Currie Rose Resources Inc.

Consolidated Financial Statements

For the years ended December 31, 2007 and 2006

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Contents

ENGLISH & JONES LLP
CHARTERED ACCOUNTANTS

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Auditors' Report

To the Shareholders of
Currie Rose Resources Inc.

We have audited the consolidated balance sheets of **Currie Rose Resources Inc.** as at December 31, 2007 and 2006 and the consolidated statements of operations, comprehensive income and deficit 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 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 cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

English & Jones LLP

ENGLISH & JONES LLP
Chartered Accountants
Licensed Public Accountants

St. Catharines, Ontario
April 14, 2008

Currie Rose Resources Inc.

Consolidated Balance Sheets

December 31	2007	2006
Assets		
Current		
Cash	**$ 50,560**	$ 100,610
Short-term investments (Note 5)	**2,259,620**	492,311
Accounts receivable	**104,355**	104,240
Prepaid expenses	**3,329**	7,892
	2,417,864	705,053
Long-Term Investments (Note 6)	**28,000**	291,315
Mining Claims (Note 7)	**3,704,543**	2,920,194
Deferred Exploration Expenditures (Note 8)	**1,351,573**	868,245
	$ 7,501,980	$ 4,784,807

Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued expenses	**$ 176,268**	$ 41,037
Shareholders' Equity		
Share Capital (Note 9)		
Common shares	**12,478,325**	8,847,875
Common shares to be issued	**-**	680,000
Common share purchase warrants	**384**	326
	12,478,709	9,528,201
Contributed surplus (Note 9)	**481,046**	361,572
Cumulative translation adjustment	**-**	(3,833)
Deficit	**(5,634,043)**	(5,142,170)
	7,325,712	4,743,770
	$ 7,501,980	$ 4,784,807

On behalf of the Board:

Harold Smith Director
"Signed"

Michael Griffiths Director
"Signed"

The accompanying notes are an integral part of these financial statements

Currie Rose Resources Inc.

Consolidated Statements of Operations, Comprehensive Income and Deficit

For the years ended December 31	2007	2006
Revenue		
Production penalty revenue	**$ 100,000**	$ 100,000
Expenses		
Advertising	**7,096**	46,296
Directors' compensation (Note 9)	**111,354**	-
Investor relations	**101,557**	78,000
Listing and filing fees	**10,155**	18,573
Management compensation	**71,708**	61,829
Office and admin expense	**167,328**	24,199
Office rent	**14,138**	12,322
Professional services	**84,072**	52,255
Share transfer agent fees	**8,729**	10,252
Shareholders' information	**7,038**	3,590
Travel	**46,985**	38,253
	630,160	345,569
Loss Before Other Income (Expense)	**(530,160)**	(245,569)
Other Income (Expense)		
Interest and foreign exchange	**49,287**	8,473
Change in market value of long-term investments	**(66,800)**	-
Gain on sale of long-term investments	**-**	28,185
Write-off of mining claims	**-**	(100,000)
Net Loss also representing Comprehensive Loss for the Year	**(547,673)**	(308,911)
Deficit, beginning of year	**(5,142,170)**	(4,833,259)
Transition adjustment (Note 4)	**55,800**	-
Deficit, end of year	**$ (5,634,043)**	$ (5,142,170)
Loss per common share: (Note 13)		
Basic	**$ (0.01)**	$ (0.01)

The accompanying notes are an integral part of these financial statements

Currie Rose Resources Inc.

Consolidated Statement of Cash Flows

For the years ended December 31	2007	2006
Cash Provided By (Used In)		
Operating Activities		
Net loss for the year	**$ (547,673)**	$ (308,911)
Items not involving cash:		
Stock based compensation	**119,301**	-
Change in market value of long-term investments	**66,800**	-
Gain on disposal of long-term investments	**-**	(28,185)
Write-off of mining claims	**-**	100,000
Cumulative translation adjustment	**3,833**	(22,226)
Changes in non-cash working capital balances:		
Accounts receivable	**(115)**	276
Prepaid expenses	**4,563**	(6,276)
Accounts payable and accrued expenses	**135,231**	10,287
Cash Used In Operating Activities	**(218,060)**	(255,035)
Investing Activities		
Purchase of short-term investments	**(3,018,260)**	(492,311)
Redemption of short-term investments	**1,250,951**	501,260
Proceeds on disposal of long-term investments	**-**	54,185
Increase (decrease) in contributions to joint venture	**-**	102,945
Repayments of loan receivable	**-**	18,065
Mining claims purchased	**(390,796)**	(100,888)
Deferred exploration expenditures incurred	**(483,328)**	(356,841)
Cash Used In Investing Activities	**(2,641,433)**	(273,585)
Financing Activities		
Common shares issued, net of costs	**2,809,059**	515,101
Warrants issued	**384**	108
Cash Provided By Financing Activities	**2,809,443**	515,209
Decrease in Cash During the Year	**(50,050)**	(13,411)
Cash, beginning of year	**100,610**	114,021
Cash, end of year	**$ 50,560**	$ 100,610

The accompanying notes are an integral part of these financial statements

1. Nature of the Business

Currie Rose Resources Inc. was incorporated under the Canada Business Corporations Act on August 24, 1973. The company is a development stage company that engages principally in the acquisition, exploration and development of resource properties.

2. Basis of Presentation

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The application of the going concern concept is dependent on the company's ability to pay its liabilities through future operations of its mining properties and financial support through future equity offerings. The ultimate realization of the amounts shown as mining claims and deferred exploration expenses is dependent upon the continuance of rights to tenure of the areas of interest, the results of future exploration, the successful development and exploration of the areas of interest or alternatively by their sale. The outcome of these operations cannot presently be determined because they are contingent on future matters.

