6,830	-	357,963
Maps/drafting	12,246	991	13,633	-	-	26,870
Transport/travel	58,465	64,555	9,788	16,106	-	148,914
Local office costs	-	-	14,880	16,244	-	31,124
Option payments	-	-	(56,950)	-	-	(56,950)
Cancellation payment	-	-	(64,163)	-	-	(64,163)
Recovery of costs	-	-	(359,570)	-	-	(359,570)
Net additions	423,971	913,951	4,199	62,408	-	1,404,529
<b>Balance,</b>						
<b>August 31, 2006</b>	<b>423,971</b>	<b>913,951</b>	<b>104,200</b>	<b>62,408</b>	<b>1</b>	<b>1,504,531</b>
Additions:						
Acquisition costs	464,396	26,210	-	716	-	491,322
Analyses	167,962	20,162	9,043	-	-	197,167
Drilling/trenching	2,185,080	30,929	(10)	-	-	2,215,999
Field support	1,596,688	31,479	98,770	-	-	1,726,937
Geology/geophysics	467,625	34,135	227,398	-	-	729,158
Maps/drafting	39,692	4,145	10,633	-	-	54,470
Transport/travel	113,905	-	430	-	-	114,335
Local office costs	27,584	-	72,106	11,338	-	111,028
Option payments	-	-	(141,591)	(23,426)	-	(165,017)
Recovery of costs	-	-	(447,024)	-	-	(447,024)
Recovery in excess of costs	-	-	135,641	-	-	135,641
Net additions	5,062,932	147,060	(34,604)	(11,372)	-	5,164,016
<b>Balance,</b>						
<b>August 31, 2007</b>	<b>\$ 5,486,903</b>	<b>\$ 1,061,011</b>	<b>\$ 69,596</b>	<b>\$ 51,036</b>	<b>\$ 1</b>	<b>\$ 6,668,547</b>

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

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### **6. MINERAL PROPERTY INTERESTS (cont'd...)**

The Company's investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent on establishing legal ownership of the mineral properties, the attainment of successful commercial production, or from the proceeds of their disposal. The amounts shown as mineral property interests represent acquisition costs and deferred exploration expenditures incurred to date and do not necessarily reflect present or future values.

#### **Canada**

***Hammond Reef, Ontario:*** On March 1, 2006, the Company entered into an agreement with Kinross Gold Corporation ("Kinross") to earn up to a 60% interest in the Hammond Reef property near Atikokan, Ontario, and issued 200,000 common shares of the Company valued at \$68,000, the first of five instalments for a total of 1,000,000 common shares. The second instalment of 200,000 common shares was issued on the first anniversary, March 16, 2007 valued at \$230,000. The Company is committed to expend US \$1,000,000 in the first year (completed) on exploration and development of the property and a total of US \$5,000,000 of expenditures over four years. Upon exercise of the option on the fourth anniversary, a 60/40 participating joint venture will be formed to further develop the property. At that time Kinross will have a one-time opportunity to earn back 20% and the right to operate the project by electing to fund 100% of the next US \$5,000,000 in expenditures.

***Manley Patents (within Hammond Reef property):*** On March 23, 2006, the Company acquired the 90-hectare Manley Patents, a group of three patented mining claims within the Hammond Reef property. Under the terms of the purchase agreement, the Company will issue the vendor 250,000 common shares of the Company over a three-year period; the first 100,000 were issued upon execution of the agreement and 50,000 on the first anniversary in March 2007 valued at \$57,500. The vendor will retain a 2% net smelter return ("NSR") royalty, one-half of which may be purchased for \$500,000.

In 2007, the Company entered into an option to acquire the surface rights of the Manley Patents for \$75,000 cash payment paid by Kinross, issuance of 175,000 shares of the Company valued at \$113,750, a two-year warrant for the purchase of 125,000 shares of the Company at a price of \$0.70 per share, both of which have been issued. In order to take full possession of the property the Company is required to make an additional payment of \$1,000,000 before December 29, 2011. Subsequent to August 31, 2007, the two-year warrant term automatically converted to five years upon the Company's successful application for Tier 1 status on the TSX Venture Exchange (the "Exchange").

***JC Project (Smart Group), Yukon:*** On October 4, 2005, the Company acquired by staking, a 100% ownership of the deposit in south-central Yukon. Four claim groups totalling 32 claims (668 hectares) were staked in the Smart River area located 30 kilometres north of the Alaska Highway, 58 kilometres east of Teslin, 58 kilometres west northwest of Rancheria. Another 18 claims were subsequently staked in the vicinity in 2006 for a total of 50 claims.

#### **Alaska**

***Sleitat:*** On July 23, 2005, the Company entered into a Letter of Intent ("LOI") with Solomon Resources Limited ("Solomon"), a related party with common directors, to option Solomon's 100% owned Sleitat Mountain in southwest Alaska. The 3,520-acre Sleitat Mountain project is located approximately 135 kilometres northeast of the coastal town of Dillingham.

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

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### **6. MINERAL PROPERTY INTERESTS (cont'd...)**

#### **Sleitat, Alaska (cont'd...)**

Under the terms of the LOI, the Company can acquire an 80% interest in the Sleitat Mountain property by issuing 1,000,000 shares of the Company to Solomon over a four-year period; the first 200,000 shares were issued upon signing. The Company will issue an additional 200,000 shares on each anniversary date of the LOI, as long as the Company has not terminated its interest in the project. The Company issued additional tranches of 200,000 shares on the second and third anniversary dates of the LOI and must issue the final 200,000 shares in 2008, as long as the Company has not terminated its interest in the project. At that time, the Company will be vested at 80% and a Joint Venture will be constituted. Further exploration or development expenditures will be shared 80/20 unless a given party dilutes to less than a 10% participating interest. In such a case, that party would retain only a 1% NSR royalty on subsequent production of any metals from the property.

**Coal Creek**: On January 11, 2006, the Company acquired by staking claims, a 100% interest in the Coal Creek tin prospect in the Alaska Range.

#### **El Salvador**

**Santa Clara**: In June 2005, the Company was granted an exploration license in eastern El Salvador comprising 47 square kilometres, and known as the Cerro Bonito License, the initial license of the Santa Clara project.

On January 4, 2006, the Company entered into an agreement whereby Placer Dome Exploration ("Placer") was granted an option to earn up to an 80% interest in the Santa Clara project in eastern El Salvador. Terms called for US \$200,000 in payments over three years (US \$50,000 upon signing was paid to the Company) and US \$4,000,000 in expenditures over four years to earn a 70% interest. An additional 10% equity was to be earned within the succeeding four years by funding a feasibility study and spending not less than US \$1,000,000 per year until completion of the feasibility study at which point the project would convert to a joint venture.

