

**NOTICE TO SHAREHOLDERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2008**

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**Responsibility for Financial Statements**

The accompanying financial statements for Metals Creek Resources Corp. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2007 audited financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the period ended March 31, 2008.

---

**METALS CREEK RESOURCES CORP.**  
(A Development Stage Enterprise)

---

March 31, 2008

Consolidated Balance Sheets	1
Consolidated Statements of Loss and Comprehensive Loss	2
Consolidated Statement of Cash Flows	3
Notes to the Financial Statements	4

**METALS CREEK RESOURCES CORP.**  
**(A Development Stage Enterprise)**

**CONSOLIDATED BALANCE SHEETS**  
**(Prepared By Management)**

As at	March 31, 2008 \$ (Unaudited)	December 31, 2007 \$ (Audited)
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 41,675	\$ 226,618
Cash - flow through funds	902,690	1,585,000
Short term investments	500,000	300,000
Other receivables	178,872	28,893
Prepaid	7,232	48,104
	1,630,469	2,188,615
Property and equipments (note 4)	12,946	8,875
Staking security deposits (note 10)	258,450	196,650
Mineral properties and deferred exploration expenditures (note 5)	797,107	647,004
	\$ 2,698,972	\$ 3,041,144
<b>LIABILITIES</b>		
Current:		
Accounts payable and accrued liabilities (note 7)	\$ 193,398	\$ 375,543
Future income taxes (note 9)	680,862	680,862
<b>SHAREHOLDERS' EQUITY</b>		
Common shares (note 6)	1,675,710	1,675,710
Warrants (note 6)	496,497	545,887
Contributed surplus (note 6)	49,390	-
Deficit	396,885	(236,858)
	2,618,483	1,984,739
	\$ 3,492,743	\$ 3,041,144
Ability to continue as a going concern (note 2)		

Approved by the Board:

\_\_\_\_\_"Alexander Stares"\_\_\_\_\_  
President, Chief Executive Officer

\_\_\_\_\_"Nick Tsimidis"\_\_\_\_\_  
Chief Financial Officer and Director

**METALS CREEK RESOURCES CORP.**

(A Development Stage Enterprise)

**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(Prepared by Management - Unaudited)**

	<b>Three Months Ended March 31, 2008 \$</b>	<b>Three Months Ended March 31, 2007 \$</b>
<b>EXPENSES</b>		
Business development	\$ 16,531	\$ -
Amortization	2,307	-
Professional fees	110,524	32,000
Office and general	40,351	246
Operating loss	169,713	32,246
Administrative fees on mineral properties	4,268	-
Interest income	5,418	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ 160,027</b>	<b>\$ 32,246</b>
Deficit, beginning of period	\$ 236,858	\$ -
Adjustment on acquisition of mineral properties	-	20,000
<b>Deficit, end of period</b>	<b>\$ 396,885</b>	<b>\$ 52,246</b>
<b>Net loss per share - basic and diluted</b>	<b>\$ 0.009</b>	<b>\$ 0.005</b>
<b>Weighted average number of shares outstanding - basic and diluted</b>	<b>18,514,536</b>	<b>6,572,857</b>

See accompanying notes to financial statements

**METALS CREEK RESOURCES CORP.**  
**(A Development Stage Enterprise)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Prepared by Management - Unaudited)**

	<b>Three Months Ended March 31, 2008 \$</b>	<b>Three Months Ended March 31, 2007 \$</b>
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss and comprehensive loss for the period	\$ (160,027)	\$ (32,246)
Amortization	2,307	-
Net Change in non-cash working capital balances		
Other receivables	(149,979)	(12,728)
Prepaid assets	40,872	-
Accounts payable and accrued liabilities	(182,145)	104,677
	<u>(448,972)</u>	<u>59,703</u>
<b>FINANCING ACTIVITIES</b>		
Short term investments	(200,000)	-
	<u>(200,000)</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>		
Cash - flow through funds	682,310	-
Proceeds from private placements	-	638,800
Staking security deposits	(61,800)	(1,500)
Expenditures on mineral properties	(150,103)	(396,744)
Adjustment on acquisition of mineral properties	-	(20,000)
Property plant and equipment	(6,378)	-
	<u>464,029</u>	<u>220,556</u>
Net change in cash and cash equivalents	(184,943)	280,259
Cash and cash equivalents, start of period	226,618	-
Cash and cash equivalents, end of period	\$ <u>41,675</u>	\$ <u>280,259</u>
<b>Supplemental Information</b>		
Income Tax Paid	\$ <u>-</u>	\$ <u>-</u>
Interest Paid	\$ <u>-</u>	\$ <u>-</u>
Shares Issued for option on mineral properties	\$ <u>-</u>	\$ <u>89,432</u>

See accompanying notes to financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(Prepared by Management – Unaudited)

---

**1. NATURE OF OPERATIONS**

Metals Creek Resources Corp. (the “Company”) was incorporated on June 21, 2004 under the Business Corporations Act (Ontario). The Company changed its name to Metals Creek Resources Corp. on February 20, 2008.

