

Consolidated Financial Statements of

QUEENSLAND MINERALS LTD.

(an exploration stage Company)

For the First Quarter ended March 31, 2008

Queensland Minerals Ltd.
 (an exploration stage Company)
Consolidated Balance Sheet

	March 31, 2008 (unaudited) \$	December 31, 2007 (audited) \$
ASSETS		
Current assets		
Cash	150,220	391,969
Receivables	328,453	310,891
Prepaid expenses	801	8,905
	<u>479,474</u>	<u>711,765</u>
Asset-backed commercial paper (note 3)	6,493,117	6,493,117
Capital assets (note 4)	253,205	179,593
Deferred exploration expenses (note 5)	5,738,751	4,305,146
	<u>12,964,547</u>	<u>11,689,621</u>
LIABILITIES		
Current liabilities		
Bank loan (note 6)	3,575,016	2,313,730
Accounts payable and accrued liabilities	698,736	807,596
Due to Reunion Gold Corporation (note 10)	91,487	36,105
	<u>4,365,239</u>	<u>3,157,431</u>
SHAREHOLDERS' EQUITY		
Capital stock (note 7)	12,816,229	12,347,676
Contributed surplus	4,508,974	4,505,332
Deficit	(8,725,895)	(8,320,818)
	<u>8,599,308</u>	<u>8,532,190</u>
	<u>12,964,547</u>	<u>11,689,621</u>

Nature and continuance of operations (note 1)

Commitments (note 9)

Subsequent event (note 13)

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

/s/ James A. Crombie
 James A. Crombie, Director

/s/ Anthony Walsh
 Anthony Walsh, Director

Queensland Minerals Ltd.

(an exploration stage Company)

Consolidated Operations and Comprehensive Loss (unaudited)

	First Quarter ended March 31, 2008	First Quarter ended March 31, 2007
	\$	\$
Expenses		
Administration	223,323	111,739
Depreciation	26,781	-
Stock-based compensation cost	104,943	596,050
	355,047	707,789
Other items		
Interest income	(2,969)	(34,969)
Interest expense	29,292	-
Loss on foreign exchange	23,707	419
Net loss and comprehensive loss	(405,077)	(673,239)
Basic and diluted loss per common share	(0.01)	(0.03)
Basic and diluted weighted average number of common shares outstanding	42,270,252	26,352,337

The accompanying notes are an integral part of the consolidated financial statements.

Queensland Minerals Ltd.

(an exploration stage Company)

Consolidated Deficit and Contributed Surplus (unaudited)

	First Quarter ended March 31, 2008	First Quarter ended March 31, 2007
	\$	\$
DEFICIT		
Balance, beginning of period	(8,320,818)	(2,403,596)
Common share issue expenses	-	(1,800,228)
Net loss	(405,077)	(673,239)
Balance, end of period	(8,725,895)	(4,877,063)
CONTRIBUTED SURPLUS		
Balance, beginning of period	4,505,332	242,579
Stock-based compensation cost	104,943	596,050
Share purchase warrants (note 7)	-	2,611,890
Broker warrants (note 7)	-	501,393
Exercise of warrants	(101,301)	(39,719)
Balance, end of period	4,508,974	3,912,193

The accompanying notes are an integral part of the consolidated financial statements.

Queensland Minerals Ltd.
 (an exploration stage Company)
Consolidated Cash Flows (unaudited)

