STRONGBOW EXPLORATION INC.

FINANCIAL STATEMENTS

JANUARY 31, 2009

AUDITORS' REPORT

To the Shareholders of
Strongbow Exploration Inc.

We have audited the balance sheets of Strongbow Exploration Inc. as at January 31, 2009 and 2008 and the statements of operations and deficit, comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

May 7, 2009

STRONGBOW EXPLORATION INC.
BALANCE SHEETS
AS AT JANUARY 31

	2009	2008
ASSETS		
Current		
Cash and equivalents	$ 1,079,697	$ 3,402,291
Marketable securities (Note 4)	170,409	1,478,186
Receivables	205,285	455,231
Prepaid expenses	33,580	51,494
	1,488,971	5,387,202
Investments and advances to affiliates (Note 5)	311,803	1,815,849
Property and equipment (Note 6)	91,152	120,629
Mineral properties (Note 7)	11,917,050	10,772,589
	$ 13,808,976	$ 18,096,269
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 134,543	$ 213,265
Shareholders' equity		
Capital stock (Note 8)	22,447,793	20,223,336
Contributed surplus (Note 8)	3,168,652	2,722,202
Deficit	(11,973,706)	(4,499,074)
Accumulated other comprehensive income (loss) (Note 11)	31,694	(563,460)
	13,674,433	17,883,004
	$ 13,808,976	$ 18,096,269

Nature and continuance of operations (Note 1)
Commitments (Note 13)

On behalf of the Board:

"D. Grenville Thomas" Director *"Kenneth A. Armstrong"* Director

The accompanying notes are an integral part of these financial statements.

STRONGBOW EXPLORATION INC.
STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED JANUARY 31

	2009	2008
EXPENSES		
Advertising and promotion	$ 138,116	$ 197,076
Amortization	31,935	44,007
Insurance	55,718	50,471
Office, miscellaneous and rent	168,563	180,642
Professional fees	85,330	68,878
Regulatory and filing fees	17,054	20,547
Salaries and benefits	135,792	388,038
Stock-based compensation (Note 8)	406,481	599,461
Loss before other items	(1,038,989)	(1,549,120)
OTHER ITEMS		
Arrangement expenses (Note 5)	-	(365,512)
Cost recoveries	-	20,843
Equity income (loss) of affiliated company (Note 5)	(653,014)	1,968
Gain on termination of agreement	-	1,400,000
Interest income	51,154	221,233
Project administration fees	-	5,975
Write-down of investments (Note 5)	(869,812)	-
Write-down of marketable securities (Note 4)	(975,913)	-
Loss on sale of marketable securities (Note 4)	(502,042)	-
Write-off of mineral properties (Note 7)	(4,799,759)	(578,577)
	(7,749,386)	705,930
Loss before income taxes	(8,788,375)	(843,190)
Future income tax recovery (Note 10)	1,313,743	223,061
Loss for the year	(7,474,632)	(620,129)
Deficit, beginning of year	(4,499,074)	(3,878,945)
Deficit, end of year	$ (11,973,706)	$ (4,499,074)
Basic and diluted loss per share	$ (0.12)	$ (0.01)
Weighted average number of shares outstanding	62,619,524	53,814,862

STATEMENTS OF COMPREHENSIVE LOSS
AS AT JANUARY 31

	2009	2008
Loss for the year	$ (7,474,632)	$ (620,129)
Reversal of previous unrealized losses on available-for-sale investments sold or written down, net of future income taxes	563,460	-
Unrealized gains (losses) on available-for-sale investments arising during the year	31,694	(2,060,768)
Comprehensive loss for the year	$ (6,879,478)	$ (2,680,897)

The accompanying notes are an integral part of these financial statements.

STRONGBOW EXPLORATION INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED JANUARY 31

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (7,474,632)	$ (620,129)
Items not involving cash:		
Amortization	31,935	44,007
Stock-based compensation	406,481	599,461
Write-off of mineral properties	4,799,759	578,577
Equity (income) loss from an affiliate	653,014	(1,968)
Gain on sale on termination of agreement	-	(1,400,000)
Loss on sale of marketable securities	502,042	-
Write-down of investments	869,812	-
Write-down of marketable securities	975,913	-
Future income tax recovery	(1,313,743)	(223,061)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	242,079	(210,696)
(Increase) decrease in prepaid expenses	17,914	(1,937)
Decrease in accounts payable and accrued liabilities	(44,655)	(1,097)
Net cash used in operating activities	(334,081)	(1,236,843)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	3,801,000	4,105,194
Share issue costs	(315,507)	(135,304)
Private sale of North Arrow shares	-	2,410
Net cash provided by financing activities	3,485,493	3,972,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(6,141,167)	(7,528,996)
Recoveries on mineral properties	164,147	110,078
Acquisition of property and equipment	(2,458)	(27,155)
Investment and advances to affiliates	(18,780)	(812,044)
Proceeds from sale of marketable securities	524,252	-
Net cash used in investing activities	(5,474,006)	(8,258,117)
Change in cash and equivalents during the year	(2,322,594)	(5,522,660)
Cash and equivalents, beginning of year	3,402,291	8,924,951
Cash and equivalents, end of year	$ 1,079,697	$ 3,402,291
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company's principal business activity is the exploration of mineral properties. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete the development of its mineral properties and upon future profitable production.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company are dependent on the Company's ability to complete equity financings or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management has undertaken available cost cutting measures and is monitoring its twelve-month rolling cash flow.

