INTERNATIONAL NORTHAIR MINES LTD.

(A Development Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2007

(Unaudited – Prepared by Management)

Canadian Funds

Reader's Note:

These interim consolidated financial statements for the three and nine months ended November 30, 2007 of International Northair Mines Ltd. ("Northair" or the "Company") have been prepared by management and have not been subject to review by the Company's auditor.

International Northair Mines Ltd.
(A Development Stage Company)

Interim Consolidated Balance Sheet

Canadian Funds – Unaudited – Prepared by Management

ASSETS		**November 30, 2007**		February 28, 2007
Current				
Cash and cash equivalents	**$**	**1,195,558**	$	780,469
Short-term deposits *(Note 5)*		**68,184**		673,167
Receivables		**69,627**		42,632
Due from related parties *(Note 11)*		**301,222**		95,992
Short-term investments *(Note 6)*		**235,492**		216,997
Prepaid expenses		**9,646**		880
		1,879,729		1,810,137
Property, plant and equipment *(Note 7)*		**71,372**		78,668
Resource property costs – *Schedule (Note 8)*		**905,366**		519,338
	$	**2,856,467**	$	2,408,143

LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**196,537**	$	125,119
Capital lease obligation *(Note 9)*		**1,782**		8,813
		198,319		133,932
SHAREHOLDERS' EQUITY				
Share capital *(Note 10)*		**22,435,677**		22,435,777
Warrants		**266,943**		266,943
Contributed surplus		**549,351**		530,280
Accumulated other comprehensive income		**104,056**		-
Deficit		**(20,697,879)**		(20,958,789)
		2,658,148		2,274,211
	$	**2,856,467**	$	2,408,143

Commitments *(Note 14)*

ON BEHALF OF THE BOARD:

"F. G. Hewett", Director

"D. Bruce McLeod", Director

International Northair Mines Ltd.
(A Development Stage Company)
Interim Consolidated Statement of Income (Loss)

Canadian Funds – Unaudited – Prepared by Management

	Three Months Ended November 30		Nine Months Ended November 30	
	2007	2006	**2007**	2006
General and Administrative Expenses				
Office, equipment rental and general	**$ 85,395**	$ 53,586	**$ 254,858**	$ 166,617
Shareholder information and investor relations	**18,468**	12,638	**55,590**	39,348
Professional fees	**33,039**	4,637	**92,903**	30,689
Regulatory compliance and transfer agent fees	**1,785**	3,043	**21,947**	18,046
Stock-based compensation	**7,766**	63,287	**19,072**	67,671
Administrative recoveries	**(38,217)**	(41,157)	**(120,049)**	(123,472)
Loss before the Undernoted	**(108,236)**	(96,034)	**(324,321)**	(198,899)
Write-off exploration costs	**(80,521)**	(76,567)	**(207,642)**	(204,589)
Gain on sale of investments	**569,401**	-	**724,063**	412
Foreign exchange gain (loss)	**(2,278)**	2,168	**(703)**	(2,896)
Gain (loss) from resource property option agreement	**(18,511)**	(8,759)	**32,265**	32,317
Interest income	**9,928**	3,075	**37,248**	10,500
Net Income (Loss) for the period	**$ 369,783**	$ (180,453)	**$ 260,910**	$ (363,155)
Net Income (Loss) per Share - Basic and Diluted	**$ 0.02**	$ (0.01)	**$ 0.01**	$ (0.03)
Weighted Average Number of Shares Outstanding	**19,690,272**	13,596,772	**19,690,272**	13,264,207

International Northair Mines Ltd.
(A Development Stage Company)
Consolidated Interim Statement of Comprehensive Income (Loss)

(Canadian Funds - Unaudited – Prepared by Management)

	Three Months Ended November 30		Nine Months Ended November 30	
	2007	2006	**2007**	2006
Net income (loss) for the period	**$ 369,783**	$ (180,453)	**$ 260,910**	$ (363,155)
Other comprehensive income (loss)				
Unrealized gain on available-for-sale investments, net of taxes	**235,831**	-	**828,119**	-
Less: Amounts reclassified to income upon realization, net of taxes	**(569,401)**	-	**(724,063)**	-
Other comprehensive income (loss)	**(333,570)**	-	**104,056**	-
Total comprehensive income (loss)	**$ 36,213**	$ (180,453)	**$ 364,966**	$ (363,155)

- See Accompanying Notes -

International Northair Mines Ltd.
(A Development Stage Company)