Barrick Gold Corporation acquired Placer in February 2006, and in May 2006 negotiated a termination of the Santa Clara option and paid the Company US \$58,050 in cancellation payments to cover expenditures to the date of termination.

In June 2006, the Company entered into an option agreement whereby Kinross may earn a 66 $\frac{2}{3}$ % interest in the Santa Clara project. Over four years, Kinross will expend US \$5 million in exploration on the property, with a minimum of US \$500,000 in the first year. The Company operates the project under the direction of Kinross.

**El Potosi**: The Company holds 100% of the rights to the 48-square kilometres El Potosi area, located 90 kilometres east of the capital city of San Salvador.

During the year ended August 31, 2002, the Company entered into an agreement with Tournigan Ventures Corporation ("Tournigan") whereby Tournigan had an option to acquire a 100% interest in the El Potosi concession by making payments as follows:

- a. US \$25,000 within 30 days of signing the agreement (received);
- b. US \$25,000 on the first anniversary (received in year ended August 31, 2003);
- c. US \$50,000 on the second anniversary (received in year ended August 31, 2005);

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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### **6. MINERAL PROPERTY INTERESTS (cont'd...)**

#### **El Potosi, El Salvador (cont'd...)**

- d. US \$100,000 on the third anniversary (received in year ended August 31, 2005); and
- e. US \$1,250,000 on the fourth anniversary (August 31, 2006 – renegotiated as follows).

Tournigan could delay payment of the final US \$1,250,000 payment until the fifth anniversary of the agreement by paying the Company US \$150,000 on the fourth anniversary date. The Company will retain a 1% NSR on production of gold and silver in excess of 200,000 ounces.

In 2004, when the second anniversary payment was not made, management wrote down its costs at El Potosi to \$100,000. In February 2004, Tournigan assigned the option of El Potosi to Condor Resources Limited (“Condor”). Condor made the third and fourth option payments totalling \$182,611 (US \$150,000) during the year ended August 31, 2005. The Company applied \$99,999 of the option payments against the carrying value of the property. The remaining \$82,612 received in excess of the carrying value was credited to operations. The El Potosi property was recorded at a nominal value of \$1.

In 2007, the Company renegotiated the El Potosi Gold Concession option agreement with Condor Resources Plc (“Condor”) to substitute a share issue for a portion of the cash payment to the Company to accommodate Condor's intent to increase work expenditures. In order to earn a 100% interest in the El Potosi Project, Condor was to pay the Company US \$1,250,000 by August 24, 2006, or defer the payment for a year by paying the Company US \$150,000 by the due date and US \$1,250,000 by August 24, 2007. Condor elected to defer the payment, and the Company has accepted and received US \$50,000 cash and 500,000 shares of Condor (note 4) in lieu of the US \$150,000 payment. An amount of \$135,641, received in excess of the carrying value, was credited to operations.

Condor may defer the payment of US \$1,250,000 for a further year, to August 24, 2008, by paying the Company a further \$150,000 of which \$100,000 may be substituted at Condor's option with Condor shares equal to \$100,000 valued at the average market price for three days prior to the settlement date or at \$0.10 per share, whichever is greater. During each year that Condor defers payment, Condor must expend a minimum of US \$250,000 on the property. The Company will retain a 1% NSR on any production over 200,000 ounces from the property.

On August 22, 2007, Condor terminated the Option Agreement without having earned any equity or encumbering the property.

#### **Peru**

**Cerro Condorini:** The Company acquired by staking 1,000 hectares October 19, 2005 and 900 hectares October 19, 2006 in southern Peru.

In February 2007, the Company optioned the Cerro Condorini Property in southern Peru to Zincore Metals Inc. (“Zincore”). Under the terms of the agreement, Zincore has the option to earn a 60% interest in the property by spending US \$1,500,000 on exploration while making cash payments to the Company of US \$75,000 over two years; the first instalment of US \$25,000 was paid March 2007. The first year's minimum exploration expenditure of US \$200,000 is a firm commitment. Zincore will be the operator of the property and can earn an additional 10% interest in the Cerro Condorini Property (for a total 70% interest) by expending an additional US \$2,500,000 on exploration over two years and a further 10% interest (for a total 80% interest) by expending an additional US \$4,000,000 over the following four years.

**BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

**7. CAPITAL STOCK AND CONTRIBUTED SURPLUS**

Authorized

Unlimited number of common shares without par value

	Number of shares	Capital stock	Contributed surplus
Balance, August 31, 2005	18,661,475	\$ 10,624,910	\$ 91,550
Issued during the year			
For cash:			
Private placements	7,906,874	4,248,325	-
Exercise of options	463,167	135,075	(9,458)
Exercise of warrants	207,750	62,325	-
For mineral properties	700,000	207,250	-
Stock-based compensation	-	-	182,473
Share issue costs	-	(138,652)	-
Future income tax benefit	-	(60,839)	-
<b>Balance, August 31, 2006</b>	<b>27,939,266</b>	<b>15,078,394</b>	<b>264,565</b>
Issued during the year			
For cash:			
Exercise of warrants	2,258,788	1,481,655	-
Private placements	6,658,750	4,980,300	-
Exercise of options	545,000	203,813	(48,646)
For mineral properties	425,000	401,250	46,716
Stock-based compensation	-	-	521,846
Share issue costs	-	(200,637)	-
Future income tax benefit	-	(1,554,780)	-
<b>Balance, August 31, 2007</b>	<b>37,826,804</b>	<b>\$ 20,389,995</b>	<b>\$ 784,481</b>

**Private placements**

On December 22, 2006 and January 10, 2007, the Company completed a non-brokered private placement in two tranches to raise \$4,980,300. The issue was comprised of 3,191,750 flow-through shares at \$0.80 per share and 3,467,000 units at \$0.70 per unit; each unit consisting of one common share and one-half share purchase warrant. Each full warrant is exercisable at \$0.95 for a period of two years. At the election of the Company, the expiry period may be reduced to 25 business days, upon notice to holders, should the closing price of the shares be equal to or greater than \$1.20 per share for 10 consecutive trading days. Finders' fees of \$171,525 were paid on a portion of the financing.

On July 21, 2006 and August 21, 2006, the Company completed non-brokered private placements in two tranches, to raise \$3,747,525. The issue was comprised of 2,862,000 flow-through shares at \$0.70 per share and 2,906,875 units at \$0.60 per unit; each unit consisting of one common share and one-half share purchase warrant. Each full warrant is exercisable at \$0.80 for a period of two years. According to the terms of the warrants, the holders were notified of an accelerated expiry period of 25 business days in May 2007 when the closing price of the shares was at or greater than \$1.00 per share for 20 consecutive trading days. All the warrants were exercised as a result. Commission of \$18,938 and finders' fees of \$112,294 were paid and 152,600 one-year warrants exercisable at \$0.80 were issued on a portion of the financing.

**BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

**7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)****Private placements (cont'd...)**

On December 30, 2005, the Company completed a non-brokered private placement of 488,000 flow-through shares at \$0.35 per share for gross proceeds of \$170,800.

On October 6, 2005, the Company completed a non-brokered private placement of 1,650,000 units at \$0.20 per unit for gross proceeds of \$330,000. Each unit consisted of one common share and one-half of a non-transferable share purchase warrant entitling the holder to acquire one common share within two years of issuance. Each full share purchase warrant was exercisable at \$0.30 per share in year one and at \$0.40 per share in year two. Commissions on a portion of the placement payable were \$4,970 cash and 35,500 broker warrants exercisable at \$0.30 per share for a period of one year.

**Stock options and warrants**

The Company has a rolling stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years.

During fiscal 2007, the Company granted 1,130,000 options to directors, employees and consultants, exercisable for a five-year period at \$0.70 per share.

During fiscal 2006, the Company granted 815,000 options to newly appointed directors, employees and consultants, exercisable for a five-year period at \$0.25 per share and 200,000 options to certain employees and consultants, exercisable for a five-year period at \$0.50 per share.

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, August 31, 2005	1,200,000	\$ 0.27	3,457,499	\$ 0.40
Granted	1,015,000	\$ 0.30	2,466,538	\$ 0.63
Exercised	(463,167)	\$ 0.27	(207,750)	\$ 0.30
Expired/cancelled	(98,500)	\$ 0.25	(3,457,499)	\$ 0.40
<b>Outstanding, August 31, 2006</b>	<b>1,653,333</b>	<b>\$ 0.29</b>	<b>2,258,788</b>	<b>\$ 0.66</b>
Granted	1,130,000	\$ 0.70	1,858,500	\$ 0.93
Exercised	(545,000)	\$ 0.28	(2,258,788)	\$ 0.66
<b>Outstanding, August 31, 2007</b>	<b>2,238,333</b>	<b>\$ 0.50</b>	<b>1,858,500</b>	<b>\$ 0.93</b>
<b>Number exercisable/fully vested</b>	<b>2,238,333</b>	<b>\$ 0.50</b>	<b>1,858,500</b>	<b>\$ 0.93</b>

**BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

**7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)****Stock options and warrants (cont'd...)**

At August 31, 2007, outstanding incentive stock options and share purchase warrants were as follows:

	Number of Shares	Exercise Price	Expiry Date
<b>Options</b>	133,333	\$ 0.20	June 16, 2008
	100,000	\$ 0.30	August 3, 2009
	700,000	\$ 0.25	October 18, 2010
	175,000	\$ 0.50	March 20, 2011
	1,130,000	\$ 0.70	September 6, 2011
<b>Warrants</b>	125,000	\$ 0.70	December 20, 2011
	1,400,250	\$ 0.95	December 22, 2008 *
	333,250	\$ 0.95	January 10, 2009 *

\* at the election of the Company, and upon notice to holders, the expiry period may be reduced to 25 business days if the market price at closing is \$1.20 or greater for ten days.

**Stock-based compensation**

On September 6, 2006, the Company granted 1,130,000 options to certain employees and consultants. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations and recorded as contributed surplus on the balance sheet is \$521,846. The allocation of stock-based compensation expense was related to management and consulting fees. A weighted average fair value of options granted of \$0.45 per share.

On March 20, 2006, the Company granted 200,000 options to certain employees and consultants. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations and recorded as contributed surplus on the balance sheet is \$62,201 and the weighted average fair value of options granted was \$0.31 per share. All options are fully vested.

On October 18, 2005, the Company granted 815,000 options to consultants, officers and directors. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations and as contributed surplus on the balance sheet was \$126,220 and the weighted average fair value of options granted was \$0.16 per share. All options are fully vested.

The following weighted average assumptions were used for the valuation of stock options and share purchase warrants:

	2007	2006
Risk-free interest rate	4.03%	3.74%
Expected life of options and/or warrants	5 years	5 years
Annualized volatility	71.0%	72.4%
Dividend rate	0.00%	0.00%

## **BRETT RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006

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### **8. RELATED PARTY TRANSACTIONS**

During fiscal 2007, the Company:

- a. paid or accrued management consulting fees of \$188,215 (2006 - \$109,342) to companies controlled by directors or officers;
- b. paid or accrued geological services of \$27,100 (2006 - \$10,818) to companies controlled by directors or officers;
- c. paid \$29,348 (2006 - \$15,700) for rent and related costs to a company with a common officer;
- d. included in accounts payable and accrued liabilities \$18,179 (2006 - \$97,769) owed to directors and officers of the Company; and
- e. paid \$nil (2006 - \$12,000) for equipment to a director and officer of the Company.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The purchase of equipment is not in the normal course of operations and is measured at the exchange amount, which is the resale value.

### **9. SUBSEQUENT EVENTS**

Subsequent to August 31, 2007, the Company:

- a. issued 203,250 common shares on the exercise of warrants for \$193,088;
- b. issued 200,000 common shares to Solomon Resources Ltd. on the fourth anniversary for the Sleitat property;
- c. entered into an agreement to acquire an option to earn a 100% interest in 10 claims contiguous to the Hammond Reef property. Under a three-year agreement, the Company will pay \$30,000 and issue 30,000 common shares of the Company, subject to regulatory approval, and pay a further \$180,000 in instalments of \$40,000, \$60,000 and \$80,000 on the first, second and third anniversaries, respectively. On the third anniversary, 100,000 common shares of the Company will be issued. The owners will retain a 2% NSR royalty, of which the Company can purchase up to one-half at any time for \$500,000 for each 0.5% tranche of the royalty. The property falls within the area of influence and may become a portion of the joint venture at Kinross' election; and
- d. granted 1,090,000 incentive stock options on November 23, 2007 exercisable for a five-year period at \$1.35 per share.

