

**WORLD WIDE MINERALS LTD.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007 AND 2006**

**(Expressed in Canadian Dollars)**

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**AUDITORS' REPORT**

To the Shareholders of  
**WORLD WIDE MINERALS LTD.**

We have audited the consolidated balance sheets of World Wide Minerals Ltd. as at December 31, 2007 and 2006 and the consolidated statements of operations and deficit and cash flows for each of the years in the two-year period ended December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 December 31, 2007 and 2006 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2007 in accordance with Canadian generally accepted accounting principles.

**MCGOVERN, HURLEY, CUNNINGHAM, LLP**

A handwritten signature in black ink that reads "McGovern, Hurley, Cunningham LLP".

**Chartered Accountants  
Licensed Public Accountants**

Toronto, Canada  
April 24, 2008

	2007 \$	2006 \$
<hr/> (Expressed in Canadian Dollars) <hr/>		
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	67,519	62,100
Amounts receivable	1,576	4,005
Due from related party (Note 11)	<u>13,929</u>	<u>23,929</u>
	83,024	90,034
<b>LONG TERM</b>		
Investment in Golden Hill Ventures Limited Partnership (Note 5)	<u>252,400</u>	<u>487,650</u>
	<u>335,424</u>	<u>577,684</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	1,540,223	1,749,726
Other obligations (Note 7)	1,648,306	1,770,474
Notes payable (Note 8)	<u>27,899,787</u>	<u>25,472,896</u>
	<u>31,088,316</u>	<u>28,993,096</u>
<b>CAPITAL STOCK AND DEFICIT</b>		
<b>CAPITAL STOCK</b> (Note 9(a))	42,437,797	42,437,797
<b>CONTRIBUTED SURPLUS</b>	120,300	120,300
<b>(DEFICIT)</b>	<u>(73,310,989)</u>	<u>(70,973,509)</u>
	<u>(30,752,892)</u>	<u>(28,415,412)</u>
	<u>335,424</u>	<u>577,684</u>
<b>GOING CONCERN</b> (Note 1)		
<b>CONTINGENCIES</b> (Notes 6 and 8)		
APPROVED ON BEHALF OF THE BOARD:		
Signed "P. A. CARROLL" _____, Director		
Signed "W. G. TYNKALUK" _____, Director		

WORLD WIDE MINERALS LTD.  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
 FOR THE YEARS ENDED DECEMBER 31

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	2007	2006
	\$	\$
<u>(Expressed in Canadian Dollars)</u>		
<b>REVENUE</b>		
Income from Limited Partnership	-	965,000
Interest income	<u>1,233</u>	<u>1,495</u>
	<u>1,233</u>	<u>966,495</u>
<b>EXPENSES</b>		
Interest on notes payable and other obligations	2,502,563	2,209,301
General and administrative	37,219	111,112
Kazakhstan litigation costs	166,770	301,818
Foreign exchange loss (gain)	<u>(367,839)</u>	<u>23,276</u>
	<u>2,338,713</u>	<u>2,645,507</u>
<b>NET (LOSS) FOR THE YEAR</b>	(2,337,480)	(1,679,012)
<b>(DEFICIT)</b> , beginning of year	<u>(70,973,509)</u>	<u>(69,294,497)</u>
<b>(DEFICIT)</b> , end of year	<u>(73,310,989)</u>	<u>(70,973,509)</u>
Net (loss) per share – basic and diluted	<u>(0.02)</u>	<u>(0.02)</u>
Weighted average number of shares – basic and diluted	<u>95,246,499</u>	<u>95,246,499</u>