	First Quarter ended March 31, 2008	First Quarter ended March 31, 2007
	\$	\$
OPERATING ACTIVITIES		
Net loss	(405,077)	(673,239)
Non-cash items		
Depreciation	26,781	-
Stock-based compensation cost	104,943	596,050
Loss on foreign exchange	23,707	419
Changes in non-cash working capital items	59,216	(99,423)
Cash flows used in operating activities	<u>(190,430)</u>	<u>(176,193)</u>
INVESTING ACTIVITIES		
Capital assets	(100,393)	-
Expenditures on mineral properties	(1,579,464)	(68,852)
Cash flows used in investing activities	<u>(1,679,857)</u>	<u>(68,852)</u>
FINANCING ACTIVITIES		
Bank loan	1,261,286	-
Common shares and warrants	-	12,003,500
Common share issue expenses	-	(1,562,824)
Exercise of warrants	367,252	165,750
Cash flows provided by financing activities	<u>1,628,538</u>	<u>10,606,426</u>
Net increase (decrease) in cash	(241,749)	10,361,381
Cash, beginning of period	<u>391,969</u>	<u>109,307</u>
Cash, end of period	<u><u>150,220</u></u>	<u><u>10,470,688</u></u>
Interest paid	29,292	-
Changes in other non-cash items		
Receivables and accounts payable related to exploration projects	(122,152)	4,830
Accounts payable related to share issue costs	-	(263,989)
Issuance of broker warrants	-	501,393
Exercise of warrants	101,301	39,719

The accompanying notes are an integral part of the consolidated financial statements.

Queensland Minerals Ltd.

(an exploration stage Company)

Consolidated Deferred Exploration Expenses (unaudited)

	First Quarter ended March 31, 2008	First Quarter ended March 31, 2007
	\$	\$
Balance, beginning of period	4,305,146	634,443
Administration	29,531	34,474
Drilling and assaying	901,468	4,851
EPM renewal, rent and option payments	31,731	8,111
Field supplies, vehicle and base operating costs	368,766	6,032
Geology	45,425	13,824
Salaries	56,684	10,152
	1,433,605	77,444
Balance, end of period	5,738,751	711,887

The accompanying notes are an integral part of the consolidated financial statements.

Queensland Minerals Ltd.

(an exploration stage Company)

Notes to consolidated financial Statements

March 31, 2008 (unaudited)

1. GOVERNING STATUTES, NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of British Columbia on February 15, 1996 under the name G.L. March & Associates Ltd. On January 30, 2004, the Company changed its name to Queensland Minerals Ltd. and continued under the Business Corporations Act of the Yukon Territory. On April 14, 2004, the Company continued under the Business Corporations Act of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral properties in Australia. To date, the Company has not generated any revenue from operations.

On March 1, 2007, the Company completed its initial public offering (the "IPO") and listed its shares on the TSX-Venture exchange.

The Company, through its Australian wholly-owned subsidiaries Queensland Minerals (Australia) Pty Ltd. ("QMA") and Asmam Pty Ltd. ("Asmam"), is holder of a 100% interest in three (3) mineral properties known as Sybil Graben, Lynd River and Mungana. These mineral properties are located in the State of Queensland, Australia.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration expenses is dependent upon the existence of economically recoverable reserves on these properties, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production from these reserves or sufficient proceeds from their disposal thereof. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Continued operations of the Company are dependent on the Company's ability to continue to receive financial support, complete equity financings, or generate profitable operations in the future.

All financial results in these financial statements are expressed in Canadian dollars unless otherwise indicated.

Queensland Minerals Ltd.

(an exploration stage Company)

Notes to consolidated financial Statements

March 31, 2008 (unaudited)

2. BASIS OF PRESENTATION, CHANGE IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The accompanying unaudited consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They are consistent with the policies and practices used in the preparation of the Company's audited annual consolidated financial statements, except for the adoption of new standards described in the following paragraphs. These interim unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2007 and 2006.

Effective January 1, 2008, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1535, *Capital Disclosures*, Section 3862, *Financial Instruments - Disclosures*, and Section 3863, *Financial Instruments - Presentation*. These new Handbook sections apply to fiscal years beginning on or after October 1, 2007.

Under Section 1535, companies are required to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. The objective of Section 3862 is to provide financial statement disclosure to enable users to evaluate the significance of financial instruments to the Company's financial position and performance and the nature and extent of risks arising from financial instruments that the Company is exposed to during the reporting period and the balance sheet date and how the Company is managing those risks. The purpose of Section 3863 is to enhance the financial statement user's understanding of the significance of financial instruments to the Company's financial position, performance and cash flows. The impact of the adoption of these accounting standards is described in note 8 to these consolidated financial statements.