	January 31, 2009	January 31, 2008
Deficit	**$ (11,973,706)**	$ (4,499,074)
Working capital	**$ 1,354,428**	$ 5,173,937

2. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

Effective February 1, 2008, the Company prospectively adopted the Canadian Institute of Chartered Accountants ("CICA") recommendations regarding the reporting and disclosure of the entity's ability to continue as a going concern (Section 1400). Please see Note 1.

Effective February 1, 2008, the Company prospectively adopted the CICA recommendations regarding the reporting and disclosure of financial instruments (Section 3862 and Section 3863). The Company is required to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855 – *Financial Instruments – Recognition and Measurement,* Section 3863, *Financial Instruments – Presentation,* and Section 3865, *Hedges.* Section 3863, *Financial Instruments – Presentation* is required to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. See Note 3 for additional detail.

Effective February 1, 2008, the Company prospectively adopted the CICA recommendations regarding the disclosure of information about an entity's capital and how it is managed (Section 1535). See Note 14 for more detail.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas where management applies judgment include the assessment of possible impairment of the carrying value of assets, decisions as to when exploration and development costs should be capitalized or expensed, determination of the rate at which amortization is charged to operations, valuation allowances applied against future tax assets and factors affecting valuations of stock-based compensation. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

Cash and equivalents

Cash and equivalents include highly liquid investments with original maturities of three months or less.

Marketable securities

Marketable securities are measured at fair value and consist of shares listed on the TSX Venture Exchange.

Property and equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided for annually at the following rates:

Furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Software	1 year straight-line
Leasehold improvements	Term of the lease

Investments

Long-term investments are classified as available-for-sale. If it is determined that the value of the investments are permanently impaired, they are written down to net realizable value.

Investments in companies over which the Company has significant influence are accounted for by the equity method, by which the original cost of the investment is adjusted for the Company's share of earnings or losses and dividends or distributions since significant influence was acquired.

Mineral properties

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have any asset retirement obligations.

Loss per share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. Since the Company has losses, the exercise of outstanding stock options and warrants has not been included in this calculation as it would be anti-dilutive.

Stock-based compensation

The Company uses the fair value method for stock-based compensation whereby all awards to employees and nonemployees will be recorded at fair value on the date of the grant and expensed over the period of vesting. The Company uses the Black-Scholes option-pricing model to estimate the fair value of each stock option at the date of grant. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Financial instruments – recognition and measurement

The Company classifies all financial instruments as either held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instruments classification. Held-for trading instruments are measured at fair value with unrealized gains and losses recognized in results of operations. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost.

The Company has classified its cash and equivalents as held-for-trading, marketable securities as available-for-sale and receivables as loans and receivables. Investments are classified as available-for-sale. Accounts payable and accrued liabilities are classified as other financial liabilities.

The adoption of this accounting policy in the prior fiscal year resulted in a $1,730,992 increase in the carrying value of marketable securities as at February 1, 2007 and an opening adjustment to accumulated other comprehensive income, net of future income taxes, of $1,497,308.

Income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. The Company records a future income tax liability and a reduction in capital stock for the estimated tax benefit transferred to shareholders.

When flow-through expenditures are renounced, a portion of future income tax assets not recognized in previous years, due to the recording of a valuation allowance, will be applied against the future income tax liability and be recognized as a recovery of future income taxes in the statement of operations.

Comprehensive income

Comprehensive income is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that, in accordance with primary sources of GAAP, are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale.

Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Recent accounting pronouncements

International financial reporting standards

In January 2006, the Accounting Standards Board announced its decision to require all publicly accountable enterprises to report under International Financial Reporting Standards ("IFRS") for years beginning on or after January 1, 2011. These changes reflect a global shift to IFRS and they are intended to facilitate capital flows and bring greater clarity and consistency to financial reporting in the global marketplace. The Company's transition date of February 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011. The Company is in the process of completing the scoping phase of its conversion plan, which has a timeline for assessing resources, training, analyzing key differences and selecting accounting policies under IFRS.

Business combinations

In January 2009, the CICA issued the new handbook Section 1582, "Business Combinations," effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. This standard is not expected to have a material impact on the Company's financial statements.