See accompanying notes to the consolidated financial statements

WORLD WIDE MINERALS LTD.  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
 FOR THE YEARS ENDED DECEMBER 31

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	2007	2006
	\$	\$
<u>(Expressed in Canadian Dollars)</u>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year	(2,337,480)	(1,679,012)
Non-cash adjustments		
Income from Limited Partnership	-	(965,000)
Accrued interest	2,502,563	2,209,301
Foreign exchange adjustment	<u>(200,090)</u>	<u>(27,129)</u>
	<u>(35,007)</u>	<u>(461,840)</u>
Net changes in non-cash balances:		
Decrease in amounts receivable	2,429	10,046
Decrease (increase) in due to related party	10,000	(23,929)
(Decrease) increase in accounts payable and accrued liabilities	<u>(209,503)</u>	<u>25,573</u>
	<u>(197,074)</u>	<u>11,690</u>
Cash flows from operating activities	(232,081)	(450,150)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash distributions from Limited Partnership	<u>237,500</u>	<u>492,250</u>
Increase in cash during the year	5,419	42,100
<b>CASH</b> , beginning of year	<u>62,100</u>	<u>20,000</u>
<b>CASH</b> , end of year	<u><u>67,519</u></u>	<u><u>62,100</u></u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	1,931	7,069
Income taxes paid	-	-

See accompanying notes to the consolidated financial statements

**1. GOING CONCERN**

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and on the assumption that World Wide Minerals Ltd. ("World Wide" or the "Company") will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business as a going concern.

There is uncertainty about the Company's ability to realize the carrying value of its assets and discharge its liabilities as they come due. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, collection of outstanding loans, and attaining and maintaining positive operating cash flows.

For the year ended December 31, 2007, the Company recorded a loss of \$2.3 million (2006 - \$1.7 million) and had negative operating cash flow of \$232,000 (2006 - \$450,000). The Company has a significant working capital deficiency of \$31.0 million and an accumulated deficit of \$73.3 million.

During 1999, the Company entered into an agreement with Dundee Corporation ("Dundee") whereby Dundee advanced working capital funding to World Wide Resource Finance Inc. ("Fincorp"). Under this working capital facility, the Company sold Dundee a 50% interest in Fincorp. Fincorp is the entity which will receive revenue or income from Kazakhstan, including proceeds from any damages, awarded or settled. Upon repayment of all expenses and repayment of all amounts owing to Dundee, the net assets of Fincorp will be distributed pro rata to its shareholders; thereafter, after such repayment, the Company has the right to repurchase the 50% interest in Fincorp for \$1.

**2. NATURE OF OPERATIONS**

The Company is concentrated on achieving the recovery of its Kazakhstan investment (see Note 6) in order to position itself to benefit from the recovery in commodity prices and improved investment attitude toward the metals and minerals sector.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous period except as disclosed below. Outlined below are those policies considered particularly significant.

**Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All references to the Company should be treated as references to the Company and its subsidiaries. Inter-company accounts and transactions are eliminated on consolidation.

**Investment in Limited Partnership**

The Company has a 0.07926% interest in Golden Hill Ventures Limited Partnership and does not have significant influence over the affairs of the partnership. The fair value of the Company's interest in the partnership is not practicable to determine as Golden Hill Ventures Limited Partnership is a private partnership and the partnership units are not actively traded in a public market. Accordingly, the Company accounts for its partnership interest at cost. The carrying amount is recorded at the fair value of the purchase consideration. The Company's investment is increased by capital contributions and reduced by any return of capital.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Foreign Currency Translation**

The Canadian dollar is the functional currency of the Company's operations, which are classified as integrated for foreign currency translation purposes. Under this method translation gains or losses are included in the determination of net income or loss. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at historical exchange rates. Revenue and expense items, other than amortization, are translated at the average rate of exchange for the year. An exchange gain or loss that arises on translation or settlement of a foreign currency denominated monetary item is included in the determination of net income for the period.

**Loss per Share**

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

**Stock-Based Compensation Plan**

The Company records compensation cost based on the fair value method of accounting for stock based compensation. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period as compensation expense and contributed surplus. When options are exercised, the proceeds received, together with any related amount in contributed surplus, will be credited to capital stock.

The Company's stock-based compensation plan is described in Note 9(b).

**Income Taxes**

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method of tax allocation, future income taxes are determined based on the differences between the financial reporting and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantially enacted tax rates in which the income tax assets and liabilities are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

**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 and the reported amounts of revenue and expenses during the year. Actual results could differ from estimates. Significant estimates include the valuation of future tax assets and liabilities and the Company's investment in the Golden Hill Ventures Limited Partnership. During the fiscal years presented, management has made a number of significant estimates and valuation assumptions.