**BRETT RESOURCES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006**10. SEGMENTED INFORMATION**

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

	2007	2006
Assets		
Canada	\$ 10,950,382	\$ 4,063,286
El Salvador	94,844	276,892
Peru	51,036	68,154
Other	1	1
United States	1,061,011	913,951
	\$ 12,157,274	\$ 5,322,284

**11. INCOME TAXES**

The Company has accumulated losses for Canadian tax purposes of approximately \$1,853,000 that expire in various years to 2027 as follows:

Available to	Amount
2008	\$ 128,000
2009	145,000
2010	138,000
2014	370,000
2015	418,000
2026	216,000
2027	438,000
	\$ 1,853,000

Future income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

The reconciliation of income tax benefit computed at statutory rates to the reported income tax benefit is as follows:

	2007	2006
	34.12%	34.12%
Income tax benefit computed at Canadian statutory rates	\$ 257,579	\$ 135,696
Permanent differences not recognized in year	(181,066)	(62,260)
Temporary differences not recognized in year	73,025	(2,224)
Unrecognized tax losses	(149,538)	(71,212)
Future income tax arising from flow-through share renunciation	1,554,780	60,839
Future income tax recovery	\$ 1,554,780	\$ 60,839

**BRETT RESOURCES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2007 AND 2006**11. INCOME TAXES (cont'd...)**

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2007	2006
Future income tax assets		
Non-capital loss carry forwards	\$ 574,932	\$ 554,624
Book value of mineral property interests and capital assets in excess of tax values	(205,086)	-
Tax value of mineral property interests and capital assets in excess of book value	-	1,360,381
	369,846	1,915,005
Valuation allowance for future income tax assets	(369,846)	(1,915,005)
	\$ -	\$ -

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances, which have not been spent as at August 31, 2007 and which are for such expenditures. As at August 31, 2007, the amount of flow-through proceeds remaining to be expended is \$nil (2006 - \$3,181,870).

**BRETT RESOURCES INC.  
FORM 51-102F1**

**MANAGEMENT DISCUSSION AND ANALYSIS – 4th QUARTER and ANNUAL**

**December 10, 2007**

The following Management Discussion and Analysis (“MD&A”), prepared as of December 10, 2007, following the requirements of National Instrument 51-102 (“NI 51-102”), provides information that management believes is relevant to an assessment and understanding of Brett Resources Inc.’s financial condition and the results of its operations and cash flows for the fourth quarter and year ended August 31, 2007. The discussion should be read in conjunction with the annual audited consolidated financial statements with its related notes for the year ended August 31, 2007. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all numbers are reported in Canadian dollars, unless otherwise noted.

**DESCRIPTION OF BUSINESS**

Brett Resources Inc. (hereinafter referred to as “Brett” or the “Company”) is a mineral exploration stage company with its main properties located in Canada, Alaska and Latin America. Brett and its wholly owned subsidiary, Gridiron Exploration Ltd., conduct their activities through local subsidiary companies. The Company recently graduated to a Tier 1 reporting issuer in British Columbia and Alberta and trades on the TSX-Venture Exchange under the symbol BBR.

**EXPLORATION OVERVIEW AND OVERALL PERFORMANCE**

***Hammond Reef, Ontario, Canada***

In March 2006, the Company entered into an agreement with Kinross Gold Corporation (“Kinross”) to earn up to a 60% interest in Kinross’ Hammond Reef gold property near Atikokan, Ontario. The terms of the option agreement require the Company to expend a total of US \$5,000,000 on exploration and development of the property within four years, with US \$1,000,000 to be spent in the first year which was accomplished. Additionally, the Company agreed to issue Kinross a total of 1,000,000 common shares of the Company in five equal tranches, of which the first 200,000 common shares were issued upon execution of the Agreement and the second 200,000 common shares were issued on the 1<sup>st</sup> anniversary of the agreement in March 2007. The remaining installments are to be issued on each of the three subsequent anniversary dates thereof. Upon exercise of the option prior to or by the fourth anniversary, a 60:40 participating joint venture will be formed to further develop the property. At that time, Kinross will have a one-time opportunity to earn back a 20% interest and the right to operate the project, by electing to fund 100% of the next US \$5,000,000 in expenditures.

Subsequent to year-end Brett has completed sufficient expenditures to meet the financial obligations for the earn-in. The Company is in the process of preparing the technical reports and accounting, to support the delivery of notice to Kinross regarding the earn-in. The other obligation will be the delivery of the balance of the shares required under the agreement. During this transition period, exploration is continuing in consultation with Kinross.

The Hammond Reef Property comprises 142 claims and leases totaling 3,785 hectares, and covers a strike length of 10 kilometres along the favourable structure and lithology, which is host to the gold mineralization. Hammond Reef has been subject to historic exploration, including almost eighteen thousand metres of diamond drilling in 83 holes since 1984.

The Hammond Reef deposit, which is open both laterally and to depth, comprises two roughly tabular zones along a northeasterly strike length of 2.5 kilometres, with a 700 metre gap between the zones that has had limited exploration. The zones are approximately 1000 (A zone) and 800 (41 zone) metres long. Mineralization occurs within fracture controlled quartz vein stockworks with minor fine pyrite in variably altered, foliated Archaean granitoids and mafic dikes within and adjacent to the northeast trending structure known as the Hammond Reef Schist Zone.

***Hammond Reef, Ontario, Canada (cont'd...)***

Data assembly and review in April and May 2006 led to the filing on SEDAR of an NI 43-101 technical report. Initial work on the property consisted of line cutting, mapping, prospecting, geochemical surveys, and differential GPS survey of the grids and historic drill hole collars. A diamond-drilling program commenced on October 18, 2006 and assay results for the initial 10 holes of 2,753 meters of NQ core completed prior to the new year were published in a news release dated January 18, 2007. The Company has completed 85 drill holes on the property to date. In the mid 1980's, Falconbridge drilled 34 holes in the A Zone; most of these holes were shallow and revealed mineralized thicknesses of 30 to 60 metres. The recent holes have intersected mineralized intercepts often exceeding 100 metres in width, to a maximum 267 metres, with grades often better than 1.0 g/t Au. The down dip portion of the A Zone has delivered results which indicate greater thickness and better grade than the prior up-dip drilling. The A Zone dips to the SE at 25 to 40°, with local steepening or flattening, and the additional drilling still indicates a favorable geometry for open pit mining. Drilling continues on the A Zone. Exploration trenching elsewhere on the property is in progress testing some soil geochemistry anomalies.

Manley Patents- The Company entered into an agreement to acquire the mineral rights to the 90-hectare Manley Patents, a group of 3 patented mining claims situated entirely within the Kinross Hammond Reef property (see above). Now amalgamated with the Kinross property and covered by the option agreement with Kinross, the inclusion of the Manley Patents closed a significant gap in the original land position, allowing exploration to be conducted along the entire strike length of the gold bearing Hammond Reef Schist Zone. Under the terms of the option agreement, the Company will issue the vendor 250,000 common shares of the Company over a 3 year period, with the first 100,000 issued at execution. In March 2007, on the 1<sup>st</sup> anniversary of the agreement, 50,000 common shares were delivered. The vendor will retain a 2% Net Smelter Return royalty, one half of which may be purchased for \$500,000.