3. Significant Accounting Policies

Method of Consolidation

These consolidated financial statements include the accounts of Currie Rose Resources Inc. as at and for the years ended December 31, 2007 and 2006 and the company's 40% interest in the Lake Victoria Joint Venture, whose accounts are denominated in Australian dollars as at and for the 18 month period ended December 31, 2007 and the year ended June 30, 2006.

All monetary assets and liabilities of the Lake Victoria Joint Venture are translated into Canadian dollars at rates prevailing at the year end date. Non-monetary assets and liabilities are carried on the balance sheet using the historical exchange rate in effect when the transaction occurred. Revenue and expenses are translated at the exchange rates in effect on the date of the transactions. Exchange gains and losses arising on the translation of monetary items are included in other income (expense) for the year.

Foreign Exchange

All monetary assets and liabilities are translated into Canadian dollars at rates prevailing at the year end date. Non-monetary assets and liabilities are carried on the balance sheet using the historical exchange rate in effect when the transaction occurred. Revenue and expenses are translated at the exchange rates in effect on the date of the transactions. Exchange gains and losses arising on the translation of monetary items are included in other income (expense) for the year.

3. Significant Accounting Policies (Continued)

Revenue Recognition

Revenue is recognized when earned as per contractual agreements and when ultimate collection is reasonably assured.

Financial Instruments - Recognition and Measurement

Financial instruments are initially recognized at their fair value when the company becomes a party to the contractual provisions of the financial instrument or non-financial derivative contract. Subsequent measurement is based on the classification of the financial instruments as follows:

a) Held for Trading

Cash, short-term investments purchased after October 1, 2007, accounts receivable, long term investments and accounts payable and accrued expenses are classified as held for trading financial instruments and are recorded on the balance sheet at their fair values, with any changes in fair value being recorded in other income (expenses). The recorded value of cash, short-term investments, accounts receivable and accounts payable and accrued expenses approximates their original cost due to their short-term maturities. The cost of long-term investments is disclosed in Note 6.

b) Held to Maturity

Short-term investments purchased before September 30, 2007 are classified as held to maturity financial instruments and are recorded on the balance sheet at amortized cost, with interest being recorded in net income using the effective interest method. The fair value of short-term investments approximated their recorded amount due to their short-term maturities.

Transaction Fees and Costs

Transaction costs on investments are added to the cost of the investment.

Financial Instruments - Presentation and Disclosure

Credit Risk

The business of the company necessitates the management of credit risk. Credit risk is the potential for loss due to the failure to collect production penalties due to the company from and option agreement. The company has mitigated its risk through a clause in its option agreement, whereby if the beneficial owner fails to make payment for two consecutive years on the production penalty, full ownership of the mining claim reverts back to the company.

3. Significant Accounting Policies (Continued)

Financial Instruments - Presentation and Disclosure (Continued)

Interest Rate Risk

The company manages its short-term investments based on its cash flow requirements and it attempts to optimize its interest income. Interest rates are subject to normal market fluctuations.

Foreign Exchange Risk

The company is exposed to foreign exchange risk as the various joint venture and option agreements describe in Note 14 that require contributions to be made in U.S. currency and its share of the Lake Victoria Joint Venture is denominated in Australian currency.

Mining Claims and Deferred Exploration Expenditures

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

Mining claims are recorded at cost on an area of claims basis, deferred and carried as an asset until the results of the project are known. In the event of an abandonment or the expiration of an area of claims, the cost will be written off against income.

The cost of exploration expenditures on mining claims is deferred and in the event a commercial ore deposit is located, the cost will be amortized against income by the unit of production method. In the event of an abandonment or the expiration of an area of mining claims, the expenditures will be written off against income. The costs deferred do not necessarily reflect present or future values. The ultimate recovery of these costs depends on the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims and the successful commercial development of the related properties, including the ability to obtain necessary financing to complete development. The actual recovery of these costs may vary by a material amount.

Title to resource 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 characteristics of many resource properties. The company has investigated title to all of its resource properties and to the best of its knowledge, title to all of its properties are in good standing.

3. Significant Accounting Policies (Continued)

Option Agreements

The company acquires and disposes of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable as per these option agreements are not recorded until payment has been received or made. Upon payment of amounts due under an option agreement, the company recognizes the related amount as the cost of a mining claim. Upon receipt of amounts due under an option agreement, the company recognizes the related amount as the proceeds of disposition of a mining claim, with related write-off of the mining claim and deferred exploration expenses.

Income Tax

The company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Share Capital

The proceeds from the exercise of stock options and warrants are recognized in share capital upon exercise at the exercise price paid by the holder, along with the related cost of such items originally credited to warrants and contributed surplus. Share capital issued in exchange for non-monetary consideration is recorded at an amount based on the fair market value of the shares just prior to the date of issuance.

Stock Based Compensation

The company recognizes as compensation expense the fair value of stock options issued in exchange for services provided by outside consultants and company directors. The cost of such compensation is calculated using the fair value method (Black-Scholes option pricing model) based on the fair value of the stock options on the granting date.

Use of Estimates

The preparation of the company's 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 the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

4. Changes in Accounting Policies

On January 1, 2007, the company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding financial instruments, which are encompassed in CICA Handbook Sections 1530 - Comprehensive Income; 3855 - Financial Instruments Recognition and Measurement and 3861 - Financial Instruments Disclosure. The adoption of these new accounting standards by the company resulted in changes to the accounting policies for financial instruments as outlined in Note 3 – Significant Accounting Policies.