Goodwill and intangible assets

Effective February 1, 2009, the Company will prospectively adopt the CICA recommendations pertaining to goodwill and intangible assets (Section 3064), which establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. The adoption of this section is not expected to have a significant impact on the Company's financial statements.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and equivalents, marketable securities, receivables, investments and accounts payable and accrued liabilities. The carrying value of cash and equivalents, receivables, accounts payable and accrued liabilities approximates their fair values due to their immediate or short-term maturity. Marketable securities and investments are recorded at fair value based on the quoted market prices at the balance sheet date.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk and equity market risk. The Company has limited exposure to foreign currency risk as the majority of its assets and liabilities are denominated in Canadian dollars. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its excess cash in short-term investments with investment grade ratings, issued by a Canadian chartered bank. The Company's receivables consist primarily of sales tax receivables due from the federal government and receivables from companies with which the Company has exploration agreements or options. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash and cash equivalents.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. The risk that the Company will realize a loss as a result of a decline in the fair value of any short-term investment included in cash and cash equivalents is limited because these investments, although readily convertible into cash, are generally held to maturity.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings, asset sales or exploration option agreements, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. Failure to realize additional funding, as required, could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities, which are classified as available for sale. The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

4. MARKETABLE SECURITIES

The Company holds common shares of several publicly-traded Canadian listed companies, representing less than a 5% interest in the respective companies. As at January 31, 2009, the total cost of these marketable securities was $133,978 (January 31, 2008 - $2,129,584) and the fair market value of these securities was $170,409 (January 31, 2008 - $1,478,186). During the year ended January 31, 2009, the Company received gross proceeds of $524,252 from the sale of marketable securities and recognized a $502,042 loss from the sale. During the year ended January 31, 2009, the Company wrote-down its marketable securities by $975,913 (January 31, 2008 - $nil) to an estimated net realizable value of $133,978, since the decline in the fair value of the marketable securities was deemed to be other than temporary. During the year ended January 31, 2009, the Company also recognized an unrealized gain on available for sale financial assets of $36,431 (January 31, 2008 – unrealized loss of $2,060,768).

5. INVESTMENTS AND ADVANCES TO AFFILIATES

The Company's investments and advances to affiliates consist of the following:

		2009		2008
Investment – Anglo Columbia Mines Inc.	$	40,000	$	400,000
Investment – North Arrow Minerals Inc.		240,979		1,403,805
Advances to North Arrow Minerals Inc.		30,824		12,044
	$	311,803	$	1,815,849

Anglo-Columbia Mines Inc.

In December 2006, the Company sold its interest in the Chu Chua mineral claims to Anglo-Columbia Mines Inc. ("Anglo-Columbia"), a private B.C. based company in exchange for 4,000,000 common shares of Anglo-Columbia, received at a value of $400,000. During the year ended January 31, 2009, the Company determined that the carrying value of its investment in Anglo-Columbia was impaired, resulting in a write-down of $360,000 to $0.01 per share, or $40,000. The determination of the impairment was made by considering the current equity market conditions and the difficulty in obtaining a value for shares of a private Company.

North Arrow Minerals Inc.

On May 9, 2007, the Company completed a Plan of Arrangement with North Arrow Minerals Inc. ("North Arrow") whereby the Company transferred to North Arrow certain of its mineral property interests at their carrying value of $3,561,246 and $800,000 cash in exchange for 15,000,000 shares of North Arrow. The Company then distributed 10,170,261 common shares of North Arrow received to the Company's shareholders of record as at May 9, 2007 through a legal reduction of capital of $3,390,000 (Note 8). The difference between the legal reduction of capital and the carrying value of the North Arrow shares of $433,000 has been credited to contributed surplus. Each shareholder of the Company received one North Arrow share for every five shares of the Company held, subject to reduction for small lot holders.

The Company accounts for its investment in North Arrow using the equity method. During the year ended January 31, 2009, the Company determined that the carrying value of its investment North Arrow was impaired, resulting in a write-down of $509,812. The impairment was determined by considering the difference between the carrying amount of the investment and its fair value in light of the current equity market conditions. As at January 31, 2009, the Company's carrying value of its investment in North Arrow was $240,979 representing approximately a 22.1% ownership interest and consisting of:

Cost of original investment in North Arrow Minerals Inc.	$	1,404,246
Accumulated equity loss		(763,039)
Accumulated dilution gain		111,994
Private sale of 8,283 common shares		(2,410)
		750,791
Write-down of investment in North Arrow Minerals Inc.		(509,812)
	$	240,979

In addition, as at January 31, 2009, the Company had advanced $30,824 (2008 - $12,044) to North Arrow for exploration expenditures and shared administrative expenses. This advance is non-interest bearing, unsecured and due upon demand.

In February 2009, North Arrow completed a private placement. As a result of this private placement, the Company's ownership interest decreased from 22.1% to 18.7%.

6. PROPERTY AND EQUIPMENT

	As at January 31, 2009			As at January 31, 2008		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Furniture and Equipment	**$ 57,275**	**$ 42,831**	**$ 14,444**	$ 57,275	$ 39,220	$ 18,055
Computer Equipment	**182,200**	**138,752**	**43,448**	182,200	120,131	62,069
Software	**41,274**	**40,045**	**1,229**	38,816	38,816	-
Leasehold Improvements	**84,400**	**52,369**	**32,031**	84,400	43,895	40,505
	$ 365,149	**$ 273,997**	**$ 91,152**	$ 362,691	$ 242,062	$ 120,629

