NOTICE TO SHAREHOLDERS
FOR THE THREE MONTHS ENDED JUNE 30, 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 June 30, 2008.

METALS CREEK RESOURCES CORP.
(A Development Stage Enterprise)

June 30, 2008

METALS CREEK RESOURCES CORP.
(A Development Stage Enterprise)

CONSOLIDATED BALANCE SHEETS
(Prepared By Management)

As at		June 30, 2008 $ (Unaudited)		December 31, 2007 $ (Audited)
ASSETS				
Current Assets:				
Cash	$	406,041	$	1,811,618
Short term investments		400,000		300,000
Other receivables		125,037		28,893
Staking security deposits (note 12)		283,600		-
Prepaid		52,453		48,104
		1,267,131		2,188,615
Property and equipment (note 4)		65,748		8,875
Staking security deposits (note 12)		-		196,650
Mineral properties and deferred exploration expenditures (note 5)		1,059,490		647,004
	$	2,392,369	$	3,041,144
LIABILITIES				
Current:				
Accounts payable and accrued liabilities (note 7)	$	129,557	$	375,543
Future income taxes (note 11)		540,863		680,862
SHAREHOLDERS' EQUITY				
Common shares (note 6)		1,707,210		1,675,710
Warrants (note 6)		496,497		545,887
Contributed surplus (note 6)		86,592		-
Deficit		(568,350)		(236,858)
		1,721,949		1,984,739
	$	2,392,369	$	3,041,144

Ability to continue as a going concern (note 2)
Subsequent event (note 14)

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)

	Three Months Ended June 30, 2008 $	Three Months Ended June 30, 2007 $	Six Months Ended June 30, 2008 $	Six Months Ended June 30, 2007 $
EXPENSES				
Business development	$ 47,723	$ -	$ 64,254	$ -
Amortization	14,074	-	16,381	-
Professional fees	78,584	15,070	189,109	47,070
Office and general	53,978	4,105	94,329	4,351
Salaries and wages	87,558	-	87,558	-
Stock-based compensation (note 8)	37,202	-	37,202	-
Operating loss	319,119	19,175	488,833	51,421
Administrative fees on mineral properties	(5,912)	-	(10,180)	-
Interest income	(1,744)	-	(7,162)	-
Net loss before recovery of income taxes	311,463	19,175	471,491	51,421
Recovery of future income taxes (note 11)	139,999	-	139,999	-
Net loss and comprehensive loss for the period	171,464	19,175	331,492	51,421
Deficit, beginning of period	396,886	52,246	236,858	-
Adjustment on acquisition of mineral properties	-	-	-	20,000
Deficit, end of period	$ 568,350	$ 71,421	$ 568,350	$ 71,421
Net loss per share - basic and diluted	$ 0.009	$ 0.002	$ 0.018	$ 0.008
Weighted Average Shares Outstanding	18,535,647	9,859,286	18,525,033	6,572,857

METALS CREEK RESOURCES CORP.
(A Development Stage Enterprise)

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

	Three Months Ended June 30, 2008 $	Three Months Ended June 30, 2007 $	Six Months Ended June 30, 2008 $	Six Months Ended June 30, 2007 $
CASH FLOWS FROM (USED IN):				
OPERATING ACTIVITIES				
Net loss and comprehensive loss for the period	$ (171,464)	$ (19,175)	$ (331,492)	$ (51,421)
Amortization	14,074	-	16,381	-
Stock-based compensation	37,202	-	37,202	-
Recovery of future income taxes	(139,999)		(139,999)	
Net Change in non-cash working capital balances				
Other receivables	53,835	(10,132)	(96,144)	(22,860)
Prepaid assets	(45,221)	-	(4,349)	-
Accounts payable and accrued liabilities	(63,842)	(33,821)	(245,986)	70,856
	(315,415)	(63,128)	(764,387)	(3,425)
FINANCING ACTIVITIES				
Short term investments	100,000	-	(100,000)	-
	100,000	-	(100,000)	-
INVESTING ACTIVITIES				
Proceeds from private placements	-	-	-	638,800
Staking security deposits	(25,150)	-	(86,950)	(1,500)
Expenditures on mineral properties	(230,883)	(161,967)	(380,986)	(558,711)
Adjustment on acquisition of mineral properties	-	-	-	(20,000)
Property plant and equipment	(66,876)	(5,974)	(73,254)	(5,974)
	(322,909)	(167,941)	(541,190)	52,615
Net change in cash and cash equivalents	(538,324)	(231,069)	(1,405,577)	49,190
Cash and cash equivalents, start of period	944,365	280,259	1,811,618	-
Cash and cash equivalents, end of period	$ 406,041	$ 49,190	$ 406,041	$ 49,190
Supplemental Information				
Income Tax Paid	$ -	$ -	$ -	$ -
Interest Paid	$ -	$ -	$ -	$ -
Shares Issued for option on mineral properties	$ 31,500	$ -	$ 31,500	$ 89,432