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. Significant areas where management judgment is applied are carrying value of mineral properties and deferred exploration expenses, asset retirement obligation and stock-based compensation.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

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(an exploration stage Company)

Notes to consolidated financial Statements

March 31, 2008 (unaudited)

3. ASSET-BACKED COMMERCIAL PAPER

As at March 31, 2008, the Company held \$8,918,117 of non-bank sponsored ABCP (before accounting for an impairment charge), of which \$4,980,520 is invested in Apsley Trust Series A, \$2,988,480 with Silverstone Trust Series A and \$949,117 with Ironstone Trust Series A. These investments matured on August 16, 2007 but no payment has been received. At the time the Company acquired the investments, the non-bank sponsored ABCPs were rated R-1 (High) by DBRS Limited ("DBRS"), the highest credit rating for commercial paper.

On August 16, 2007, a group representing banks, asset providers and major investors announced that they had agreed in principle to a long-term proposal and interim agreement to convert the ABCP into term floating-rate notes ("FRN") maturing no earlier than the scheduled termination dates of the underlying assets (the "Montreal Proposal ABCP"). On September 6, 2007, a Pan Canadian Committee (the "Committee") consisting of a panel of major Montreal Proposal ABCP investors was formed. The Committee subsequently retained Goodmans and JP Morgan Chase as legal and financial advisors, respectively, to oversee the proposed restructuring process. On October 16, 2007, the Chairman of the Committee announced the proposed restructuring of one of the 22 conduits affected by this crisis. On December 23, 2007, the Committee announced that an agreement in principle had been reached regarding a comprehensive restructuring of the ABCP issued by 20 of the 21 remaining trusts covered by the Montreal Proposal ABCP.

As part of the December 23, 2007 agreement, noteholders of all ABCP would receive FRN with maturities based upon the maturity of the underlying assets. The existing ABCP would be distinguished based upon the specific type of assets which support the ABCP with distinct solutions for i) ABCP supported solely by traditional securitized assets (approximately \$3 billion of all ABCP covered by the Montreal Proposal ABCP); ii) ABCP supported solely by synthetic assets (approximately \$26 billion) and iii) ABCP supported primarily by U.S. sub-prime assets (approximately \$3 billion). Most investors that hold ABCP supported by synthetic assets would receive a senior and a subordinated note in exchange for their existing ABCP, with senior notes expected to be AA rated and subordinated notes not expected to be rated. Those ABCP supported primarily by U.S. sub-prime assets would be restructured on a series-by-series basis, with each series maintaining its separate exposure to its own underlying assets. These notes would amortize and be repaid in part, from time to time, as assets mature or value can be realized through asset sales. A margin facility of approximately \$14 billion would be established to enhance the stability of the ABCP supported by synthetic assets. The proposal also includes a restructuring of substantially all triggers with the objective that they become more remote and transparent spread loss triggers. The implementation of the restructuring will be subject to a number of conditions, including approval by noteholders (see note 13 - subsequent event).

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Notes to consolidated financial Statements

March 31, 2008 (unaudited)

3. ASSET-BACKED COMMERCIAL PAPER (continued)

The non-bank sponsored ABCP last traded in the active market on or about August 13, 2007 and there are currently no market quotations available for these ABCP. There is no certainty regarding the outcome of the proposed restructuring plan of December 23, 2007 and therefore there is a significant amount of uncertainty in estimating the amount and timing of cash flows associated with the ABCP. The Company has 72% of its ABCP supported by synthetic assets and 28% supported by U.S. sub-prime assets. At March 31, 2008, the Company established the fair value of the ABCP it holds by estimating discounted future cash flows considering the best available market data. The Company used a weighted-average loss factor of 45% on investments exposed to U.S. sub-prime mortgages, a combined 19% loss factor on other investments and assumed that margin facility and restructuring costs would offset accrued interest to March 31, 2008. This estimation of fair value results in a total impairment charge of \$2,425,000 related to ABCP held.