The change in accounting policy for long-term investments as outlined in Note 3 – Significant Accounting Policies resulted in the recognition of a transition adjustment as of January 1, 2007. This transition adjustment increased opening long-term investments and decreased opening deficit by $55,800. There were no other adjustments made due to the change in accounting policies for all other financial instruments.

On January 1, 2007, the company adopted a new accounting standard issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding accounting changes, which is encompassed in CICA Handbook Sections 1506 - Accounting Changes. The adoption of this standard resulted in the requirement to disclose anticipated future changes in accounting policies as outlined in Note 17 – Future Accounting Policy Changes.

5. Short-Term Investments

	2007	2006
Cashable term deposit, interest at prime less 1.75%, being 4.25% at December 31, 2007, maturing November 10, 2008	**$ 2,259,620**	$ -
Cashable term deposit, interest at 3.5%, maturing May 4, 2007	**-**	300,000
Cashable term deposit, interest at 3.75%, maturing November 1, 2007	**-**	192,311
	$ 2,259,620	$ 492,311

6. Long-Term Investments

	2007	2006
Aquila Resources Inc., 40,000 common shares	**$ 28,000**	$ 39,000
Contributions to joint venture	**-**	252,315
	$ 28,000	$ 291,315

Aquila Resources Inc.

The cost of this investment is $39,000.

Contributions to Joint Venture

The balance at December 31, 2006 represents cash contributions that the company made to the Lake Victoria Joint Venture subsequent to the joint venture's year end of June 30, 2006. The amounts were used by the joint venture in the exploration of the Tanzania properties Mabale Hills and Nyamirembe.

7. Mining Claims

	Opening	Additions	Adjustment	Transfer	Write-offs	Closing
2007						
Laonil Lake	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Scadding Township	**99,448**	**-**	**-**	**-**	**-**	**99,448**
Tanzania						
Jubilee Reef	**798,788**	**71,099**	**(18,220)**	**-**	**-**	**851,667**
Mabale Hills	**866,381**	**286,006**	**(18,834)**	**-**	**-**	**1,133,553**
Nyamirembe	**1,055,501**	**286,006**	**(22,946)**	**-**	**-**	**1,318,561**
Sekenke	**100,076**	**201,238**	**-**	**-**	**-**	**301,314**
	$2,920,194	**$ 844,349**	**$ (60,000)**	**$ -**	**$ -**	**$3,704,543**

7. Mining Claims (Continued)

	Opening	Additions	Adjustment	Transfer	Write-offs	Closing
2006						
Laonil Lake	$ -	$ -	$ -	$ -	$ -	$ -
Scadding Township	99,448	-	-	-	-	99,448
Scadding &						
Davis Townships	100,000	-	-	-	(100,000)	-
Tanzania						
Jubilee Reef	252,511	206,494	-	339,783	-	798,788
Mabale Hills	652,529	213,852	-	-	-	866,381
Nyamirembe	795,035	260,466	-	-	-	1,055,501
Sekenke	-	100,076	-	-	-	100,076
	$1,899,523	$ 780,888	$ -	$ 339,783	$ (100,000)	$2,920,194

Laonil Lake

Net profit interest in 3 gold mining claims covering 11,000 acres in Northern Saskatchewan. The company is entitled to a 30% interest in the net profits generated on the commercial production from this property by the beneficial owner who has optioned the property from the company. Once the company has received payments totaling $1,000,000 on its share of the net profits interest, their entitlement decreases to 25% interest in the net profits.

The company is also entitled to a yearly payment of $100,000 in the event the beneficial owner does not mine a minimum amount of 30,000 tonnes in a calendar year. In the event the beneficial owner has not mined 30,000 tonnes of ore or has not made the above noted $100,000 penalty payment for two consecutive years, full ownership interest reverts back to the company, free of any encumbrances on the part of the beneficial owner and in full settlement of any claims the company may have against the beneficial owner.

Scadding Township

Beneficial ownership of gold mining claims covering 1,895 acres in Northern Ontario. These claims are embodied in seven leases granted by the Ministry of Natural Resources totaling 56 claims. One of these leases is set to expire in 2023, three in 2025, one in 2026 and two in 2027. Each of these leases contain a 21 year renewal clause at the option of Ministry of Natural Resources. Management is of the opinion that such renewals will be offered and they intend to act on these renewal clauses.

The company is committed to a royalty payment in the amount of $100,000, payable 10 days after the end of the third calendar month in which production occurs from the claims. The company is also committed to a royalty payment of $1 per ton of ore removed from designated claims registered against the property.

7. Mining Claims (Continued)

Scadding Township (Continued)

The company was party to an option and joint venture agreement with another party, whereby the company granted an option to the other party for a 50% beneficial interest in its mining claims, subject to certain conditions regarding expenditures. The company was entitled to a payment of $25,000 if the option holder did not incur an aggregate amount of $2,000,000 of expenditures on the property before August 25, 2007, and a further $25,000 if the option holder did not incur an aggregate amount of $3,000,000 of expenditures on the property before August 28, 2008. In the event that the option holder did not make certain expenditures within certain time frames, or make penalty payments as noted above in lieu of such expenditure limits, the option holder forfeits its rights under the agreement and full beneficial ownership reverts back to the company. In addition, the option holder has the right to terminate the agreement at any time after making expenditures of $300,000 in total, and hence return full ownership privileges to the company.

During the year ended December 31, 2006, the option holder terminated the option agreement and returned full ownership privileges to the company.