Cash and cash equivalents consists of cash in bank

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 June 30, 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 a development 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 Company has not earned any revenues to date, other than interest income.

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.

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 INLUDING 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. 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 loans and receivables.

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.

Capital Disclosures (CICA Handbook Section 1535)

The Company has adopted CICA Handbook section 1535, Capital Disclosures in the current period. This section requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and procedures for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	March 31, 2008 Net
Computer equipment	$ 10,272	$ 1,904	$ 8,368
Furniture and fixtures	12,680	634	12,046
Computer software	54,371	21,411	32,960
General equipment	8,213	411	7,802
Leasehold improvements	4,812	240	4,572
	$ 90,348	$ 24,600	$ 65,748

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production or written-down if the properties are allowed to lapse, are impaired or are abandoned. The deferred costs associated with each property are as follows:

For the six months ended June 30, 2008	Opening balance	Expenditures	Recoveries and write downs	Ending balance
Dogpaw Lake Project	524,538	113,257	-	637,795
Panama Lake and Wicks Lake	-	31,113	-	31,113
Tillex Property	-	4,269	-	4,269
Sheffield Lake/Sops Arm Project	63,866	202,142	(202,476)	63,532
Gabbro Lake Project	3,178	338	-	3,516
Tilt Cove	-	75,551	-	75,551
Staghorn Property	-	39,099	-	39,099
Other Properties	55,422	149,193	-	204,615
Total	$647,004	$614,962	$(202,476)	$1,059,490

For the year ended December 31, 2007	Opening balance	Expenditures	Recoveries and write downs	Ending balance
Dogpaw Lake Project	-	524,538	-	524,538
Panama Lake and Wicks Lake	-	-	-	-
Tillex Property	-	-	-	-
Sheffield Lake/Sops Arm Project	-	63,866	-	63,866
Gabbro Lake Project	-	3,178	-	3,178
Tilt Cove	-	-	-	-
Staghorn Property	-	-	-	-
Other Properties	-	55,422	-	55,422
Total	-	$647,004	-	$647,004

(a) 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 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 (“First Option”). The Company is in the process of earning in for the Second Option, being a 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 (issued June 9, 2008)

(b) 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 paid for the acquisition in 2007 was $20,000 cash and 150,000 shares (issued in 2007).

(c) Tillex Property

During the period, the Company signed a letter of intent ("LOI") with Savant Explorations Ltd. ("Savant") to purchase Savant's interest in the Tillex Property located in the Currie Township approximately 65km east of Timmins, Ontario. The property consists of two patented claims spread across 80 acres.

The agreement allows for the Company to purchase Savant's 88% interest in the property in consideration of paying $15,000 and issuing 250,000 common shares to Savant. Savant will retain a 0.5% net smelter royalty in the property, which the Company can purchase for the issuance of an additional 50,000 common shares. The shares have not yet been issued.

(d) Sheffield Lake/Sops Arm Properties

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).

(e) 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.

(f) **Tilt Cove Property**

During the period, 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.

During the period, the 40,000 initial on signing common shares were issued to the optioner.

(g) Staghorn Property

During the period, the Company entered into an agreement with a group of prospectors to earn a 100% interest in a group of 76 claim units spread over 1,216 hectares in the Wood Lake area in west central Newfoundland.