7. MINERAL PROPERTIES

	January 31, 2008	Expended During The Period	Write-off of Costs and Recoveries	**January 31, 2009**
Gold and Base Metal Properties, British Columbia				
Exploration costs	$ 3,209,677	$ 87,451	$ (2,498,586)	**$ 798,542**
Acquisition costs	256,137	15,184	(200,932)	**70,389**
Geological and assays	461,237	28,232	(366,062)	**123,407**
Office and salaries	1,514,637	97,829	(1,164,733)	**447,733**
	5,441,688	228,696	(4,230,313)	**1,440,071**
Gold and Base Metal Properties, NWT& NU				
Exploration costs	3,930,266	3,970,392	(342,586)	**7,558,072**
Acquisition costs	238,808	43,007	(155,222)	**126,593**
Geological and assays	74,175	155,052	(296)	**228,931**
Office and salaries	519,609	617,299	(23,265)	**1,113,643**
	4,762,858	4,785,750	(521,369)	**9,027,239**
Gold and Base Metal Properties, Saskatchewan				
Exploration costs	338,504	773,719	-	**1,112,223**
Acquisition costs	138,479	5,278	-	**143,757**
Geological and assays	3,223	14,407	-	**17,630**
Office and salaries	22,825	140,217	-	**163,042**
	503,031	933,621	-	**1,436,652**
Other Exploration and Generative Exploration				
Exploration costs	32,977	96,882	(134,737)	**(4,878)**
Acquisition costs	16,424	5,188	(21,543)	**69**
Geological and assays	-	3,526	(1,556)	**1,970**
Office and salaries	15,611	54,704	(54,388)	**15,927**
	65,012	160,300	(212,224)	**13,088**
TOTAL	$ 10,772,589	$ 6,108,367	$ (4,963,906)	**$ 11,917,050**

During the year ended January 31, 2009, the Company wrote-off $4,799,759 (2008 - $578,577) relating to certain properties and recorded recoveries of $164,147 (2008 - $110,078).

7. MINERAL PROPERTIES (cont'd)

	January 31, 2007	Expended During The Year	Write-off of Costs and Recoveries	Transferred to North Arrow (Note 5)	January 31, 2008
Gold and Base Metal Properties, British Columbia					
Exploration costs	$ 1,740,878	$ 1,780,225	$ (311,426)	$ -	$ 3,209,677
Acquisition costs	300,245	169,789	(213,897)	-	256,137
Geological and assays	297,674	181,019	(17,456)	-	461,237
Office and salaries	961,567	636,420	(83,350)	-	1,514,637
	3,300,364	2,767,453	(626,129)	-	5,441,688
Gold and Base Metal Properties, NWT& NU					
Exploration costs	1,184,179	3,609,166	(3,297)	(859,782)	3,930,266
Acquisition costs	1,013,094	147,425	(6,780)	(914,931)	238,808
Geological and assays	264,792	71,067	-	(261,685)	74,174
Office and salaries	818,312	459,987	(15,340)	(743,350)	519,609
	3,280,377	4,287,645	(25,417)	(2,779,748)	4,762,857
Gold and Base Metal Properties, Saskatchewan					
Exploration costs	-	338,504	-	-	338,504
Acquisition costs	138,396	83	-	-	138,479
Geological and assays	-	3,223	-	-	3,223
Office and salaries	-	22,825	-	-	22,825
	138,396	364,635	-	-	503,031
Diamond Properties, NWT and Nunavut					
Exploration costs	5,054	-	-	(5,054)	-
Acquisition costs	300,522	33,496	(1,016)	(333,002)	-
Geological and assays	204,812	481	-	(205,293)	-
Office and salaries	237,442	1,311	(605)	(238,148)	-
	747,830	35,288	(1,621)	(781,497)	-
Other Exploration and Generative Exploration					
Exploration costs	6,191	26,787	-	-	32,978
Acquisition costs	49,062	2,567	(35,205)	-	16,424
Geological and assays	-	-	-	-	-
Office and salaries	7,100	8,794	(283)	-	15,611
	62,353	38,148	(35,488)	-	65,013
TOTAL	$ 7,529,320	$ 7,493,169	$ (688,655)	$ (3,561,245)	$ 10,772,589

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 conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

7. MINERAL PROPERTIES (cont'd…)

Gold and Base Metal Properties, British Columbia

Bitterroot Agreement

In June 2006, the Company concluded an option agreement with a prospector and Bitterroot Resources Ltd. ("Bitterroot") whereby Bitterroot may earn a 100% interest in certain claims known as the "Big Southeaster" property on Vancouver Island. Under the terms of this agreement, Bitterroot must make a cash payment of $10,000 (the Company's share is $3,300 (received)) and issue 150,000 common shares of Bitterroot over a three year period (the Company's share is 33.0% of the total common shares to be issued – 33,000 received at a value of $19,303 during fiscal 2008 and 2007 and 16,500 received at a value of $6,600 during the current fiscal year). In addition, Bitterroot must issue $50,000 worth of common shares to the Company and the prospector, prior to the third anniversary of the agreement and Bitterroot must incur exploration expenditures totaling $50,000 before the second anniversary of the agreement. The Company will retain a 0.66% net smelter return royalty ("NSR") on the property, one-half of which (0.33%) may be purchased by Bitterroot for $330,000.

Inza Properties

In February 2009, the Company acquired a 100% interest in five mineral claims prospective for copper-gold by issuing a total of 250,000 common shares to two prospectors. In September 2008 and February 2009, the Company acquired, by staking, a 100% interest in 12 adjacent mineral claims.