Scadding & Davis Townships

The company was party to an option and Joint Venture Agreement with another party, whereby the company was granted an option for a 50% beneficial interest in the mining claims of the other party subject to certain conditions. The company was committed to pay 50% of the costs of exploration expenditures incurred on these mining claims, until such time as a joint venture agreement was entered into as disclosed in Note 14. In the event that the company does not make these payments they forfeit their rights under the agreement and beneficial ownership reverts back to the other party. In the event that the option holder does not meet certain conditions or elects to terminate the agreement re the Scadding Township mining claims, as described above, this agreement shall also terminate and beneficial ownership of these mining claims reverts back to the other party.

During the year ended December 31, 2006, the option holder on the Scadding property terminated their option agreement re the Scadding property, thus also terminating this option agreement and returning beneficial ownership of these mining claims back to the other party. As such amounts previously recorded as mining claims re this property were written off.

7. Mining Claims (Continued)

Tanzania - Jubilee Reef

The company is party to a joint venture agreement and concurrent option agreement, as described in Note 14, in which the company has an option on various properties located in Tanzania, including a mining tenement in the Lake Victoria gold field known as Jubilee Reef, covering 101 kilometres squared. This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

On February 6, 2006, the company entered into a letter of agreement with the other party to the joint venture, whereby in consideration of the issuance of 607,336 of the company's common shares, the company acquired a 100% interest in the Jubilee Reef tenement previously held by the joint venture. The 607,336 common shares were not issued as of December 31, 2006. The transaction was valued at that time based on the company's share price as at December 31, 2006 of $0.34 per common share for total proceeds of $206,494 which was added to the company's mining claim cost. The joint venture to which the company is a party to, incurred a loss on the disposal of the Jubilee Reef property to the company, as the proceeds from the issuance of the common shares were less than the deferred expenses incurred by the joint venture. Given that the company is related to the joint venture, the company's 40% share of the loss of $339,783 was added to the cost of its mining claims, as it can only be recognized upon sale of the property to a third party or abandonment of the claim.

On December 19, 2007, the company issued the common shares in relation to the purchase noted above. The fair value of the common shares issued was $0.31 per common share for total proceeds of $188,274, resulting in an adjustment to mining claim cost of $18,220. The joint venture to which the company was a party to, as a result of this common share price adjustment, incurred a further loss on the disposal. Given that the company is related to the joint venture, the company's 40% share of the further loss of $71,099 was added to the cost of its mining claims, as it can only be recognized upon sale of the property to a third party or abandonment of the claim.

As part of the purchase of the Jubilee Reef tenement, the company will be committed to a net smelter return royalty payable as follows: if production from the tenement is 50,000 ounces of gold or less per calendar year, then the royalty shall be U.S. $3.00 per ounce if the price of gold is U.S. $350 per ounce or less, or U.S. $5 per ounce if the price of gold is greater than $350 per ounce. If production from the tenement is greater than 50,000 ounces of gold per calendar year, then the royalty shall be U.S. $5.00 per ounce if the price of gold is U.S. $350 per ounce or less, or U.S. $7.50 per ounce if the price of gold is greater than $350 per ounce.

7. Mining Claims (Continued)

Tanzania - Mabale Hills

The company is party to a joint venture agreement and concurrent option agreement as described in Note 14, in which the company has an option on various properties located in Tanzania, including a mining tenement in the Lake Victoria gold field known as Mabale Hills, covering 261 kilometres squared. This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

On February 6, 2006, the company entered into a letter of agreement with the other party to the joint venture described in Note 14, whereby in consideration of the issuance of 1,392,664 of the company's common shares, the company was deemed to have satisfied the 3rd stage of the joint venture agreement and has earned a 40% interest in the properties held by the joint venture as defined in the agreement, being Mabale Hills and Nyamirembe. The 1,392,664 common shares were not issued as of December 31, 2006. This transaction was valued based on the company's share price as at December 31, 2006 of $0.34 per common share and allocated between the Mabale Hills tenement and the Nyamirembe tenement based on their proportionate square footage in the amounts of $213,446 and $260,466 respectively.

On December 19, 2007, the company issued the common shares in relation to the above noted transaction at a fair value of $0.31 per common share, for total proceeds of $431,726, resulting in an adjustment to the amounts allocated between the Mabale Hills tenement and the Nyamirembe tenement based on their proportionate square footage in the amounts of $18,834 and $22,946 respectively.

The company has made contributions under the joint venture agreement and concurrent option agreement as described in Note 14, in excess of its 40% proportionate ownership in anticipation of achieving stage 4 of the agreement, whereby the company then earns a 70% proportionate ownership interest in the joint venture. Such excess contributions have been added equally to the cost of the company's mining claims governed by this joint venture agreement, the Mabale Hills tenement and the Nyamirembe tenement, in the amount of $286,006 each respectively.

Tanzania - Nyamirembe

The company is party to a joint venture agreement and concurrent option agreement as described in Note 14, in which the company has an option on various properties located in Tanzania, including a mining tenement in the Lake Victoria gold field known as Nyamirembe covering 318 kilometres square. This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

7. Mining Claims (Continued)

Tanzania - Nyamirembe (Continued)

On February 6, 2006, the company entered into a letter of agreement with the other party to the joint venture described in Note 14, whereby in consideration of the issuance of 1,392,664 of the company's common shares, the company was deemed to have satisfied the 3rd stage of the joint venture agreement and has earned a 40% interest in the properties held by the joint venture as defined in the agreement, being Mabale Hills and Nyamirembe. The 1,392,664 common shares were not issued as of December 31, 2006. This transaction was valued based on the company's share price as at December 31, 2006 of $0.34 per common share and allocated between the Mabale Hills tenement and the Nyamirembe tenement based on their proportionate square footage in the amounts of $213,446 and $260,466 respectively.