These estimates and valuation assumptions are based on present conditions and management's planned course of action, as well as an assumption about future business and economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Changes in Accounting Policies**

**Financial Instruments**

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook sections 1530, *Comprehensive Income*; Section 3251, *Equity*; section 3855, *Financial Instruments-Recognition and Measurement*; section 3861, *Financial Instruments-Disclosure and Presentation*; and section 3865, *Hedges*. Application of these standards resulted in no changes to amounts previously reported.

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale financial assets", "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

**Comprehensive Income**

Section 1530 of the CICA Handbook establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other non-owner sources. The Company had no comprehensive income or loss for the year and as a result, a consolidated statement of comprehensive income (loss) has not been presented.

**Hedging**

Section 3865 of the CICA Handbook specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and for the year ended December 31, 2007, the Company had no hedges in place.

The application of these new standards has no impact on the Company's consolidated financial statements as at and for the year ended December 31, 2007.

**Accounting Changes**

In July 2006, the CICA issued changes to the CICA Handbook section 1506 entitled "Accounting Changes". The changes to this section particularly affect the following items; an entity would be permitted to change an accounting policy only when it is required by a primary source of GAAP, or when the change results in a more reliable and relevant presentation in the financial statements; changes in accounting policy should be applied retroactively, except in cases where specific transitional provisions in a primary source of GAAP permit otherwise or where application to comparative information is impractical (the standard provides specific guidance as to what is considered impractical); expanded disclosures about the effects of changes in accounting policy, estimates and errors on the financial statements and; disclosure of new primary sources of GAAP that have been issued but have not yet come into effect and have not yet been adopted by the entity. Changes to this section are effective for interim and annual periods beginning on or after January 1, 2007.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Future Accounting Changes**

**General Standards of Financial Statement Presentation**

In June 2007, the CICA amended Handbook Section 1400, General standards for financial statement presentation. These standards become effective for interim and annual financial statements for the Company's reporting periods beginning on January 1, 2008.

**Capital Disclosures**

On December 1, 2006, the CICA issued Handbook Section 1535 - Capital Disclosures, for interim and annual financial statements for the Company's reporting period beginning on January 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

**Financial Instruments - Disclosures and Presentation**

On December 1, 2006, the CICA issued two new accounting standards: Handbook Section 3862, Financial Instruments - Disclosures, and Handbook Section 3863, Financial Instruments - Presentation. These standards become effective for interim and annual financial statements for the Company's reporting period beginning on January 1, 2008.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

**International Financial Reporting Standards ("IFRS")**

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canada GAAP and IFRS.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

**4. EMPLOYEE SHARE PURCHASE PLAN RECEIVABLE**

Effective March 6, 1998, as a condition for working capital and other funding provided by Dundee, a management group purchased 8,631,415 issued common shares of the Company from Dundee and non-recourse loans were provided by the Company to members of the management group, collateralized by the shares purchased. The loans were interest bearing to July 31, 1998, non-interest bearing after July 31, 1998 and matured March 6, 2003 as to \$450,001 and matured December 27, 2006 as to \$2,139,424. The carrying value of these loans has been adjusted to reflect the quoted market value of Company's shares held as security.

Employee loans	\$ 2,589,425
Provision for reduction in collateral value	<u>(2,589,425)</u>
Balance, December 31, 2007 and 2006	\$ <u>          -</u>

Continued...

**5. INVESTMENT IN GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

On December 23, 2005, the Company and its wholly owned subsidiary, WWM Mining Corporation ("WWM") (formerly WWM Resource Management Ltd.), formed Golden Hill Ventures Limited Partnership ("GHV") (formerly Emerson Marketing Limited Partnership) registered under the laws of the Yukon Territory. Pursuant to the terms of the GHV partnership agreement, WWM, held a 0.5% interest in GHV, acted as general partner and the Company retained a 99.5% interest in GHV as a limited partner.