Terms of the option agreement include making a series of staged option payments totaling $95,000 and issuing 250,000 shares to the optionors over three years. The optionors will retain a 2% Net Smelter Royalty, 50% of which can be purchased for $1,000,000

(h) Other Properties

Included in Other Properties (both Ontario and Newfoundland) are the Mundiregina Property; Cheeseman Lake Property; Newfoundland Dog Pond Property; Fraleck Property; Marconi Property; Currie Bowman Property; Bolton Bay Property; Ogden Property; Taylor North Property; Junction Property; and miscellaneous Genex.

6 CAPITAL STOCK

(a) Share Capital

The authorized capital of the Company consists of an unlimited number of common shares. Details of share capital transactions for the period ended June 30, 2008 are as follows:

	Number of Shares	Amount
Balance, December 31, 2007 and March 31, 2008	18,514,536	$ 1,675,710
Common shares in connection with property option Agreements	90,000	31,500
Balance, June 30, 2008	18,604,536	$ 1,707,210

(b) Share Purchase Warrants

There was no share purchase warrants issued during the interim period ended June 30, 2008. 357,143 share purchase warrants exercisable at $0.50 expired during the period. The following share purchase warrants are outstanding as of June 30, 2008.

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

A summary of the value of the Company's warrants outstanding at June 30, 2008 and the changes for the period then ended is as follows:

Balance, December 31, 2007	$545,887
Value of warrants which expired, unexercised	(49,390)
Balance, June 30, 2008	$496,497

(c) Stock Options

A summary of the Company's options at June 30, 2008 and the changes for the period then ended is as follows:

	Options Outstanding	Weighted-Average Exercise Price	Expiry
Balance, December 31, 2007 and March 31, 2008	739,500	$0.15	Sep 16, 2009
Granted during the period	910,000	$0.25	April 29, 2011
Granted during the period	200,000	$0.35	June 4, 2011
Cancelled during the period	(50,000)	$0.15	
Balance, June 30, 2008	1,799,500	$0.22	

The change in contributed surplus for the six months ended June 30, 2008 and June 30, 2007 is as follows:

	Amount $
Balance, December 31, 2007	-
Stock-based compensation for the period	37,202
Reclassified from expiration of warrants	49,390
Balance, June 30, 2008	86,592

The following table summarizes information about the options outstanding at June 30, 2008:

	Options outstanding	Expiry
Exercise Price - $0.15	689,500	Sept. 16, 2009
Exercise Price - $0.25	910,000	April 29, 2011
Exercise Price - $0.35	200,000	June 4, 2011
	1,799,500	

In accordance with Canadian generally accepted accounting principles, there was no carrying value for the 689,500 stock options expiring on September 16, 2009 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, 12,578,793 common shares remain subject to escrow: of which 9,685,870 are subject to a value escrow agreement and 2,892,923 are subject to a surplus escrow.

7. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the period ended June 30, 2008 and 2007;

Payee	Description of Relationship	Nature of Transaction	($)
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	48,181 (2007: 88,693)
Stares Prospecting Ltd.	Director/Company controlled by Alexander Stares, Director and Officer	Payments for exploration activities capitalized in deferred exploration expenditures, and reimbursement of expenses	205,134 (2007: 42,607)
Alexander Stares	Director and Officer	Salary and reimbursement of expenses for advertising and promotion, travel and exploration activities capitalized in deferred exploration expenditures	52,361 (2007: 4,200)
Michael Stares	Director	Payment for exploration Activities, capitalized In deferred exploration expenditures	NIL (2007:10,860)
Michael MacIsaac	Officer	Salary and payment for exploration activities capitalized in deferred exploration expenditures, and reimbursement of expenses	88,355 (2007: NIL)
Wayne Reid	Director	Payment for exploration activities capitalized in deferred exploration expenditures and reimbursement of expenses	73,016 (2007: NIL)
Nick Tsimidis	Officer and Director	Payment for consulting fees and reimbursement of expenses	42,797 (2007: NIL)

Included in accounts payable and accrued liabilities at June 30, 2008 is:
- $1,413 (2007: $NIL) payable to Michael MacIsaac;
- NIL (2007: $20,000) payable to Stares Contracting Corp;
- $32,689 (2007: NIL) payable to Stares Prospecting Ltd.;
- $8,501 (2007: NIL) to Alexander Stares
- $12,461 (2007: NIL) to Wayne Reid

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.