Ponderosa Property

In August 2007, the Company entered into an agreement with Almaden Minerals Ltd. ("Almaden") whereby the Company may earn a 60% interest in the Ponderosa property, located within the Spences Bridge area of British Columbia. Under the terms of the agreement with Almaden, the Company may earn a 60% interest in the Ponderosa property by issuing to Almaden 1,050,000 shares (200,000 issued at a value of $106,000 in fiscal 2008) and by completing exploration expenditures of $4,000,000 prior to December 31, 2012. The agreement included a commitment to spend $150,000 exploring the property prior to December 31, 2007 (completed).

In December 2007, the Company terminated the option agreement and returned the Ponderosa property to Almaden. Accordingly, the Company wrote-off capitalized acquisition and exploration expenditures of $412,219 during the year ended January 31, 2008.

Skoonka Creek Property

During the year ended January 31, 2007, the Company earned a 51% interest in the Skoonka Creek property from Almaden by incurring exploration expenditures of $2,000,000 and by issuing a total of 600,000 common shares to Almaden. The Company had a second option to earn an additional 9% interest but elected not to proceed with a second option. Instead, the Company and Almaden formed a joint venture under which future exploration would be funded 51% by the Company and 49% by Almaden. During the year ended January 31, 2008, Almaden elected not to contribute to the exploration program. The Company elected to solely fund the exploration program and as a result of a standard joint venture dilution formula, its interest in the property has increased to 65.74%. During the year ended January 31, 2009, the Company wrote-off $4,191,982 related to the Skoonka Creek property as the Company has no exploration programs of significance planned for the upcoming year.

Spences Bridge Properties

In December 2005, the Company staked five mineral claims in the Spences Bridge area of British Columbia. The Company has a 100% interest in the claims, subject to a 1% NSR in favour of a prospector which may be purchased by the Company for $1,000,000 at any time. During the year ended January 31, 2008, the Company terminated two separate agreements with a prospector whereby the Company could have earned a 100% interest in certain other claims in the area by meeting certain exploration expenditure and share payment commitments through 2012. The Company wrote-off exploration expenditures of $52,363 related to these agreements in fiscal 2008. During the year ended January 31, 2009, the Company wrote-off $16,002 related to one of the Company's 100% owned Spences Bridge properties as the Company has no exploration programs of significance planned for the foreseeable future.

7. MINERAL PROPERTIES (cont'd…)

Gold and Base Metal Properties, Northwest Territories and Nunavut

The Company maintains interests in various other gold and base metal properties in the Northwest Territories and Nunavut. During the year-ended January 31, 2008, certain of the Company's gold and base metal properties, including the Anialik, Canoe Lake, Regan Lake and Ulu South properties, were transferred to North Arrow as part of the Plan of Arrangement (Note 5).

Nickel King Project, NWT

The Company holds a 100% interest in a number of mineral claims in the southern Northwest Territories. Certain of these mineral claims are subject to a 3% NSR on base and precious metals production and an additional 2% gross overriding royalty ("GOR"). The Company may purchase the entire NSR at any time for $1,500,000 and the Company may purchase one-half (1%) of the GOR at any time for $2,500,000.

Silvertip Project, Nunavut

In November 2006, the Company acquired, by staking, a 100% interest in six mineral claims in Nunavut. A portion of these claims are subject to a 1% NSR that can be purchased by the Company at any time for $1,000,000. The Company has the option to earn a 100% interest in a seventh mineral claim known as the "Pale" claim. Under the terms of this option agreement, the Company may earn its interest in the Pale claim by making staged cash payments totalling $80,000 over four years and by incurring an aggregate of $317,500 in exploration expenditures over a four year period. Upon earning a 100% interest in the Pale claim, the claim will be subject to a 2% NSR, of which one-half (1%) may be purchased at any time for $1,000,000.

In February 2007, the Company concluded a Memorandum of Understanding ("MOU") with Nunavut Tunngavik Inc. ("NTI") to allow the Company to explore certain Inuit Owned Lands ("IOLs") in the Back River area, Nunavut. The MOU contemplates the execution of an option agreement allowing the Company to earn a 100% interest in the property by completing a first year work program and by making annual work commitments and rental payments on the property. During the year ended January 31, 2009, the Company determined not to proceed with the agreement contemplated by the MOU.

In May 2007, as part of the Plan of Arrangement (Note 5) with North Arrow, the Company granted an option to North Arrow, whereby North Arrow may earn a 60% interest in the Silvertip Project by spending $5,000,000 to explore the property prior to December 31, 2011 with a firm commitment to spend $300,000 prior to December 31, 2007 (completed).

In December 2008, North Arrow terminated its option to earn an interest in the Silvertip Project. North Arrow and the Company are related by virtue of two common directors.

Other Properties, NWT

In May 2007, the Company acquired an option to earn a 100% interest in certain mineral claims in the Northwest Territories. Under the terms of the option agreement, the Company must fund staking costs to acquire additional minerals claims and make staged payments totalling $500,000 over five years ($10,000 paid May 2007; $7,500 paid December 2007). The property is subject to a 2.5% NSR of which the Company may purchase 1% at anytime for $500,000. The Company may acquire an additional 1% of the royalty (bringing its interest to 2% of the NSR) at anytime for $2,000,000.