Since the owner had previously alienated the surface rights to the Manley Patents, a separate agreement was negotiated with the owner of those rights. Under the terms of this agreement, Brett and Kinross have acquired an option to purchase the surface rights for the following consideration: a cash payment of \$75,000 (paid by Kinross); the issuance of 175,000 common shares of the Company valued at \$0.65 per share for a total of \$113,750; a two year warrant for the purchase of 125,000 shares of the Company at a price of \$0.70 per share which automatically converted to a five year warrant when the Company attained Tier 1 status on TSX-V in October 2007. In order to take full possession of the property the Company is required to make an additional payment of \$1,000,000 before December 29, 2011. The agreement also includes some seasonal and area restrictions, not considered material to the exploration program; and adequate notice prior to exercise of the option.

Sande and Stewart- Subsequent to the year-end, the Company acquired a 100% interest in the Sande and Stewart Property, comprised of 10 claims (160 ha), contiguous with the south central boundary of the Hammond Reef claim block. It is incorporated into the option/joint venture agreements with Kinross. The option terms include payments totaling \$210,000 over three years and the issuance of 130,000 shares over the same period to earn a 100% interest, with \$30,000 and 30,000 shares issued upon regulatory approval. The vendors will retain a 2% NSR royalty, half of which may be purchased by Brett for \$1 million in total. The property falls within the area of influence and may become a portion of the joint venture at Kinross' election.

**Hammond Reef (including Manley Patents), Ontario, Canada (cont'd...)**

A summary of the Company's commitments with Kinross Gold Corporation and the various vendors of the Hammond Reef related properties are included in the following table:

SHARE ISSUANCE DATE	SHARE ISSUANCES TO KINROSS	SHARE ISSUANCES TO MANLEY PATENTS VENDOR	SHARE ISSUANCES TO MANLEY PATENTS SURFACE RIGHTS HOLDER	SHARE ISSUANCES TO SANDE & STEWART PROPERTY VENDOR ***	EXPENDITURES (EXPLORATION COMMITMENTS) US\$
March 1, 2006	200,000 (issued)				\$ 1,000,000 - 1 <sup>st</sup> year
May 31, 2006		100,000 (issued)			
Dec. 19, 2006			175,000 (issued)*		
March 20, 2007	200,000 (issued)	50,000 (issued)			
November 15, 2007				30,000 (issued)	
March 20, 2008	200,000	50,000			
November 15, 2008					
March 20, 2009	200,000	50,000			\$ 4,000,000 by year 4
November 15, 2009					
March 20, 2010	200,000				
November 15, 2010				100,000	
	1,000,000	250,000	175,000	130,000	\$ 5,000,000 **

\* Agreement included 125,000 5-year warrants exercisable at \$0.70.

\*\* Expenditure commitment of \$5 million has been achieved.

\*\*\* Cash commitment of \$210,000; \$30,000 of which has been paid.

**Santa Clara, El Salvador**

January 4, 2006, the Company granted an option to earn up to an 80% interest in the Cerro Bonito license, the Company's wholly owned Santa Clara Property in eastern El Salvador, to Placer Dome Exploration Inc. ("Placer"). Barrick Gold Corporation acquired Placer in February 2006, and in May negotiated a termination of the Santa Clara option, relinquishing all interest in the Property, including the outlays of US\$50,000 (initial option payment) and US\$58,050 in exploration expenditures under the option.

In early June 2006, the Company was granted an additional exploration license covering 36 square kilometres, contiguous to the western boundary of the Cerro Bonito license, and known as Jicaras Largas. Subsequently the Company also applied for three additional exploration licenses, Mogote, Pasaqinita and Salamanca, but these license applications have yet to be granted by the Ministry. Concurrently, an environmental permit for drilling has been withheld, while the government evaluates its policies with respect to mining development.

On June 22, 2006 the Company granted an option to Kinross Gold Corporation ("Kinross") to earn a 66 ⅔ interest in the Santa Clara Project (Cerro Bonito and Jicaras Largas licenses) upon the following terms: Kinross will be required to expend US \$5 million on exploration of the property over 4 years, with a minimum of US \$500,000 in the first year to vest. Upon completion of the Kinross earn-in, the project would be operated as a standard joint venture with each participant carrying its pro rata share of costs. The agreement incorporates an area of influence clause which has resulted in the subject property being enlarged to include the new Jicaras Largas license, a 36 square kilometre area lying immediately adjacent to and west of Cerro Bonito. Brett has been retained as operator.

### ***Santa Clara, El Salvador(cont'd...)***

Fourteen HQ diamond drill holes, totaling 1,692 meters, were completed in 2006 on two targets, designated as Tinta Amarilla and Santa Clara, on the Cerro Bonito License. Both targets are low sulphidation colloform-banded, quartz-chalcedony-adularia vein systems localized within a mid-Tertiary volcanic rift system. Encouraging results have been obtained from both areas and a further drilling campaign is proposed to commence as soon as new drill permitting is completed. Permit applications have been subject to delays as has the environmental permit for drilling, while the government evaluates its policies with respect to mining development.

### ***El Potosi, El Salvador***

The Company granted an option to earn a 100% interest in the 48 square kilometre El Potosi property to Tournigan Gold Corporation in 2002. This option was later assigned to Condor Resources Plc ("Condor"), an AIM listed company, which trades under the symbol CNR. The terms of the option require payment of US\$1.45 million over a period of four years, with certain extension and penalty provisions. A total of US\$200,000 in payments has to date been received by the Company.

The Company renegotiated the El Potosi Gold Concession option agreement with Condor Resources Plc ("Condor") to substitute a share issuance for a portion of the cash payment to the Company in order to accommodate Condor's intent to increase exploration expenditures. In order to earn a 100% interest in the El Potosi Project, Condor was to pay the Company US \$1,250,000 by August 24, 2006, or defer the payment for a year by paying the Company US \$150,000 by the due date and US \$1,250,000 by August 24, 2007. Condor elected to defer the payment, and the Company has accepted and received US \$50,000 cash and 500,000 shares of Condor in lieu of the US \$150,000 payment. Condor may defer the payment of US \$1,250,000 for a further year, to August 24, 2008, by paying the Company a further US \$150,000 of which US\$100,000 may be substituted at Condor's option with a quantity of Condor shares equal to US \$100,000 valued at the average market price for three days prior to the settlement date or at 10 pence per share, whichever is greater. During each year that Condor defers payment, Condor must expend a minimum of US \$250,000 on the property. The Company will retain a 1% NSR on any production over 200,000 ounces from the property.

On August 22, 2007, Condor terminated the Option Agreement without having earned any equity or encumbering the property. The Company is reviewing the exploration potential of the property to ascertain if the Company should commence further exploration itself or seek a joint venture partner.