On December 19, 2007, the company issued the common shares in relation to the above noted transaction at a fair value of $0.31 per common share, for total proceeds of $431,726, resulting in an adjustment to the amounts allocated between the Mabale Hills tenement and the Nyamirembe tenement based on their proportionate square footage in the amounts of $18,834 and $22,946 respectively.

The company has made contributions under the joint venture agreement and concurrent option agreement described in Note 14, in excess of its 40% proportionate ownership in anticipating of achieving stage 4 of the agreement, whereby the company earns a 70% proportionate ownership interest in the joint venture. Such excess contributions have been added equally to the cost of the company's mining claims governed by this joint venture agreement, the Mabale Hills tenement and the Nyamirembe tenement, in the amount of $286,006 each respectively.

Tanzania - Sekenke

On April 3, 2006, the company entered into a letter agreement with another party, as described in Note 14, in which the company has entered into an option and joint venture agreement with a potential to earn up to a 70% beneficial interest on various properties located in Tanzania. These properties are comprised of mining tenements covering 2,520 kilometres squared, known as Sekenke.

On February 16, 2007, the company issued 164,286 common shares at a fair value of $0.305 per share for a total value of $50,107 pursuant to the first stage obligation under the option agreement described in Note 14.

On May 14, 2007, the company issued 397,714 common shares at a fair value of $0.38 per share for a total value of $151,131 pursuant to the second stage obligation under the option agreement described in Note 14.

8. Deferred Exploration Expenditures

	Opening	Additions	Transfer	Write-offs	Closing
2007					
Scadding Township	**$ 535,812**	**$ 18,140**	**$ -**	**$ -**	**$ 553,952**
Tanzania					
Jubilee Reef	**406**	**1,998**	**-**	**-**	**2,404**
Mabale Hills	**294,381**	**390,850**	-	-	**685,231**
Nyamirembe	**37,646**	**7,339**	-	-	**44,985**
Sekenke	**-**	**65,001**	-	-	**65,001**
	$ 868,245	**$ 483,328**	**$ -**	**$ -**	**$ 1,351,573**
2006					
Scadding Township	$ 504,009	$ 31,803	$ -	$ -	$ 535,812
Tanzania					
Jubilee Reef	232,777	107,412	(339,783)	-	406
Mabale Hills	97,100	197,281	-	-	294,381
Nyamirembe	17,301	20,345	-	-	37,646
	$ 851,187	$ 356,841	$ (339,783)	$ -	$ 868,245

9. Share Capital and Contributed Surplus

	Common Shares		Common Share Purchase Warrants		Contributed Surplus
	Number Outstanding	**Amount**	**Number Outstanding**	**Amount**	**Amount**
Balance, December 31, 2005	33,029,402	$ 8,332,741	2,508,333	$ 251	$ 361,572
Issued for cash	2,000,000	499,900	1,000,000	100	-
Issued as finders fee	160,000	39,992	80,000	8	-
Issuance Costs	-	(45,000)	-	-	-
Warrants exercised	80,835	20,242	(80,835)	(33)	-
Balance, December 31, 2006	35,270,237	8,847,875	3,507,498	326	361,572
Issued for cash	7,215,000	2,468,439	3,607,500	361	-
Issued in exchange for mining claims (Note 7)	2,562,000	821,238	-	-	-
Issued as fee for private placements	63,375	20,280	753,188	23	-
Issuance Costs	-	(253,203)	-	-	-
Warrants exercised	2,294,170	573,696	(2,294,170)	(153)	-
Warrants expired	-	-	(1,213,328)	(173)	173
Stock based compensation	-	-	-	-	119,301
Balance, December 31, 2007	**47,404,782**	**$12,478,325**	**4,360,688**	**$ 384**	**$ 481,046**

The common shares are authorized for an unlimited number to be issued.

On February 22, 2006, a private placement was completed for the issuance of 2,000,000 units consisting of one common share and one half common share purchase warrant at a price of $0.25 per unit for total consideration of $500,000. As part of this private placement, the company paid $5,000 in cash and issued 160,000 units, as a finder's fee, consisting of one common share and one half common share purchase warrant at a deemed price of $0.25 per unit for total consideration of $45,000, which has been deducted from share capital as a cost of issuance. The common shares are allotted at an issue price of $0.2499 per share and the half common share purchase warrants are allotted at an issue price of $0.0001 per half warrant. A full warrant entitles the owner to purchase one common share at $0.35 each until February 22, 2007. These common share purchase warrants expired during the year.

At various times during the year ended December 31, 2006, 80,835 common shares were issued upon the exercise of 80,835 common share purchase warrants at a price of $0.25 per common share for total consideration of $20,209.

9. Share Capital and Contributed Surplus (Continued)

On July 10, 2007, a private placement was completed for the issuance of 2,000,000 units consisting of one common share and one half common share purchase warrant at a price of $0.40 per unit for total consideration of $800,000. The common shares are allotted at an issue price of $0.3999 per share and the half common share purchase warrants are allotted at an issue price of $0.0001 per half warrant. As part of this private placement, the company paid $60,000 in cash and issued 200,000 common share purchase warrants as an agency fee, which has been deducted from share capital as a cost of issuance. A full common share purchase warrant entitles the owner to purchase one common share at $0.55 each until January 10, 2009.