These interim financial statements should be read in conjunction with the annual consolidated audited financial statements, and corresponding notes to the consolidated financial statements, for the year ended December 31, 2007. Results for the interim period ended March 31, 2008 may not be indicative of the results which may be expected for the year ended December 31, 2008.

**2. ABILITY TO CONTINUE AS A GOING CONCERN**

The Company is an exploration stage company, and is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principals (“GAAP”) applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company’s investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has not earned any revenues to date and is considered to be in the exploration stage.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends on its ability to develop profitable operations and to continue to raise adequate financing.

**3. CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION****Financial Instruments**

The company has adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial statements.

**Financial Instruments – recognition and measurement (CICA Handbook Section 3855)**

These standards set out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a company’s balance sheet and measured either at fair value or, in certain circumstances when fair value may not be consideration the most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and deficit.

All financial assets and liabilities are recognized when the company’s outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect.

All financial instruments are classified into one of the following five categories; held for trading, held-to-maturity, loans and receivable, available-for-sale financial assets or other financial liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Prepared by Management – Unaudited)

Initial and subsequent measurement and recognition of changes in the value of financial instruments depend on their initial classification.

Held for trading financial instruments are measured at fair value. All gains and losses are included in net loss in the period in which they arise.

Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net loss.

Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in comprehensive income until the asset is removed from the balance sheet.

All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses are included in the net loss in the period in which they arise.

In accordance with this new standard, the company has classified its financial instruments as disclosed in Note 2.

**Hedging (CICA Handbook Section 3865)**

This new standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The company currently does not have any hedges.

**Comprehensive Income (CICA Handbook Section 1530)**

Comprehensive income is the change in shareholders' equity during the period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of net loss to be presented in other "comprehensive income" until it is considered appropriate to recognize into net loss. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. The company currently does not have any comprehensive income.

**4. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>March 31, 2008 Net</b>
Computer equipment	\$ 1,458	\$ 546	\$ 912
Furniture and Fixtures	5,621	112	5,509
Computer software	16,393	9,868	6,525
	<u>\$ 23,472</u>	<u>\$ 10,526</u>	<u>\$ 12,946</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Prepared by Management – Unaudited)

---

**5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES**

Mineral properties and deferred exploration expenditures are comprised as follows:

Deferred exploration expenditures	\$ 606,968
Acquisition costs and staking costs of properties	<u>190,139</u>
	<u>\$ 797,107</u>

***Ontario***

Dogpaw Lake Project	\$ 602,246
Panama Lake and Wicks Lake	<u>26,828</u>
	<u>629,074</u>

***Newfoundland***

Sheffield Lake Project	36,003
Sops Arm Project	29,994
Gabbro Lake Project	3,516
Tilt Cove (note 13(iii))	1,481
Other Properties	<u>97,039</u>
	<u>168,033</u>
	<u>\$ 797,107</u>

**I. Ontario Properties**

**Dogpaw Lake Property**

The Company has acquired an option on the Dog Paw gold project which is located approximately 40 km east of Kenora, Ontario and consists of 23 claims totaling 269 units. The company has entered into an option agreement with Endurance Gold Corp (an unrelated company). whereby under the Initial Option the Company has earned a 70% interest in the property by making share payments totaling 400,000 shares and completing work commitments of \$200,000 on the property. The Company is in the process of earning in for the Second Option to earn a further 5% in the property by issuing a further 50,000 common shares and spending an additional \$250,000 on the property. After the Company has earned a 75% interest a joint venture will be formed on a 75% the Company and 25% Endurance Gold Corp. basis.

The share payments shall be issued as follows:

First Option	400,000 common shares (issued March 30, 2007)
Second Option	50,000 common shares

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Prepared by Management – Unaudited)

---

**Panama Lake Property and Wicks Lake Property**

The Panama Lake Gold property is located in the southern portion of the Birch-Uchi Lake Greenstone belt in Northwestern Ontario and consists of 2 claims totaling 24 units. The Wicks Lake gold property is located in the Northwestern Ontario approximately 1.5 km south of the Dog Paw Gold property and consists of 1 claim totaling 11 units.

The properties were purchased from Stares Contracting Corp., a non-arms length related party, subject to a 2% NSR royalty. Consideration for the acquisition was \$20,000 cash and 150,000 shares.

**II. Newfoundland Properties**

**Sheffield Lake/Sops Arm Property**

The Company has staked three separate claim blocks totaling 1,577 claims (owned 100% by the company). The properties cover 394 square kilometers of highly prospective radio-active volcanic rocks previously unexplored for Uranium.