### ***Cerro Condorini, Peru***

In October 2005, the Company acquired, by staking, a 100% interest in a 1000 hectare zinc-lead-silver prospect in southern Peru. An initial program of mapping and sampling yielded sufficient encouragement to stake a second contiguous 900 hectare claim east of the original ground. Geological mapping and sampling resulted in discovery of high-grade silver, zinc and lead mineralization in and peripheral to historic mine workings, and has identified oxide mineralization along strike to the northwest of the historic mine in a broad zone up to 1.5 kilometres wide and 5 kilometres long. Surface sampling within a 20 metre wide zone of mineralization yielded 3m of 28.8% Zn and 4.07% Pb.

In February 2007 an option agreement was completed with Zincore Metals Inc., whereby Zincore may acquire a 60% interest in the property by spending US \$1,500,000 on exploration and making cash payments to Brett of US \$75,000 over two years. The first year's minimum exploration expenditure of US \$200,000 is a firm commitment. Zincore has been appointed operator of the project. Upon Zincore earning its interest, the parties will incorporate a Peruvian corporation in accordance with their respective interests to continue exploration on the property. Zincore can earn an additional 10% interest in the Cerro Condorini property (for a total 70% interest) by expending a further US \$2,500,000 on exploration over the next two years and an additional 10% interest in the property (for a total 80% interest) by expending US \$4,000,000 over the following four years. In total, to earn an 80% interest, Zincore would be required to spend US\$8 million over a maximum period of 8 years.

### ***Sleitat, Alaska***

The Sleitat Mountain Tin-Silver-Tungsten property is optioned from Solomon Resources Limited (“Solomon”) and located approximately 135 km northeast of the coastal town of Dillingham. Under the terms of an LOI, dated July 2005, the Company can acquire an 80% interest in the Sleitat Mountain property by issuing 1,000,000 shares of the Company to Solomon over a four-year period; the first 200,000 shares were issued upon signing. The Company issued additional tranches of 200,000 shares on the 2<sup>nd</sup> and 3<sup>rd</sup> anniversary dates of the LOI and must issue the final 200,000 shares in 2008, as long as the Company has not terminated its interest in the project. At that time, the Company will be vested at 80% and a Joint Venture will be constituted. Further exploration or development expenditures will be shared 80/20 unless a given party dilutes to less than a 10% participating interest. In such a case, that party would retain only a 1% NSR royalty on subsequent production of any metals from the property.

The prospect is exposed in a saddle on Sleitat Mountain, where tin, tungsten silver and gold occur in an east-west trending, steeply dipping greisen zone that extends nearly 1 kilometre along trend. The mineralized greisen varies from 30 to 240 metres wide and, based on results of drilling by Cominco Ltd. in 1989, extends to a minimum depth of 90 metres. An 826 kg bulk sample collected and analyzed by the US Bureau of Mines and reported by Alaska State Department of Natural Resources geologist Robert Burleigh in 1991 assayed 0.37% tin, 17 g/t silver and 432 ppm tungsten. Cominco drilling results include a 29.4 meter intersection of 1.6% tin (including 3.1 metres grading 12.6% tin and 198 g/t silver).

An NI 43-101 technical report was filed on the SEDAR website in February 2006.

A 700 metre helicopter-supported core-drilling program completed by the Company in July 2006 succeeded in confirming the results of the earlier drilling by Cominco and providing encouragement for expanding the mineralization. Four of five holes drilled encountered intercepts greater than 40 metres with values exceeding 0.2 % tin and 6 g/t silver; the best intercept being 61.6 m of 0.37 % tin. One hole designed to twin a Cominco intercept provided excellent correlation of values, thereby increasing our confidence in the historic data.

### ***Coal Creek, Alaska***

January 11, 2006, the Company acquired a 100% interest in the Coal Creek tin prospect in the foothills of the Alaska Range by claim staking. Located 200 kilometres due north of Anchorage, the property lies 8 kilometres west of the Hurricane rail station, just west of the Parks Highway between Anchorage and Fairbanks.

The property covers an area that was subject to an intensive exploration program between 1982 and 1988 by a joint venture of Houston International Minerals Corporation and Billiton Exploration U.S.A. Inc., including 42 diamond drill holes to depths of up to eight hundred feet. Preliminary metallurgical analysis conducted by the Houston Oil & Minerals/Billiton JV on selected core samples indicates the tin mineralization can readily be liberated from gangue materials, and shows good potential for production of a high-grade tin concentrate.

In spring of 2006, 398 feet of core from 5 historic holes were quartered and re-sampled by the Company. Results confirmed tin and silver mineralization, but with values lower than previously recorded. The difference between the re-sampling results and the old assays is attributed to the smaller sample and the loss of material from the old core. Subsequently, a 670 metre core drilling program to confirm and expand on historical results was conducted in late summer 2006. Unfortunately, the program was initiated under adverse weather conditions which impacted the helicopter supported work. The difficulties were compounded by broken ground which prevented two of the four planned holes from reaching target depths. The best results came from the first hole, which yielded two mineralized intervals including 9.4 metres grading 0.41% tin and 0.81% zinc, and 9.3 metres of 0.45% tin and 0.29% zinc.

### ***JC Project (Smart Group), Yukon***

Four claim groups totaling 668 hectares comprising the JC project were staked for the Company in the fall of 2005 and are 100% owned. A three week program of mapping, sampling and geophysics was undertaken in July 2006 to confirm and extend values from earlier work, with a view to laying groundwork for a possible core drilling program. The program was successful in confirming the validity of prior results, which had culminated with a program of 33 diamond drill holes totaling 3,822m outlining an historical resource (Pre-N.I. 43-101 and non-compliant with C.I.M. categories, and therefore not to be relied upon for economic evaluation) of 1.25 Mt grading 0.54% tin, using a 0.3% tin cutoff.

No further field work is planned, and the property is available for option.