On November 8, 2007, a private placement was completed for the issuance of 5,215,000 units consisting of one common share and one half common share purchase warrant at a price of $0.32 per unit for total consideration of $1,668,800. As part of this private placement, the company paid $104,280 in cash, issued 63,375 units consisting of one common share and one half common share purchase warrant and issued 521,500 common share purchase warrants, as an agency fee, which has been deducted from share capital as a cost of issuance. The common shares are allotted at an issue price of $0.3199 per share and the half common share purchase warrants are allotted at an issue price of $0.0001 per half warrant. A full warrant entitles the owner to purchase one common share at $0.45 each until May 8, 2009.

At various times during the year ended December 31, 2007, 2,294,170 common shares were issued upon the exercise of 2,294,170 common share purchase warrants at a price of $0.25 per common share for total consideration of $573,543.

Common Shares To Be Issued	**Number**		**Amount**
In exchange for Mining Claims and joint venture interest (Note 7)	2,000,000	$	680,000
Balance, December 31, 2006	2,000,000	$	680,000
Shares issued during the year (Note 7)	(2,000,000)		(620,000)
Adjustment to mining claims (Note 7)	-		(60,000)
Balance, December 31, 2007	**-**	**$**	**-**

9. Share Capital and Contributed Surplus (Continued)

Stock Options

The company has a Stock Option Plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted. The maximum number of common shares which may be issued pursuant to options granted under the stock option plan is 7,086,904 (2006 - 7,038,547). The stock option plan provides that the number of common shares issuable to any one optionee, together with all of the company's other previously established or proposed share compensation arrangements to that optionee, may not exceed 20% of the total number of issued and outstanding common shares of the company. In addition, the number of common shares which may be reserved for issuance to any one consultant or any one investor relations individual shall not exceed 2% on a yearly basis and to any other one individual may not exceed 5% on a yearly basis. The options granted for periods of greater than eighteen month under the plan vest at a rate of 25% upon regulatory approval and 25% every six months thereafter unless otherwise specified. The options granted for periods less than eighteen months vest immediately. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

On May 2, 2006, as compensation for two consulting agreements, the company granted options for the purchase up to 350,000 common shares at a price of $0.25 per share, exercisable up to May 2, 2007. The total fair value of the options granted was calculated to be $nil.

On March 29, 2007, as compensation for a consulting agreement, the company granted options for the purchase up to 200,000 common shares at a price of $0.35 per share, exercisable up to March 29, 2012. The total fair value of the options granted was calculated to be $7,947.

On June 22, 2007, as directors' compensation, the company granted options for the purchase of up to 1,470,000 common shares to six directors at a price of $0.45 per share, exercisable up to June 22, 2012. The total fair value of the options granted was calculated to be $111,354.

9. Share Capital and Contributed Surplus (Continued)

Stock Options (Continued)

The following is detailed information regarding options outstanding at December 31, 2007 and 2006. As at December 31, 2007, a total of 4,795,000 of stock options have vested and are exercisable at a weighted average price of $0.31.

	Number	Weighted average exercise price
Outstanding, December 31, 2005	4,365,000	$ 0.28
Granted	350,000	0.40
Outstanding, December 31, 2006	4,715,000	$ 0.29
Granted	1,670,000	0.44
Expired	(755,000)	0.29
Outstanding, December 31, 2007	**5,630,000**	**$ 0.34**

On the 1,670,000 stock options granted during the year, the following information is provided:

	Weighted average Fair Value	Weighted average exercise price
Stock Options where:		
Exercise price exceeds market value on grant date	$ 0.07	$ 0.44
Total	**$ 0.07**	**$ 0.44**

In calculating the fair value of stock options, the company used the following assumptions. A risk free interest rate ranging from 3.96% to 4.63% (2006 - 3.96%), an average expected life of five years (2006 - one year), expected volatility based on the historical activity of the stock price over the past five years (2006 - one year) ranging from 11.94% to 14.14% (2006 - 2.29%) and expected dividend yield of nil for both years. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the company's stock options.

9. Share Capital and Contributed Surplus (Continued)

Stock Options (Continued)

The following table provides additional information with respect to the company's stock options outstanding at December 31, 2007.

Exercise price	Outstanding December 31 2007	Weighted average exercise price	Weighted average life to expiry
$ 0.20	1,610,000		2.33
0.22	250,000		2.13
0.30	600,000		2.70
0.35	200,000		4.25
0.40	1,500,000		2.22
0.45	1,470,000		4.48
	5,630,000	$ 0.34	2.96

Shareholder Rights Plan

Under a Shareholder Rights Plan Agreement (the “Agreement”), dated April 26, 2007, the company has issued rights which attach to the company’s common shares on a one for one basis.

These rights allow the common shareholder (except for a shareholder who has reached more than 20% beneficial ownership in the company as defined in the Agreement) to receive a specified number of common shares equal to the market value of two times the exercise price of the right, as determined by the Agreement, in exchange for the payment of the exercise price as determined by the Agreement, on the exercise date, which is ten trading days after the earlier of : (i) Date of the public announcement that one shareholder has reached more than 20% beneficial ownership in the company as defined in the Agreement; (ii) Date of commencement of a Take-over bid other than a permitted Bid or a Competing Bid as defined in the Agreement; and (iii) Date on which a permitted Bid or a Competing Bid as defined in the Agreement ceases to be such.

These rights can be redeemed by the board of directors, only if all rights issued are redeemed at the same time, at a redemption price of $0.00001 per right at any time prior to the exercise date noted above. These rights are also deemed to be 100% redeemed by the board of directors, at a redemption price of $0.00001 per right on the date of a Permitted bid as defined in the Agreement.