Since the fair value of the ABCP held are determined based on the Company's assessment of market conditions as at March 31, 2008, the fair value reported may change materially in subsequent periods. In addition, the fair value estimates are dependent upon the likelihood, nature and timing of the proposed restructuring.

4. CAPITAL ASSETS

	Cost	Accumulated depreciation	March 31, 2008 Net	December 31, 2007 Net
	\$	\$	\$	\$
Vehicles	120,003	(31,715)	88,288	98,288
Computer equipment	201,011	(36,094)	164,917	81,305
	<u>321,014</u>	<u>(67,809)</u>	253,205	179,593

5. EXPLORATION PROJECTS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. Although the Company has taken steps to verify title to mineral claims in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Pursuant to asset purchase agreements effective September 21, 2005 and September 15, 2003, respectively, QMA and Asmam are holders of a 100% interest in certain Exploration Permits for Minerals ("EPM") and the rights to certain EPM applications comprising the Sybil Graben, Lynd River and Mungana gold exploration projects.

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5. EXPLORATION PROJECTS (continued)

Applications for the transfer of title to certain of the EPM's from the vendor to QMA have been filed with the State of Queensland and remains subject to regulatory approval. Pursuant to the terms of the asset purchase agreements, the vendor will also file an application to transfer the EPM's currently in the application process to QMA upon granting of these EPM's, if applicable, to the vendor by the state government. Two (2) of the EPM's for which an application has been made to transfer title from the vendor to QMA expired in September and November 2007, respectively. Application for renewal of these EPM's have been filed with the Queensland Department of Mines.

The Company, through its subsidiaries, has also entered into option agreements to acquire certain mining rights. These agreements are more fully described in note 9.

Bank guarantees, totaling \$28,000, have been provided over some of the exploration rights of the Sybil Graben, Lynd River and Mungana projects. These guarantees are held by the vendor and have not yet been transferred to the Company at December 31, 2007. The guarantees have been provided to the State of Queensland as security for, primarily, compliance with the conditions of the EPMs and state laws regarding mineral properties and environmental protection.

Annual renewal of the Company's EPM's, upon acceptance of the transfer application, will be subject to the Company paying annual rent and meeting designated annual expenditure requirements, determined by the state government. The EPM's are subject to a royalty, payable to the State of Queensland, amounting to 2.77% of revenue from gold and silver production.

The Company has assumed an obligation to pay an amount of A \$2,000,000 to an arm's length party in the event that 100,000 ounces of gold is produced from the area covered by certain tenements on the Sybil Graben and Mungana projects.

The breakdown of accumulated costs by project is as follows:

	March 31, 2008	December 31, 2007
	\$	\$
Sybil Graben	2,111,155	1,983,036
Lynd River	3,478,387	2,221,711
Mungana	149,209	100,399
	5,738,751	4,305,146

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6. BANK LOAN

On August 30, 2007 (with amendments dated October 9, 2007, December 6, 2007 and February 4, 2008), the Company entered into a temporary credit facility of \$5.0 million, secured by the Company's investments in ABCP, to fund working capital requirements. As at March 31, 2008, an amount of \$3,575,016 has been drawn on the facility, which bears interest at prime less 1.50% and matures on May 31, 2008. The Company is required to reduce the amount of the outstanding credit facility with any proceeds received from the sale of the ABCP. Discussions are currently being held between the Company and its lender to further amend and extend the temporary credit facility.

7. CAPITAL STOCK

Issued and fully paid

	First Quarter ended March 31, 2008	
	Number of Shares	Amount
		\$
Authorized		
Unlimited number of common shares without par value		
Common shares issued		
Balance, beginning of period	41,622,768	12,347,676
Exercise of warrants	1,238,500	468,553
Balance, end of period	42,861,268	12,816,229

Warrants

	First Quarter ended March 31, 2008	
Number of warrants		
Balance, beginning of period		13,453,500
Issued		-
Exercised		(1,238,500)
Expired		(465,000)
Balance, end of period		11,750,000

Queensland Minerals LTD.