## MINERAL PROPERTIES AND EXPENDITURES

At August 31, 2007, the Company's mineral properties and expenditures thereon were as follows:

	HAM- MOND REEF	JC PROP	SLEITAT MTN.	COAL CREEK	S.CLARA EL SAL- VADOR	CONDO- RINI PERU	EL POTOSI, EL SAL- VADOR	NICAR- AGUA	TOTAL
<b>BALANCE, AUG.31, 2006</b>	<b>\$ 244,584</b>	<b>\$ 179,387</b>	<b>\$ 507,694</b>	<b>\$ 406,257</b>	<b>\$ 98,249</b>	<b>\$ 62,408</b>	<b>\$ 5,951</b>	<b>\$ 1</b>	<b>\$ 1,504,531</b>
LAND COSTS	462,987	1,408	3,159	23,051	-	716	-	-	491,321
ANALYTICAL SERVICES	153,877	14,086	12,215	7,946	9,043	-	-	-	197,167
DRILLING / TRENCHING	2,185,080	-	-	30,929	(10)	-	-	-	2,215,999
FIELD SUPPORT	1,596,687	-	3,260	28,219	98,771	-	-	-	1,726,937
GEOLOGY / GEOPHYSICS	460,192	7,433	13,781	20,353	227,399	-	-	-	729,158
MAPS AND REPORTS	39,692	-	1,204	2,941	10,633	-	-	-	54,470
TRAVEL/TRANSPORT COSTS	113,905	-	-	-	430	-	-	-	114,335
LOCAL OFFICE & LEGAL	27,586	-	-	-	72,104	11,339	-	-	111,029
<b>CURRENT YEAR EXPENDITURES</b>	<b>5,040,006</b>	<b>22,927</b>	<b>33,619</b>	<b>113,439</b>	<b>418,370</b>	<b>12,055</b>	<b>-</b>	<b>-</b>	<b>5,640,416</b>
<b>TOTAL EXPENDITURES</b>	<b>5,284,590</b>	<b>202,314</b>	<b>541,313</b>	<b>591,696</b>	<b>516,619</b>	<b>74,463</b>	<b>5,951</b>	<b>1</b>	<b>7,144,947</b>
OPTION PAYMENTS	-	-	-	-	-	(23,426)	(141,591)	-	(165,017)
RECOVERY OF COSTS	-	-	-	-	(447,024)	-	-	-	(447,024)
RECOVERY OF WRITE- DOWNS	-	-	-	-	-	-	135,641	-	135,641
<b>BALANCE, AUG. 31, 2007</b>	<b>\$ 5,284,590</b>	<b>\$ 202,314</b>	<b>\$ 541,313</b>	<b>\$ 519,696</b>	<b>\$ 69,595</b>	<b>\$ 51,037</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 6,668,547</b>

Technical NI 43-101 reports for JC Tin Project in the Yukon, Sleitat Mountain Tin-Silver-Tungsten property in Alaska, and the Hammond Reef Gold property in Ontario can be found on the Company's website or SEDAR filed at [www.sedar.com](http://www.sedar.com).

### Selected Annual Information

The following table sets forth selected annual information from the audited financial statements for the years ended August 31, 2007, 2006 and 2005:

<b>Year ended</b>	<b>2007</b>		<b>2006</b>		<b>2005</b>	
Income (loss)	\$	799,859 <sup>(1)</sup>	\$	(336,864) <sup>(2)</sup>	\$	(571,551) <sup>(3)</sup>
Net income (loss) per share	\$	0.02	\$	(0.02)	\$	(0.03)
Total assets	\$	12,157,274	\$	5,322,284	\$	423,785
Long term debt		Nil		Nil		Nil
Cash dividends paid		Nil		Nil		Nil

<sup>(1)</sup> includes \$521,846 in stock-based compensation and \$1,554,780 in future income tax recovery.

<sup>(2)</sup> includes \$182,473 in stock-based compensation.

<sup>(3)</sup> includes \$237,610 in write down of mineral interests.

### RESULTS OF OPERATIONS

Being in the exploration stage the Company does not have revenues from operations and, except for income from its cash and cash equivalents, relies on equity funding for its continuing financial liquidity.

### ***Cash flows for the year ended August 31, 2007***

In fiscal 2007, the Company raised \$4,980,300 (2006 - \$4,248,325) by issuing capital stock in the Company in non-brokered private placement financings, \$1,481,655 (2006 - \$62,325) from the exercise of warrants, collection of subscription receivable from past director \$nil (2006 - \$21,000) and \$155,167 (2006 - \$125,617) from the exercise of stock options for total cash proceeds of \$6,617,122 (2006 - \$4,457,267). There were share issue costs of \$200,637 (2006 - \$138,652) paid out on portions financings. Cash expenditures on acquisition and exploration of mineral resource properties were \$4,510,381 (2006 - \$766,044). All transactions resulted in an increase in cash position of \$1,524,090 (2006 - \$3,217,850) for a total cash position of \$5,064,200 (2005- \$3,540,110).

### ***Loss for the year ended August 31, 2007***

In fiscal 2007, the Company reported net income of \$799,859 (net loss of 2006 - \$336,864). The reported net income is primarily due to a future income tax recovery entry of \$1,554,780 (2006 - \$60,839) that defers tax on renounced expenditures and \$178,287 (2006 - \$22,978) in interest income on the Company's cash balances during the fiscal year. The two major costs in general and administrative expenses are management and consulting fees of \$188,215 (2006 - \$109,342) and stock-based compensation of \$521,846 (2005 - \$182,473). Stock-based compensation is a non-cash item that attempts to put a dollar value on the benefit being given on the granting of stock options based on statistical models, taking into account the volatility of the stock, the risk free rate and the weighted average life of the options. Where the market is highly volatile and not very liquid the results may not be very meaningful. Office and administration costs of \$75,352 (2006 - \$25,882) include \$34,785 (2006 - \$9,489) insurance costs. Property evaluations of \$79,928 (2006 - \$36,171) were expended to research potential mineral property acquisitions. The Company writes off its mineral property costs and deferred exploration at such time as it either abandons the property or determines that there has been a permanent impairment in its value. There were no mineral property write-downs for fiscal 2007 nor 2006.

### ***Capital property expenditures for year ended August 31, 2007***

During fiscal 2007, there was \$5,164,016 (2006 - \$1,404,529) recorded in mineral property acquisition and exploration costs primarily advancing the Hammond Reef project.

### ***Cash flows for the quarter ended August 31, 2007***

During the quarter, the Company received cash proceeds of \$162,812 from the exercise of warrants and options. Cash expenditures on mineral resource properties were \$1,439,033 and \$91,985 was spent on equipment purchases for the field. All transactions resulted in a decrease in cash position of \$1,045,402 for a total cash position of \$5,064,200.

### ***Loss for the quarter ended August 31, 2007***

During the quarter, the Company reported a loss of \$13,520. The major costs in general and administrative expenses are management and consulting fees of \$41,390 and office and administration costs of \$17,996, of which \$4,226 is insurance. The Company recovered \$7,665 (2006 - \$nil) in overhead with respect to the billing of operatorship costs of the Santa Clara project in El Salvador. A loss of \$6,930 in foreign exchange reflects the rapid devaluation of the US dollar and effects of US transactions and translation of cash held in US dollars.

### ***Capital property expenditures for quarter ended August 31, 2007***

During the quarter, there was \$1,873,912 net of recovery of costs, recorded in mineral property acquisition and exploration costs.