These rights expire the earlier of: (i) Exercise date of the rights; (ii) Redemption date of the rights; (iii) June 22, 2010, assuming no further approval of the continuation of the Rights Plan; and (iv) Three years from the date of final date of approval of the continuation of the Rights Plan.

10. Lake Victoria Joint Venture

The following summarizes the company's proportionate share of the assets, liabilities, revenue expenses and net loss of the joint venture described in Note 3.

	December 31, 2007	June 30, 2006
Current Assets		
Cash	$ 35,131	$ 19,906
Accounts receivable	4,821	5,179
Prepaid expenses	221	-
Long-Term Assets		
Deferred exploration expenditures	730,216	369,657
Current Liabilities		
Accounts payable and accrued liabilities	159,044	14,909
Revenue		
Interest	1,068	687
Expenses		
Management compensation	6,708	2,829
Office expense	156,719	8,649
Professional services	9,840	4,441
Travel	25,701	4,275
Net Loss	$ (197,900)	$ (19,507)

10. Lake Victoria Joint Venture (Continued)

The following summarizes the proportionate share of the cash flow of the joint venture described in Note 3 for the periods ended.

	December 31, 2007	June 30, 2006
Cash Provided By (Used In)		
Operating Activities		
Net loss for the year	**$ (197,900)**	$ (19,507)
Changes in non-cash working capital balances		
Accounts receivable	**358**	(5,179)
Prepaid expenses	**(221)**	-
Accounts payable and accrued expenses	**144,135**	4,200
Cash Used in Operating Activities	**(53,628)**	(20,486)
Investing Activities		
Repayment of loan receivable	**-**	18,065
Deferred exploration expenditures	**(360,559)**	(60,051)
Cash Used in Investing Activities	**(360,559)**	(41,986)
Financing Activities		
Increase in contribution by the company	**422,124**	131,388
Increase (decrease) in contribution by third party	**7,288**	(62,000)
Cash Provided by Financing Activities	**429,412**	69,388
Increase in Cash During the Year	**15,225**	6,916
Cash, beginning of the year	**19,906**	12,990
Cash, end of the year	**$ 35,131**	19,906

11. Related Party Transactions

Related parties include management and directors of Currie Rose Resources Inc, and the Lake Victoria Joint Venture. Transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. The following is a summary of transactions with related parties:

	2007	2006
Expenditures		
Directors' compensation	**$ 111,354**	$ -
Management compensation	**65,000**	59,000

On February 6, 2006, the company entered into a letter of agreement with the other party to the Joint Venture described in Note 14, whereby the company acquired a 100% interest in the Jubilee Reef tenement previously held by the joint venture to which the company is a party to. The details of this transaction are described in Note 7.

On April 1, 2006, the company revised the management agreement with the CEO of Currie Rose Resources Inc, who is also a director, up to $5,000 per month as detailed in Note 15.

12. Income Taxes

The company has non-capital losses of $977,663 available to reduce taxes payable up to the year 2027. They also have capital losses of $12,465 federally and $192,046 provincially available to offset taxes payable on future capital gains. Deductions for mining claims, deferred development expenses and share issuance costs available in future years for income tax purposes exceed the recorded net book values by $1,926,254 federally and $1,746,673 provincially. The potential future tax benefits of these items have not been recognized in these financial statements as their realization is not determinable at this time.

13. Loss per Common Share

Basic loss per common share for the year was calculated based on a weighted average of 38,272,158 common shares outstanding (December 31, 2006 - 34,918,410). Diluted loss per common share for the year was not calculated as the effect would be anti-dilutive for both the years ended 2007 and 2006.

Details of anti-dilutive potential securities outstanding not included in diluted EPS calculations at December 31, 2007 and December 31, 2006 are as follows:

Anti-dilutive potential securities	**2007**	2006
Common shares potenitally assumable:		
-pursuant to warrants	**-**	588,072
-under stock options	**849,398**	740,514
	849,398	1,328,586

14. Option and Joint Venture Agreements

Tanzania - Mabale Hills and Nyariembe

The company is party to a Joint Venture Agreement and concurrent Option Agreement ("The Agreement"). The Agreement allows the company the ability to earn up to a 70% interest in properties based on the following:

1st stage: Earn a 10% interest through the issuance of 4,000,000 common shares to the other party to the agreement, which was completed;

2nd stage: Earn a further 10% interest by funding a minimum value of US $300,000, to be utilized by the joint venture towards exploration by September 30, 2005, which was completed;

3rd stage: Earn a further 20% interest by funding a minimum cumulative value of US $1,170,000, to be utilized by the joint venture towards exploration by September 30, 2007;

On February 6, 2006, the company entered into a letter of agreement with the other party to the joint venture, whereby in consideration of the issuance of 1,392,664 of the company's common shares, the company was deemed to have satisfied the 3rd stage of the joint venture agreement;

4th stage: Earn a further 30% interest by funding one of the properties through a feasibility study by September 30, 2008, at which point the parties to the agreement will then contribute costs on a pro-rata basis based on their respective joint venture interests.

14. Option and Joint Venture Agreements (Continued)

Tanzania - Mabale Hills and Nyariembe (Continued)

In the event that the company does not elect to earn the interest as noted in the 4th stage, then the parties to the agreement maintain a joint venture with the company's share being 40% at which point the parties to the joint venture will then contribute costs on a pro-rata basis based on their respective joint venture interests.