In May 2008, the Company and North Arrow entered into an option agreement whereby North Arrow may earn a 100% interest in the property by reimbursing certain expenditures incurred to-date by the Company (completed) and assuming the annual option payments due under the original option agreement. Upon North Arrow incurring $5,000,000 in exploration on the property, the Company may elect to back-in to 40% of North Arrow's interest in the property by funding the next $5,000,000 in exploration. In certain circumstances, the Company has the option to elect to acquire a 1% NSR in place of exercising the back-in right. North Arrow may purchase one-half (0.5%) of the NSR at any time for $500,000.

7. MINERAL PROPERTIES (cont'd…)

Gold and Base Metal Properties, Northwest Territories and Nunavut (cont'd…)

Other Properties, NWT (cont'd…)

Mineral property write-offs of $394,513 during the year ended January 31, 2009 relate to various other properties in the Northwest Territories, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

Gold and Base Metal Properties, Saskatchewan

The Company maintains a 100% interest in a number of mineral claims in northern Saskatchewan that form part of the Company's Snowbird nickel project.

Diamond Properties, Northwest Territories and Nunavut

During the year ended January 31, 2008, all of the Company's remaining diamond properties including the Bear, Lac de Gras, and Napaktulik properties were transferred to North Arrow as part of the Plan of Arrangement (Note 5). Mineral property write-offs of $1,621 during the year ended January 31, 2008 related to the Blue Lake and Jewel properties.

Other Exploration and Generative Exploration, Canada

Uranium Projects, Generative, Canada

In January 2006, the Company and Bayswater Uranium Corporation ("Bayswater") concluded an agreement to generate uranium exploration projects in Canada ("CUJV"). Under the terms of this agreement, Bayswater will contribute up to $500,000 over five years to fund the acquisition of uranium projects identified by the Company and, upon identification of such project(s), Bayswater will be required to incur a further $600,000 in exploration expenditures within two years on each of up to three uranium projects identified by the Company as "Earn-in projects", whereby Bayswater and the Company will each hold a 50% interest in the generative project, with Bayswater as the Operator. Bayswater and the Company are related by virtue of a common director.

In February 2006, the Company and Bayswater acquired ten prospecting permits in the northern part of the North Thelon Basin, Nunavut. In April 2006, the Company and Bayswater granted a 1% NSR on metals and a 1% GOR on diamonds to a third party in consideration for staking certain claims in the South Thelon area of the NWT. The Company and Bayswater retain the right to purchase one-half of the royalties (0.5%) at any time for $1,000,000. Both North Thelon and South Thelon properties were acquired under the terms of the CUJV generative exploration program and have been separately identified by the Company as Earn-in projects. One of the prospecting permits prospective for diamonds in the North Thelon area is subject to the terms of an option agreement between Bayswater and Stornoway Diamond Corporation, ("Stornoway"). Mineral property write-offs of $17,740 during the year ended January 31, 2009 relate to generative (Uranium) exploration.

Other Properties

The Company maintains a number of mineral claims and permits in British Columbia, Saskatchewan and the Northwest Territories, as part of the Company's ongoing generative exploration programs. Mineral property write-offs of $179,522 during the year ended January 31, 2009 relate to generative exploration.

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Issued			
As at January 31, 2007	50,793,941	$ 19,849,581	$ 1,688,606
Private placement	4,710,000	4,003,500	-
Compensation units	263,522	223,994	-
Share issue costs	-	(425,586)	66,288
Exercise of options	278,500	166,847	(65,153)
Tax benefits renounced to flow-through share subscribers (Note 10)	-	(311,000)	-
Reduction of capital	-	(3,390,000)	433,000
Property option agreement	200,000	106,000	-
Stock-based compensation	-	-	599,461
As at January 31, 2008	56,245,963	20,223,336	2,722,202
Private placements	9,502,500	3,801,000	-
Compensation units	125,000	50,000	-
Share issue costs	-	(405,476)	39,969
Tax benefits renounced to flow-through share subscribers (Note 10)	-	(1,221,067)	-
Stock-based compensation	-	-	406,481
As at January 31, 2009	65,873,463	$ 22,447,793	$ 3,168,652

Share issuances

In July 2007, the Company completed a brokered private placement of 4,710,000 flow-through units at a price of $0.85 per flow through unit for gross proceeds of $4,003,500. Each flow through unit consisted of one flow through share and one-half of one common share purchase warrant. Each whole share purchase warrant was exercisable into one common share at a price of $1.10 until January 12, 2009. As part of the July 2007 private placement, the Company paid a finders' fee of $56,251 in cash and 263,522 compensation units valued at a price of $0.85 per unit. Each compensation unit consisted of one non-flow-through common share and one half of one common share purchase warrant, with each whole warrant having the same terms as the warrants in the private placement. The Company also issued agent warrants to purchase 376,800 shares of the Company at $0.85 per common share exercisable until January 12, 2009. The estimated fair value of the agent warrants is $66,288 and has been recorded in contributed surplus. All of the warrants issued as part of this private placement expired without exercise on January 12, 2009.