On March 30, 2006, an arm's length private company, Golden Hill Ventures Ltd., made a \$200,000 capital contribution to GHV and was admitted as a general partner of GHV. On April 25, 2006, GHV purchased for cancellation, WWM's interest in GHV and then the name of the partnership was changed to Golden Hill Ventures Limited Partnership. On April 1, 2006 Golden Hill Ventures Ltd. transferred its road construction business to GHV resulting in a net capital contribution of \$24,886,547.

WWM provided management and administrative services to GHV. As consideration for the provision of such services, GHV paid WWM a fee of \$5,000 per quarter while WWM acted as the managing general partner of GHV.

As a consequence of the 2006 capital transactions, the Company's interest in the partnership was reduced to 0.07926%. The fair value of the Company's interest in the partnership is not practicable to determine as GHV is a private partnership and the partnership units are not actively traded in a public market. The realization of the investment is dependent upon several factors, including the future profitability of GHV.

On January 6, 2006, GHV made a cash payment of \$257,500 to WWM and the Company and delivered promissory notes, having the total sum of \$707,500, payable in the amount of \$232,500 on or before September 30, 2006 which was paid, \$237,500 on or before September 30, 2007 which was paid and \$237,500 on or before September 30, 2008.

Pursuant to an agreement dated November 2, 2005 between the Company and an unrelated party, the unrelated party agreed to provide certain financial advisory services in connection with the formation of GHV. For these services, the Company agreed to pay a fee to the third party equal to 10% of any gross cash proceeds actually received by the Company from GHV. If any proceeds are non-cash, the third party will be paid in the same form. The Company will also reimburse the third party for any reasonable out-of-pocket expenses incurred during the course of the engagement. Through December 31, 2007, the Company has paid \$49,500 to the unrelated party.

## **6. KAZAKHSTAN INVESTMENT RECOVERY**

Over the last three years, the Company has undertaken a review with legal counsel in Canada, Kazakhstan and elsewhere as to what further steps could or should be taken to recover damages and losses arising out of its investment in Kazakhstan in 1996-1997, including collection of sovereign debt owing to it by the Republic of Kazakhstan ("ROK") and damages suffered as a result of the confiscation of the Company's investment. These steps include arbitration pursuant to various agreements with Kazakhstan and its agency, NJSC Kazatomprom, and under the *Foreign Investment Law* of Kazakhstan.

In February, 2006, World Wide commenced a formal arbitration process with the ROK in Stockholm, Sweden under the Arbitration Rules of the United Nations Commission on International Trade (UNCITRAL). The issues in dispute relate to non-payment of sovereign, secured demand loans made by World Wide to the ROK and certain agencies of the ROK in 1996 and 1997 and damages suffered by World Wide when investment agreements were unilaterally breached by the ROK in 1997.

In March, 2007, World Wide commenced a further arbitration process under the *Foreign Investment Law* of Kazakhstan against the ROK and Kazatomprom. While this process is based upon many of the same facts as in the 2006 arbitrations, it names Kazatomprom as a party and takes into account important new facts concerning the unlawful conduct of the defendant parties. Kazatomprom is the sole uranium agency of the ROK and its success as a commercial entity relies on its ability to market uranium in the world nuclear industry.

In the last three years, Kazatomprom has vended to various parties interests in certain uranium projects in Kazakhstan which, in 1996 and 1997, had been dedicated to World Wide. The Company is considering with its legal counsel its rights with respect to these projects and its rights to the disposition of proceeds of sale and exploitation of these projects by Kazatomprom and those other parties.

In its arbitration proceedings, World Wide claims that it has suffered damages and loss of property as a result of the conduct of the ROK and Kazatomprom, which damages and losses could amount to in excess of US\$4.0 billion.

The Company has agreements with unrelated parties, including law firms, to pay fees contingent upon recovery of any of the above amounts.

**7. OTHER OBLIGATIONS**

As part of a capital reorganization effected during 1999, a total of \$1,307,602 of current liabilities were exchanged for two-year 6% notes. The notes, which include accrued interest have matured and have not been paid.

Other obligations are summarized as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
Notes payable	<u>1,648,306</u>	<u>1,770,474</u>

Included in the above amounts is \$75,174 owing to a director who is also an officer of the Company (2006 - \$242,680).