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Notes to consolidated financial Statements

March 31, 2008 (unaudited)

7. CAPITAL STOCK (continued)

Warrants (continued)

At March 31, 2008, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants		Number of warrants		Price	Expiry date
	Dec 31, 2007	Exercised	Expired	March 31, 2008	per share	
					\$	
Broker warrants – 2003 private placement	21,500	(21,500)	-	-	-	-
2005 private placements	1,547,500	(1,082,500)	(465,000)	-	-	-
Broker warrants – 2005 private placements	134,500	(134,500)	-	-	-	-
IPO - March 2007	10,350,000	-	-	10,350,000	0.80	2008-09-01
Broker warrants - March 2007 IPO	1,400,000	-	-	1,400,000	0.60	2008-09-01
	13,453,500	(1,238,500)	(465,000)	11,750,000		

A total of 1,238,500 common share purchase warrants with an expiry date of March 1, 2008 were exercised in January and February 2008 for proceeds of \$367,250. The remaining 465,000 warrants expired unexercised on March 1, 2008.

Stock options

The following table sets out the activity in stock options:

	First Quarter ended March 31, 2008
Number of Options	
Balance, beginning of period	3,283,333
Granted	150,000
Cancelled	(50,833)
Balance, end of period	3,382,500

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Notes to consolidated financial Statements

March 31, 2008 (unaudited)

7. CAPITAL STOCK (continued)

Stock options (continued)

Stock option transactions are summarized as follows:

Grant date	Exercise price	Balance, Dec 31, 2007	Granted	Exercised	Cancelled	Balance, March 31, 2008	Number of options exercisable	Residual exercise period
	\$							
Mar 1, 2007	0.60	1,755,000	-	-	-	1,755,000	1,135,000	4.2 years
Mar 26, 2007	0.60	10,000	-	-	-	10,000	10,000	4.3 years
June 14, 2007	0.60	283,333	-	-	(33,333)	250,000	283,333	4.5 years
Dec 17, 2007	0.60	1,235,000	-	-	(17,500)	1,217,500	880,833	4.9 years
March 17, 2008	0.43	-	150,000	-	-	150,000	50,000	5.0 years
		3,283,333	150,000	-	(50,833)	3,382,500	2,359,166	

During the 1st quarter ended March 31, 2008, the Company granted a total of 150,000 stock options (1,765,000 in 2007) valued at \$46,123 (\$927,299 in 2007). The weighted-average fair value of the options granted during the period was estimated at \$0.31 (\$0.42 in 2007) per option using an expected time-period of 5 years, a semi-annual risk-free interest rate of 2.9% (4.0% in 2007), a volatility rate of 91% (133% in 2007) and a 0% dividend factor. These options will vest over 24 months and will not be exercisable until March 2010.

Diluted earnings per share

Excluded from the calculation of the diluted earnings per share are 11,750,000 warrants and 3,382,500 stock options for the 1st quarter ended March 31, 2008 (10,350,000 warrants and 1,765,000 stock options for the 1st quarter ended March 31, 2007).

8. RISK MANAGEMENT, FINANCIAL INSTRUMENTS and CAPITAL MANAGEMENT

The Company's risk management is coordinated by the officers of the Company, in close co-operation with the members of the board of directors.

The Company's financial instruments at March 31, 2008 consist of cash and cash equivalents, receivables, ABCP, bank loan and accounts payable and accrued liabilities. Other than ABCP, the fair value of these financial instruments approximates their carrying value. Other than ABCP, management believes that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company's exposure to interest and credit risks arising from its ABCP is fully described in note 3 to these consolidated financial statements.