In August 2007, the Company issued 200,000 common shares with a value of $106,000 to Almaden pursuant to the Ponderosa property option agreement (Note 7).

In May 2008, the Company issued, by way of a non-brokered private placement, 750,000 flow-through units of the Company at $0.40 per flow-through unit for gross proceeds of $300,000. Each flow-through unit consisted of one flow-through share and one half of one non-flow-through share purchase warrant. Each whole warrant entitles the holder to purchase one additional non-flow-through common share of the Company at a price of $0.45 per share until May 16, 2009.

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Share issuances (cont'd…)

In June 2008, the Company issued, by way of a brokered private placement 8,752,500 flow through units of the Company at a price of $0.40 per flow through unit for gross proceeds of $3,501,000. Each flow through unit consisted of one flow through share and one-half of one common share purchase warrant (each whole such purchase warrant being a "Warrant"). Each Warrant is transferable and can be exercised into one common share of the Company at a price of $0.45 until June 5, 2009.

The Company paid the agents a cash commission of $245,070 and issued 612,675 agents' warrants. Each agents' warrant is exercisable into one non-flow-through common share of the Company at $0.40 per share until June 5, 2009. As additional compensation, the agents were paid a corporate finance fee of 125,000 units, with each unit consisting of one non-flow-through common share plus one half of a share purchase warrant (each whole such purchase warrant being a "Corporate Finance Warrant"). The Corporate Finance Warrants have the same terms as the Warrants. The fair value of the Agents' warrants was estimated to be $39,969 using the Black-Scholes option pricing model with this amount being recorded in contributed surplus.

The following weighted average assumptions were used for the Black Scholes valuation of agents warrants issued as part of the June 2008 and July 2007 financings:

	Year Ended January 31, 2009	Year Ended January 31, 2008
Risk-free interest rate	2.9%	4.7%
Expected life of warrants	1 year	1.5 years
Annualized volatility	65%	78%
Dividend rate	0.00%	0.00%

Stock options and warrants

In June 2008, the Company's shareholders approved revisions to the Company's 2007 Stock Option Plan (the "Plan"), which establishes a rolling number of shares issuable under the plan in the amount of 10% of the Company's issued shares at the date of grant.

Under the terms of the Plan, the exercise price of each option granted cannot be less than the market price at the date of grant, less a discount up to 25% in accordance with the policies of the TSX Venture Exchange ("TSX-V"). Options granted can have a term up to 5 years with vesting provisions determined by the directors in accordance with TSX-V policies for Tier 2 Issuers. Typically, the Company has granted stock options at or above the market price on the grant date, with a vesting period of 25% upon grant and 25% every six months thereafter.

As at January 31, 2009, the following stock options and warrants were outstanding:

	Number of Shares	Exercise Price	Number Vested	Expiry Date
Options	150,000	0.8232	150,000	June 2, 2009
	1,098,750	0.6300	1,098,750	July 30, 2009
	540,000	0.2898	540,000	February 2, 2010
	37,500	0.2940	37,500	June 13, 2010
	10,000	0.2940	10,000	September 23, 2010
	640,000	0.6636	640,000	March 16, 2011
	545,000	0.3696	545,000	September 15, 2011
	40,000	0.5040	40,000	February 16, 2012
	1,000,000	0.6552	1,000,000	March 29, 2012
	990,000	0.4600	742,500	December 21, 2012
Warrants	375,000	0.45	375,000	May 16, 2009 (subsequently expired)
	4,438,750	0.45	4,438,750	June 5, 2009
	612,675	0.40	612,675	June 5, 2009

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock options and warrants (cont'd…)

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, January 31, 2007	4,027,000	$	0.70
Granted	2,065,000		0.56
Exercised	(278,500)		0.37
Cancelled/expired	(390,000)		0.65
Balance, January 31, 2008	5,423,500		0.54
Granted	200,000		0.54
Cancelled/expired	(572,250)		0.47
Balance, January 31, 2009	5,051,250	$	0.54
Number of options currently exercisable	4,803,750	$	0.55

The weighted average fair value of stock options granted during the current fiscal year was $0.18 (2008 - $0.35) per option.

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, January 31, 2007	1,000,000	$	0.60
Granted	2,863,561		1.07
Expired	(1,000,000)		0.60
Balance, January 31, 2008	2,863,561		1.07
Granted	5,426,425		0.44
Expired	(2,863,561)		1.07
Balance, January 31, 2009	5,426,425	$	0.44

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock-based compensation

During the year ended January 31, 2009, the Company granted 200,000 (January 31, 2008 – 2,065,000) stock options with a fair value of $36,787 (January 31, 2008 – $712,863) which is being recognized over the vesting periods of the options. Total stock-based compensation recognized during the year ended January 31, 2009 was $406,481 (2008 – $599,461).