### ***Liquidity and capital resources***

The Company relies on the capital markets to generate funds to finance operations and explorations. When acquiring mineral properties the Company will at times issue its own stock to the vendor of the property as partial or full consideration for the property. During the quarter, the Company had cash proceeds of \$74,312 from the exercise of warrants and \$88,500 from the exercise of stock incentive options. At August 31, 2007, the Company had no long-term debt or other commitments and had working capital of just under \$4.5 million. Currently, all flow-through proceeds have been expended on flow-through eligible expenditures and all the working capital is available for general and administrative expenses and project generation or research.

### **Summary of Quarterly Results**

The following tables report selected financial information of the Company for the past eight quarters.

<b>Quarter ended</b>	<b>31-Aug-07</b>	<b>31-May-07</b>	<b>28-Feb-07</b>	<b>30-Nov-06</b>
Capitalized property acquisition and exploration costs	\$ 1,873,912	\$ 1,166,928	\$ 1,110,568	\$ 1,012,608
Revenue <sup>(1)</sup>	-	-	-	-
Gain (loss) for the quarter	\$ (13,518)	\$ (173,482)	\$ 1,552,765 <sup>(2)</sup>	\$ (565,906) <sup>(3)</sup>
Gain (loss) per share	\$ (0.01)	\$ (0.01)	\$ 0.05	\$ (0.02)

<b>Quarter ended</b>	<b>31-Aug-06</b>	<b>31-May-06</b>	<b>28-Feb-06</b>	<b>30-Nov-05</b>
Capitalized property acquisition and exploration costs	\$ 1,018,887	\$ 329,567 <sup>(5)</sup>	\$ (20,608) <sup>(7)</sup>	\$ 76,583
Revenue <sup>(1)</sup>	-	-	-	-
Loss for the quarter	\$ (70,114) <sup>(4)</sup>	\$ (116,400) <sup>(6)</sup>	\$ (14,030) <sup>(8)</sup>	\$ (136,320) <sup>(9)</sup>
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

(1) being in the exploration stage, the company does not have revenues from operations.

(2) includes \$ 1,623,132 future income tax recovery from renounced expenditures flowed through to investors.

(3) includes \$ 509,376 stock-based compensation.

(4) includes \$ 34,091 stock-based compensation.

(5) includes \$64,163 in forfeited payments towards exploration expenditures by Placer (now Barrick Gold Corporation) subsequent to the decision by all parties to terminate the option agreement on the Santa Clara property in El Salvador.

(6) includes \$ 64,209 stock-based compensation.

(7) includes \$56,950 CAD equivalent of \$50,000 US, option payment from Placer for the Santa Clara property.

(8) includes \$ 60,839 future income tax recovery from renounced expenditures flowed through to investors.

(9) includes \$ 84,172 stock-based compensation.

### **Transactions with related parties**

Geological and management consulting fees were charged to the Company by various directors and officers for a net total of \$41,390 for the quarter.

Rent and administration services and staff are provided by a company controlled by a common officer on a shared cost basis among several companies. The Company's portion of costs was \$12,028 for the quarter.

## **Risk Factors**

Success in the mineral exploration business is measured by a company's ability to raise funds, secure properties of merit and, ideally, identify deposits on one of its properties. The attainment of these objectives is influenced by many factors not necessarily within management's control.

Other risk factors include political risks, metal prices, the establishment of undisputed title to mineral properties, environmental concerns and obtaining governmental permits and licenses when required.

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire, explore and develop properties in the future.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with respect to the Company and such other companies. In addition, such directors and officers are required to declare and refrain from voting on any matter in which such directors and officers may have a conflict of interest.

The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, metal prices and perceptions as to which way the market is headed.

Forward-looking statements involve inherent risks and uncertainties. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

## **Disclosure Controls and Procedures**

The Board of Directors of the Company has adopted a formal Corporate Disclosure Policy relating to disclosure controls and procedures. This Policy extends to the conduct of directors, officers, spokespersons and other employees and agents of the Company, and all methods that the Company uses to communicate to the public. The disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures, and believes that they have been effective in providing reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

All relevant information related to the Company is filed electronically at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.brettresources.com](http://www.brettresources.com).

## **Changes in Accounting Policy**

### ***Financial instruments***

Effective September 1, 2007 the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") under CICA Handbook Section 1530 "Comprehensive Income" ("Section 1530"), Section 3251 "Equity", Section 3855 "Financial Instruments – Recognition and Measurement" ("Section 3855"), Section 3861 "Financial Instruments – Disclosure and Presentation" and Section 3865 "Hedges". These new

sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: (1) held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; (2) available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired; and (3) all derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sale normal purchase exemption and changes in their fair value are recorded in income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

As a result of the adoption of these new standards, the Company is required to classify its cash, marketable securities, receivables, and accounts payable and accrued liabilities as financial instruments.

### **Other Management's Discussion and Analysis**

#### ***Capital Stock fully diluted as at December 10, 2007:***

Authorized:

Unlimited common shares without par value

Issued:

38,260,054 common shares

Warrants:

<b>Number</b>	<b>Exercise Price</b>	<b>Date of Expiry</b>
125,000	\$0.70	December 20, 2011
1,197,000	\$0.95	December 22, 2008 *
<u>333,250</u>	\$0.95	January 10, 2009 *
1,655,250		

\* The expiry period may be reduced to 25 days upon notice to warrant holders at the election of the Company, should the closing price of the shares be equal to or greater than \$1.00 per share for 20 consecutive trading days.

Stock options:

<b>Number</b>	<b>Exercise Price</b>	<b>Date of Expiry</b>
133,334	\$0.20	June 16, 2008
100,000	\$0.30	August 3, 2009
700,000	\$0.25	October 18, 2010
175,000	\$0.50	March 20, 2011
1,130,000	\$0.70	September 06, 2011
<u>1,090,000</u>	\$1.35	November 23, 2012
3,328,334		

Fully diluted:

43,243,638

## **Other Information**

### List of Directors and Officers

#### **Directors**

Thomas Hasek, P. Eng.; Vancouver, BC  
J. Rupert Allan, P. Geol.; Vancouver, BC  
Ronald K. Netolitzky, M. Sc.; Victoria, BC  
Lawrence Nagy, P. Geo.; Vancouver, BC  
Carl Hering, PhD.; Brandon, Manitoba

#### **Officers**

Patrick Soares, P. Geo.; President & CEO  
Robert V. Matthews, CFO  
Karen A. Allan, CMA, Corporate Secretary

#### **Auditors:**

Smythe Ratcliffe

#### **Company solicitors:**

DuMoulin & Black

#### **Company banker:**

HSBC Bank of Canada