**8. NOTES PAYABLE**

	<u>2007</u>	<u>2006</u>
	\$	\$
Secured by a security interest upon all of the Company's assets, rights and properties and a pledge of the shares of the Company's subsidiary, bearing interest at prime plus 3%	<u>27,899,787</u>	<u>25,472,896</u>

To December 31, 2007, Dundee Corporation ("Dundee") had advanced to the Company \$27,899,787 (2006 - \$25,472,896) including interest accrued, under a Restated Loan Agreement, effective March 6, 1998. The loan, which matured July 3, 2002, is secured by all the assets of the Company. No demand has been made on the Company for repayment of the loan. In addition to interest on the loan, Dundee also will be entitled to receive a cash fee of \$500,000 upon the Company's successful recovery of its loan receivable from the investment in Kazakhstan (See Note 6).

**9. SHAREHOLDERS' EQUITY**

(a) Capital Stock

Authorized

Unlimited voting common shares

Unlimited First Preference Shares, issuable in series

Issued and Outstanding

	<u>Common shares</u>	
	<u>Number</u>	<u>Amount</u>
	#	\$
Balance, December 31, 2005, 2006 and 2007	<u>95,246,499</u>	<u>42,437,797</u>

(b) Stock Option Plan

The aggregate number of common shares reserved for issuance under the stock option plan is 8,000,000 of which an aggregate of Nil (2006 - Nil) are subject to options granted pursuant to the Plan. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors of the Company at the time of grant, subject to all applicable regulatory requirements.

At December 31, 2007 the Company had no stock options issued to directors, officers, and consultants of the Company outstanding.

**10. INCOME TAX**

**Provision for Income Taxes**

Major items causing the Company's income tax rate to differ from the federal statutory rate of 36% (2006 - 36%) were as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
(Loss) before taxes:	<u>(2,337,480)</u>	<u>(1,679,012)</u>
Expected income tax benefit based on statutory rate	(844,000)	(606,500)
Adjustments to benefit resulting from:		
Differences between Canadian statutory tax rate and those applicable to foreign subsidiaries:	186,000	243,500
Change in expected tax rate	1,689,000	-
Other	27,000	29,000
Change in valuation allowance	<u>(1,058,000)</u>	<u>334,000</u>
	<u>-</u>	<u>-</u>

**Future Tax Balances**

The tax effects of temporary differences that give rise to future income tax assets at December 31, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
Future income tax assets:		
Non-capital losses	948,000	522,000
Capital losses	5,782,000	7,201,000
Resource properties and equipment	269,000	334,000
Valuation allowance	<u>(6,999,000)</u>	<u>(8,057,000)</u>
	<u>-</u>	<u>-</u>

As at December 31, 2007, the Company had available for deduction against future taxable income in Canada, non-capital losses of approximately \$3,270,000 of which \$439,000 will expire in 2014, \$1,010,000 will expire in 2026 and \$1,821,000 will expire in 2027, if un-utilized.

In addition, the Company has capital losses aggregating \$39,874,000 and exploration and other development expenses aggregating \$927,000, each of which, under certain circumstances, may be available for deduction against future taxable income. The potential income tax benefits of these available tax deductions have not been recognized in the accounts.

**11. RELATED PARTY TRANSACTIONS**

Due from related party as at December 31, 2007, was comprised of \$13,929 (2006 - \$23,929) receivable from a director who is also an officer of the Company.

See also Note 7.

## **12. FINANCIAL INSTRUMENTS**

### **Fair Value**

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, amounts receivable, due from related party, and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of these instruments. Since the investment in GHV (see Note 5) is not traded in an organized financial market, it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability.

### **Foreign Exchange Risk**

Certain of the Company's liabilities and expenses are incurred in United States currency and are therefore subject to gains or losses due to fluctuations in that currency.

### **Interest Rate Risk**

The Company has interest-bearing borrowings for which general rate fluctuations apply.

## **13. COMPARATIVE FIGURES**

Certain of the 2006 comparative figures have been reclassified to conform with financial presentation adopted for 2007.