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted:

	Year Ended January 31, 2009	Year Ended January 31, 2008
Risk-free interest rate	2.78%	3.85% ~ 4.04%
Expected life of options	3 years	3 years
Annualized volatility	67%	81% ~ 86%
Dividend rate	0.00%	0.00%

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements:

a. Charged rent of $24,000 (2008 - $73,589) to Stornoway Diamond Corporation ("Stornoway"), a company with a common director.

b. Charged rent of $12,000 (2008 - $nil) to North Arrow, a company with two common directors.

Included in receivables are amounts due from Stornoway totaling $2,811 (January 31, 2008 - $71,099) for reimbursement of exploration, administrative costs and rent paid by the Company on Stornoway's behalf.

Included in accrued liabilities is $3,733 (January 31, 2008 –$16,052) payable to a company controlled by a director.

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.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2009	2008
Loss before income taxes	$ (8,788,375)	$ (843,190)
Expected income tax recovery	$ 2,713,411	$ 285,855
Non-deductible items	(1,220,760)	58,853
Tax assets transferred on Plan of Arrangement	-	(1,423,870)
Recognized (unrecognized) benefit of other tax assets	45,157	(32,205)
Recognized benefit of resource expenditures	-	1,334,428
Unrecognized benefit of non-capital losses	(224,065)	-
Future income tax recovery	$ 1,313,743	$ 223,061

As at January 31, 2009, the Company has approximately $725,700 in non-capital losses available for deduction against future year's taxable income. These losses will expire in 2029.

Subject to certain restrictions, the Company has approximately $9,800,000 of mineral property expenditures and $630,000 in non-refundable tax credits available to reduce taxable income of future years.

During the year ended January 31, 2009 the Company issued 9,502,500 (2008 – 4,710,000) common shares on a flow-through basis for gross proceeds of $3,801,000 (2008 - $4,003,500). The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenses incurred on the Company's mineral properties to the flow-through participants. The Company has renounced exploration expenditures of $3,801,000 (2008 - $1,000,000) which resulted in a future income tax recovery and a charge against capital stock of $1,221,067 (2008 - $311,000).

The significant components of the Company's future income tax assets are as follows:

	2009	2008
Future income tax assets (liabilities):		
Non-capital losses	$ 188,687	$ -
Mineral properties	(37,540)	129,692
Investments	268,890	209,194
Equipment	30,227	23,431
Share issuance costs and other tax assets	268,887	228,653
	719,151	590,970
Less: valuation allowance	(719,151)	(590,970)
	$ -	$ -

11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Balance, January 31, 2007	$	-
Adjustment for cumulative unrealized gains on available-for-sale investments at February 1, 2007, net of future income taxes, on adoption of accounting policies relating to financial instruments		1,497,308
Unrealized losses on available-for-sale investments, net of future income taxes		(2,060,768)
Balance, January 31, 2008		(563,460)
Reversal of previous unrealized losses on available-for-sale investments sold or written down, net of future income taxes		563,460
Unrealized gains on available-for-sale investments, net of future income taxes		31,694
As at January 31, 2009	$	31,694

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

At January 31, 2009, cash and equivalents of $1,079,697 (2008 - $3,402,291) consisted of cash on deposit of $189,975 (2008 - $3,387,291) and short-term investments of $889,722 (2008 - $15,000).

The significant non-cash transactions for the year ended January 31, 2009 were:

a) The Company incurring mineral property expenditures of $27,493 that are included in accounts payable and accrued liabilities and the Company accruing a recovery of mineral property expenditures of $255 that is included in receivables.

b) The Company receiving 16,500 common shares of Bitterroot valued at $6,600 pursuant to the sale of future mineral property rights (Note 7).

c) The Company issuing 612,675 agents' warrants with a value of $39,969 as part of a private placement in June 2008 (Note 8).

d) The Company paid a corporate finance fee of 125,000 units with a value of $50,000 as part of a private placement in June 2008 (Note 8).

The significant non-cash transactions for the year ended January 31, 2008 were:

a) The Company receiving 500,000 common shares of Tournigan valued at $1,400,000 pursuant to the termination of an agreement.

b) The Company incurring mineral property expenditures of $61,560 that are included in accounts payable and accrued liabilities and the Company accruing a recovery of mineral property expenditures of $8,122 that is included in receivables.

c) The Company receiving 16,333 common shares of Bitterroot valued at $9,637 pursuant to the property option agreement (Note 7).

d) The Company issuing 200,000 common shares with a value of $106,000 to Almaden, pursuant to a property option agreement (Note 7).

e) The Company issuing 376,800 agent warrants with a value of $66,288 as part of a private placement in July 2007 (Note 8).

13. COMMITMENTS

The Company is committed to minimum future lease payments for office premises and exploration equipment through to January 31, 2011 as follows:

Fiscal year ending January 31, 2010	$ 165,376
Fiscal year ending January 31, 2011	$ 151,460

The Company's lease costs may be reduced due to recoveries through sub-leases.

14. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in shareholder's equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its mineral properties and to provide sufficient funds for its corporate activities.

The Company's mineral properties are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings and, more recently, asset sales or exploration option agreements, to finance its operations. In order to carry out the Company's planned exploration programs and to pay for administrative costs, the Company will spend its existing working capital and raise additional funds as required. To effectively manage the Company's capital requirements, the Company's management has in place a planning and budgeting process.