8. STOCK-BASED COMPENSATION AND COSTS

Stock options granted to directors, officers, employees and consultants vested during the six months ended June 30, 2008 are as follows:

Grant Date	# of Options	Exercise Price	Stock Price at Grant Date	Expiry Date
April 29, 2008	227,500	$0.25	$0.16	April 29, 2011
June 4, 2008	50,000	$0.35	$0.35	June 4, 2011
	277,500			

The Company applies the fair value method of accounting for stock-based compensation awards to directors, officers, employees and consultants and accordingly $37,202 (2007 - $NIL) is recorded as stock-based compensation expense and under capital stock as contributed surplus for the 277,500 (2007 – NIL) options vesting to directors, officers, employees and consultants during the year.

For the purposes of the above calculations for the options granted April 29, 2008, the fair value of each option was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.78% and an expected life of approximately 3 years.

For the purposes of the above calculations for the options granted June 4, 2008, the fair value of each option was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.88% and an expected life of approximately 3 years.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, short tern 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.

10. CAPITAL DISCLOSURES

CICA Handbook Section 1535 requires disclosure of an entity's objectives, policies and process for managing capital, qualitative date about what an entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern;
- To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- To raise sufficient capital to meet its general and administrative expenditures;

The Company manages its capital structure and makes adjustment to it, based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

11. INCOME TAXES

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

Provision for Income Taxes

The provision for (recovery of) income taxes differs from that would have resulted by applying Canadian federal and provincial statutory tax rates of 33.5%.

Loss before taxes	$ 471,491
Recovery of future income taxes	$ 139,999

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 33.5% are as follows:

Future tax assets	
Non capital losses	$ 139,999
Future tax liabilities	
Renunciation of flow-through proceeds	(630,294)
Mineral properties	(50,568)
Future income tax liability, June 30, 2008	$ (540,863)

Non-capital losses

At June 30, 2008, losses available for carry forward to reduce future years' taxable income as follows:

2014	$	20,433
2015		71,334
2026		122,929
2027		347,609
2028		139,999
TOTAL	$	702,304

12. STAKING SECURITY DEPOSITS

Staking security deposits of $283,600 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. The Company expects to receive these deposits within the next twelve months.

13. LOSS PER SHARE

Basic loss per share figures are calculated using the weighted average number of common shares outstanding during the period (18,525,033).

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.

14. SUBSEQUENT EVENT

Subsequent to June 30, 2008, the Company announced its intention to complete a non-brokered private placement with M Partners Inc. The proposed private placement will generate gross proceeds up to a maximum of $2 million through the issuance of units, comprised of both flow through and non-flow through common shares and common share purchase warrants. Actual determination of unit pricing and specified warrants attached to the abovementioned units as well as the number of units to be issued will be determined by the Company's Board of Directors depending on market prices and the determination of fair market value.

The Company will pay a finders fee to M Partners Inc. upon approval from the TSX Venture Exchange and subsequent closing of the private placement.

15. COMMITMENTS AND CONTINGENCIES

Except as otherwise discussed, the Company is in compliance with commitments required by contractual obligations in the normal course of business**.**

The Company raised $1,585,000 in the prior year, as a result of the issuance of flow-through shares. Under this arrangement, common shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. Proceeds received on the issuance of these shares have been credit to capital stock and the related exploration costs will be charged to mineral properties and deferred exploration costs in the year in which they are incurred. Proceeds received from the issuance of flow-through are restricted to be used only for allowable Canadian resource property exploration expenditures within a two year period. The Company intends to have incurred these expenditures by December 31, 2008.

16. COMPARATIVE FIGURES

Certain financial statement line items from prior year have been reclassified to conform with the current year's presentation. These reclassifications had no effect on the net loss and comprehensive loss, loss per share and accumulated deficit as previously presented.