The option agreement contains a purchase option, whereby the company has the right to purchase the other parties interest within one year after completion of the 3rd stage under the joint venture agreement. The agreement also contains a sale option, whereby the other party has the right to sell its interest to the company within one year after completion of the 3rd stage under the joint venture agreement. The purchase price of the other party's interest will be calculated based on fair market value, defined as per the option agreement, to be issued in the form of common shares of the company. Upon exercise of either option, an additional representative of the other party shall be appointed to the board of directors of the company.

Tanzania - Sekenke

On April 3, 2006, the company entered into a letter agreement with another party, as described in Note 6, in which the company has entered into an option and joint venture agreement to hold an interest in various properties located in Tanzania. The rights to these properties would be held partially by the joint venture itself and partially through the joint venture's participation in another joint venture. These properties are comprised of mining tenements covering 2,520 kilometres squared, known as Sekenke. The Agreement allows the company the ability to earn up to a 70% interest in these properties as follows:

1st stage: Earn a 30% interest by making the first year license payments on the tenements, estimated to be US$70,000, a cash payment to the other party to the joint venture of US$50,000 and the issuance of the company's common shares with a market value of US$50,000 to the other party to the joint venture all within twelve months of the signing of the agreement;

As of December 31, 2006 the company has made the required license payments and the required cash payment to the other party to the joint venture.

On February 16, 2007, the company issued 164,286 common shares at a fair value of $0.305 per share for a total value of $50,107 pursuant to the first stage obligation noted above.

2nd stage: Earn a further 21% interest by making payments to the other party to the joint venture as follows:
-US $100,000 in cash or issuance of the company's common shares by April 3, 2007;
-US $150,000 in cash or issuance of the company's common shares by March 4, 2008;
-US $150,000 in cash or issuance of the company's common shares by April 3, 2009
and funding a minimum value of US$1,000,000 towards exploration

14. Option and Joint Venture Agreements (Continued)

Tanzania - Sekenke (Continued)

On May 14, 2007, the company issued 397,714 common shares at a fair value of $0.38 per share for a total value of $151,131 pursuant to the obligation noted above.

In the event the company completes this stage, the parties to the joint venture agree that in the event the parties agree to sell or joint venture the project to a third party that the project will be sold or joint ventured on a pro rata basis. During this “Hold Period”, the company will maintain the licenses in good standing. However, should the “Hold Period” exceed the time frame set out in Stage 3, the company will continue to maintain the licenses in good standing but on sale of the project, the company will be deemed to have earned a 60% interest in the project.

3rd stage: Earn a further 19% interest by funding one of the properties through a feasibility study by April 3, 2009, at which point the parties to the agreement will then contribute costs on a pro-rata basis based on their respective joint venture interests.

Tanzania - Jubilee Reef

On August 24, 2006, the company entered into a Farm-in and Joint Venture Agreement ("The Agreement") with another party. The Agreement includes two of the three mining tenements of Jubilee Reef, covering 58.5 kilometres squared. The other party can earn up to a 70% interest in the properties as follows:

1st stage: Earn a 51% interest by incurring minimum expenditures over three years from the date of the agreement, with minimum expenditure requirements as follows:
Year one: US$300,000; Year two: US$300,000 and Year three: US$400,000
The other party has the ability to withdraw from the agreement after the year one minimum requirement has been met with no further interest in the property existing.

As of December 31, 2007, the other party has incurred expenses of US$466,876 (2006 - US$466,876) and remains party to the agreement.

2nd stage: The company must elect to contribute pro rata to retain its 49% interest or can allow the other party to earn an additional 19% interest by further incurring expenditures of US$2,000,000 within four years after issuance of notice of election.

The joint venture commencement date will be when both parties are contributing to expenditures upon completion of the second stage of the farm-in agreement. In the event that either party does not contribute to expenditures on a pro-rata upon entering into a joint venture, their respective interest will be diluted.

15. Commitments

Management Agreement

The company is party to a management agreement with the CEO for $10,000 per month. This agreement shall continue indefinitely until terminated by the company or the CEO. In the event of termination without cause, the company must pay $60,000 as compensation to the CEO.

Investor Relations Agreement

The company is party to an investor relations agreement with an individual at a cost of $6,500 per month, which is verbally committed to continue indefinitely until terminated by the company.

16. Segment Disclosure

The company considers a reportable segment to be a component of their operations which engages in business activities that earn revenues and incur expenses and whose operating results are regularly evaluated through a review of discrete financial information. The company has identified as a reportable segment based on geography, its 40% interest in the Lake Victoria joint venture located in Tanzania. This joint venture is expected to derive its revenue from the commercial development and sale of ore deposits on the related properties. The company's share of assets, liabilities, revenues, expenses and net loss of this joint venture are disclosed in Note 10. The company has recognized their share of these items in their financial statements based on the consolidation method described in Note 3.

17. Future Accounting Policy Changes

Financial Instruments - Disclosure

On January 1, 2008, the company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding financial instruments, which are encompassed in CICA Handbook Sections 3862 - Financial Instruments - Disclosures and Section 3863 - Financial Instruments - Presentation. These sections will replace Section 3861 - Financial Instruments - Disclosures and Presentation. The adoption of this new accounting standard by the company will result in new disclosures related to financial instruments.

Capital Disclosures

On January 1, 2008, the company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding capital disclosures, which are encompassed in CICA Handbook Section 1535 - Capital Disclosures. The adoption of this new accounting standard by the company will result in the creation of a new financial statment by the company - Statement of Shareholder's Equity and enhanced disclosure of policies for capital as set out by the company.