The Company has exposure to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates, as all of the Company's capital assets and deferred exploration expenses are incurred either in Australian, U.S. or New Zealand dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

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8. RISK MANAGEMENT, FINANCIAL INSTRUMENTS and CAPITAL MANAGEMENT (continued)

The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day projection, 180-day and 360-day lookout periods. Due to the nature of the activities of the Company, funding for long-term liquidity needs are dependent on the Company's ability to obtain additional financing, through various means, including equity financing. The amount and timing of additional funding will be significantly impacted by the outcome of the proposal to restructure the ABCP.

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. As long as the Company is in the exploration and development stages of its mining properties, it is not the intention of the Company to contract debt obligations to finance its work programs (except in exceptional circumstances, as has occurred in the case of contracting a credit facility secured by the Company's ABCP).

9. COMMITMENTS

On December 12, 2007, QMA entered into a Heads of Agreement with Echo Resources Limited ("Echo"), an Australian-listed public company, in relation to Echo's Reedy Creek Project located 13km northwest of the Company's Anastasia Prospect on the Lynd River Project. Under the terms of the agreement, QMA may earn a 70% interest in the Reedy Creek Project by spending A\$1,000,000 within 30 months, including A\$450,000 for a 50% interest during the initial 18 months. If QMA earns a 70% interest, Echo and QMA will enter into a joint venture on a QMA 70% - Echo 30% basis. QMA may, subject to Echo's prior consent, elect to earn an additional 10% interest in the joint venture by completing a bankable feasibility study within 4 years. Echo will be free carried to the completion of the bankable feasibility study. On completion of the bankable feasibility study, Echo will have a 20% interest. Echo can participate in the joint venture with its 20% interest, or dilute to a 2% Net Smelter Royalty. QMA must complete a predefined number of exploration drill holes in the Project area. QMA will be the manager of the exploration program during the earn-in phase, and thereafter as long as QMA's interest is greater than 50%. The Reedy Creek Project consists of two exploration permits and one application covering a total area of 230 km².

On July 6, 2005, the Company entered into a 5-year option agreement to purchase a Mining Lease located in close proximity to the Mungana exploration property. The option can be exercised at any time during the 5-year period by paying an amount of A\$150,000 in cash and issuing 150,000 common shares of the Company. Until the option is exercised, the Company is required to make additional annual escalating payments (starting at \$4,000 up to \$10,000) and to issue additional common shares (starting at 4,000 common shares up to 10,000 common shares). The Company can also terminate the option agreement at any time during the exercise period. In June 2007 and 2006, the Company extended its option for one year by paying an amount of \$6,000 and \$4,000 and by issuing 6,000 and 4,000 common shares, respectively.

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10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued consulting fees of \$40,901 during the 1st quarter ended March 31, 2008 (2007 - \$14,431) to a company controlled by an officer and director of the Company.
- b) Paid or accrued legal fees of nil during the 1st quarter ended March 31, 2008 (2007 - \$100,917) to a law firm of which a director of the Company is a partner.
- c) Paid or accrued professional and administration fees of \$123,449 during the 1st quarter ended March 31, 2008 (2007 - \$47,858) to a Company under common management.

Due to related parties consists of balances owing of \$91,487 at March 31, 2008 and \$36,105 at December 31, 2007 to a Company under common management. These balances are unsecured, non-interest bearing with no specific terms of repayment and accordingly, their fair value cannot be determined.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

11. SEGMENTED INFORMATION

The Company operates in Australia in one business segment being the acquisition and exploration of mineral properties. All deferred exploration expenses have been incurred in Australia.

12. COMPARATIVE FIGURES

Certain comparative figures provided for the period ended March 31, 2007 have been reclassified to conform to the presentation adopted for the period ended March 31, 2008.

13. SUBSEQUENT EVENT

ABCP

On March 20, 2008, an Information Statement in respect of a Plan of Compromise and Arrangement (the "Plan"), pursuant to the Companies Creditors Arrangement Act ("CCAA") was sent to all noteholders of Canadian third-party structured ABCP. A meeting of the noteholders to vote on the Plan was held on April 25, 2008 and noteholders approved the Plan. To become effective, the Plan must receive final court approval. The Committee anticipates that the restructuring will be completed during the second quarter of 2008.