The Company recently signed an agreement with Uranium City Resources Inc. whereby Uranium City can earn a 50% interest in the project by funding the next \$1.4 million of exploration expenditures (\$400,000 firm in the first year).

**Gabbro Lake Property**

The Gabbro Lake project consists of 313 claims located approximately 120 km Northeast of Labrador City, Labrador.

The company has entered into a formal joint venture agreement with Golden Dory Resources on the Gabbro Lake Project. Under the terms of the agreement the Company and Golden Dory Resources formed the joint venture on a 50:50 basis with the Company being the primary operator.

**Other Properties**

Included in Other Properties are the following:

- Mundiregina Property;
- Cheesman Lake Property;
- Newfoundland Dog Pond;
- Fraleck Property;
- Marconi Property

**6 CAPITAL STOCK**

**(a) Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares. There was no share capital transactions during the interim period ended March 31, 2008.

	Number of <u>Shares</u>	<u>Amount</u>
Balance, December 31, 2007 and March 31, 2008	18,514,536	\$1,675,710

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Prepared by Management – Unaudited)

**(b) Share Purchase Warrants**

There was no share purchase warrants issued during the interim period ended March 31, 2008. 357,143 share purchase warrants exercisable at \$0.50 expired during the period. The following share purchase warrants are outstanding as of March 31, 2008.

	<u># of Warrants</u>	<u>Amount</u>	<u>Exercise Price</u>	<u>Expiry</u>
Issued Pursuant to private placements	1,855,250	\$ 481,944	\$1.25	Dec 2009
Broker warrants	<u>120,000</u>	<u>14,553</u>	\$1.00	Dec 2009
Total	<u>1,975,250</u>	<u>\$ 496,497</u>		

A summary of the value of the Company's warrants outstanding at March 31, 2008 and the changes for the period then ended is as follows:

Balance, December 31, 2007	\$	545,887
Value of warrants which expired, unexercised		<u>(49,390)</u>
Balance, March 31, 2008	\$	<u>496,497</u>

Contributed surplus at the period end of \$49,390 results on the expiry of 357,143 share purchase warrants.

**(c) Stock Options**

A summary of the Company's options at March 31, 2008 and the changes for the period then ended is as follows:

	<u>Options Outstanding</u>	<u>Weighted-Average Exercise Price</u>	<u>Expiry</u>
December 31, 2007	739,500	\$0.15	Sep 16, 2009
Expired	<u>420,000</u>	<u>\$0.15</u>	
March 31, 2008	<u>319,500</u>	<u>\$0.15</u>	Sep 16, 2009

The following table summarizes information about the options outstanding at March 31, 2008:

	<u>Options outstanding</u>	<u>Remaining Life</u>
Exercise Price	319,500	1.5 years

In accordance with Canadian generally accepted accounting principles, there was no carrying value for the above stock options, due to the Company's status as a non-operating public enterprise prior to the reverse takeover which was completed on December 21, 2007.

**(d) Shares held in escrow**

Pursuant to the requirements of the Exchange, 13,655,000 common shares remain subject to escrow: of which 10,762,077 are subject to a value escrow agreement and 2,892,923 are subject to a surplus escrow.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Prepared by Management – Unaudited)

**7. RELATED PARTY TRANSACTIONS**

The Company paid or accrued the following amounts to related parties during the period ended March 31, 2008;

<u>Payee</u>	<u>Description of Relationship</u>	<u>Nature of Transaction</u>	<u>(\$)</u>
Stares Contracting Corp.	Company controlled by Stephen Stares and Michael Stares, Directors	Payments for property claims exploration activities capitalized in deferred exploration expenditures and refundable security deposits	48,131 (2007: 31,274)
Alexander Stares/ Stares Prospecting Ltd.	Director/Company controlled by Alexander Stares, Director and Officer	Payments for exploration capitalized in deferred exploration expenditures, and reimbursement of expenses	93,131 (2007: 15,012)
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Director	Legal fees expensed and accrued during the period	48,941 (2007: NIL)
Michael Stares	Director	Payment for exploration Activities, capitalized In deferred exploration expenditures	- (2007:10,860)
Michael MacIsaac	Officer	Payment for exploration activities capitalized in deferred exploration expenditures and reimbursement of expenses	30,648 (2007: NIL)
Nick Tsimidis	Officer and Director	Reimbursement of expenses	21,537 (2007: NIL)

Included in accounts payable and accrued liabilities at March 31, 2008 is:

- \$8,475 (2007: \$NIL) payable to Micheal MacIsaac;
- \$22,921 (2007: \$20,000) payable to Stares Contracting Corp;
- \$5,581 (2007: NIL) to Stares Prospecting Ltd

The purchases from/fees charged by related parties are in the normal course of operation and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(Prepared by Management – Unaudited)

---

**8. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, short term investments, accounts and other receivables, accounts payable and accrued liabilities and promissory notes payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk from these financial instruments.

**9. INCOME TAXES**

The Company adopts the asset and liability method of accounting for income taxes.

**Future Tax Balances**

The tax effects of temporary differences that give rise to future income tax assets and future income tax liabilities at the combined Canadian federal and provincial statutory tax rates of 36.1% are as follows:

Future tax assets – long term portion	
Non-capital losses	\$ 206,036
- Renunciation of flow-through proceeds	572,502
- Renunciation of flow-through proceeds	57,792
- Mineral properties	50,568
Less: (Valuation allowance)	<u>(206,036)</u>
Balance, December 31, 2007 and March 31, 2008	<u>\$ 680,862</u>

**10. STAKING SECURITY DEPOSITS**

Staking security deposits of \$258,450 represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These staking security deposits are refundable to the company upon submission by the company of a report covering the first year work requirements which meets the requirements of the Government of Newfoundland and Labrador.

**11. LOSS PER SHARE**

Basic loss per share figures are calculated using the weighted average number of common shares outstanding during the period (18,514,536).

Fully diluted loss per share figures are calculated after taking into account all stock options and warrants granted. Exercise of the outstanding warrants and options would be anti-dilutive with respect to loss per share calculations and therefore fully-diluted loss per share is not presented.

**12. SUBSEQUENT EVENTS****(i) Investor Relations**

Subsequent to the period, the Company retained The Windward Agency to provide investor and public relations. The Windward Agency is based in Charlotte North Carolina, and will receive a monthly retainer of US\$5,000 plus approved expenses, renewable on a month to month basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(Prepared by Management – Unaudited)

---

**(ii) Ogden Township Property – GoldCorp Option**

Subsequent to the period ended March 31, 2008, the Company announced that it has signed a non-binding letter of intent with Goldcorp Canada Ltd. (“Goldcorp”) to jointly explore Goldcorp’s mining claims located in Ogden and Deloro Townships, located six km south of Timmins city centre, Ontario. The package consists of 84 patented and unpatented claims totaling approximately 1184 hectares (the “Property”) and covers eight kilometers of strike length along the east-west striking, highly prospective, Porcupine-Destor “Break”.

The agreement allows for the Company to earn 50% of Goldcorp’s interest in the Property by funding total expenditures on the Property of \$3,100,000 over four years as follows: (i) \$400,000 in year one, (ii) \$700,000 in year two and (iii) \$1,000,000 in each of years three and four. The Company will also make cash and share payments to Goldcorp as follows: (i) \$40,000 cash and \$25,000 worth of common shares on signing, (ii) \$35,000 cash and \$25,000 worth of common shares on the first anniversary, (iii) \$35,000 cash and \$50,000 worth of common shares on the second anniversary, (iv) \$100,000 worth of common shares on the third anniversary, and (v) \$150,000 worth of common shares on the fourth anniversary. Within six months of the Company’s vesting at 50% interest in the Property, Goldcorp has the option to buy back a 20% interest from the Company for a cash payment of up to \$310,000, expending \$4,100,000 on the property within two years, and completing a feasibility study within three years. The Company will be the operator of the Property during the earn-in period and afterwards, provided it holds a 50% or greater interest in the Property. If either party becomes diluted to a 10% interest, that interest will be converted into a 2% Net Smelter Return Royalty. Management of the Company feels this letter of intent will form the basis for a promising strategic acquisition.

**(iii) Tilt Cove - Newfoundland**

The Company acquired by staking and option agreement a land package totaling 56 claim units, in four separate blocks, covering portions of the Betts Cove Ophiolite Suite on the Baie Verte Peninsula, Newfoundland. Three of the blocks were recently staked by the Company, while rights to the fourth were obtained through the execution of an option agreement (“Option Agreement”) with an arm’s length prospector. Pursuant to the Option Agreement, the Company has the option to earn a 100% interest in the claims forming the fourth block by making staged cash payments totaling \$67,500 and issuing 220,000 shares to the optionor over three years. On production, the optioned claim block is subject to a 2% net smelter return in favor of the optionor, subject in turn to a 1% buyback right in favor of the Company at the cost of \$1,250,000.

**(iv) Stock Option Grants**

The Company granted 910,000 stock options to directors, officers, employees and consultants of the Company. All such options will have a term of three years, with an exercise price of \$0.25 per share and will be governed by the terms and conditions of Company’s stock option plan and will be subject to vesting provision. Following these grants, the Company will have a total of 1,230,000 stock option grants outstanding.

**(v) Commitments**

The Company entered into a commercial lease for office premises requiring a minimum monthly payment of \$1,925 plus G.S.T. expiring March 2011.