Interim Consolidated Statement of Cash Flows

Canadian Funds – Unaudited – Prepared by Management

	Three Months Ended November 30		Nine Months Ended November 30	
	2007	2006	**2007**	2006
Cash Resources Provided By (Used In)				
Operating activities				
Income (loss) for the period	**$ 369,783**	$ (180,453)	**$ 260,910**	$ (363,155)
Items not affecting cash				
Write-off exploration costs	**80,521**	76,567	**207,642**	204,589
Stock-based compensation	**7,766**	63,287	**19,072**	67,671
Amortization	**5,878**	7,731	**16,471**	22,848
(Gain) loss from resource property option agreement	**18,511**	8,759	**(32,265)**	(32,317)
Gain on sale of short-term investments	**(569,401)**	-	**(724,063)**	(412)
	(86,942)	(24,109)	**(252,233)**	(100,776)
Changes in non-cash working capital *(Note 12)*	**(72,311)**	(27,226)	**392,525**	(92,537)
	(159,253)	(51,335)	**140,292**	(193,313)
Investing activities				
Resource property costs	**(220,211)**	(121,898)	**(545,020)**	(307,853)
Proceeds from sale of short-term investments	**654,745**	-	**836,124**	6,872
Option payment received	**-**	-	**-**	20,000
Acquisition of short-term investments	**-**	-	**-**	(6,460)
Acquisition of property, plant and equipment	**(7,484)**	(950)	**(9,176)**	(7,716)
	427,050	(122,848)	**281,928**	(295,157)
Financing activities				
Reduction of obligation under capital lease	**(2,329)**	(2,186)	**(7,031)**	(8,464)
Share issue costs	**-**	-	**(100)**	-
Issuance of share capital	**-**	1,525,716	**-**	1,533,766
	(2,329)	(1,523,530)	**(7,131)**	1,525,302
Net Decrease in Cash and Cash Equivalents	**265,468**	(1,349,347)	**415,089**	(1,036,832)
Cash Position - Beginning of period	**930,090**	369,892	**780,469**	682,407
Cash and Cash Equivalents - End of Period	**$ 1,195,558**	$ 1,719,239	**$ 1,195,558**	$ 1,719,239

Schedule of Non-Cash Investing and Financing Transactions				
Units issued as a finders fee	**$ -**	$ 102,025	**$ -**	$ 102,025
Shares received from a property option agreement	**$ -**	$ -	**$ 26,500**	$ 26,000
Resource property costs included in accounts payable	**$ 42,885**	$ 26,392	**$ 42,885**	$ 26,392

- See Accompanying Notes -

International Northair Mines Ltd.
(A Development Stage Company)

Interim Consolidated Statement of Shareholders' Equity

Canadian Funds – Unaudited – Prepared by Management

	Share Capital (Number of Shares)	Share Capital (Amount)	Warrants	Contributed Surplus	Accumulated Other Compre-hensive Income	Deficit	Total
February 28, 2006	13,077,172	$21,161,001	$ -	$ 461,897	$ -	$ (20,417,438)	$ 1,205,460
Private placement units	6,060,000	1,515,000	-	-	-	-	1,515,000
Fair value of warrants issued with private placement units	-	(217,972)	217,972	-	-	-	-
Private placement finders fee units	408,100	102,025	-	-	-	-	102,025
Fair value of warrants issued private placement finders fee units	-	(14,679)	14,679	-	-	-	-
Private placement broker warrants			34,292				34,292
Exercise of options	145,000	27,350	-	-	-	-	27,350
Fair value of stock options exercised	-	8,479	-	(8,479)	-	-	-
Fair value of stock-based compensation	-	-	-	76,862	-	-	76,862
Share issue costs	-	(145,427)	-	-	-	-	(145,427)
Net loss	-	-	-	-	-	(541,351)	(541,351)
February 28, 2007	19,690,272	22,435,777	266,943	530,280	-	(20,958,789)	2,274,211
Stock based compensation	-	-	-	3,480	-	-	3,480
Share issue costs	-	(100)	-	-	-	-	(100)
Other comprehensive income	-	-	-	-	657,098	-	657,098
Net income	-	-	-	-	-	74,931	74,931
May 31, 2007	19,690,272	22,435,677	266,943	533,760	657,098	(20,883,858)	3,009,620
Stock based compensation	-	-	-	7,825	-	-	7,825
Other comprehensive loss	-	-	-	-	(219,472)	-	(219,472)
Net loss	-	-	-	-	-	(183,804)	(183,804)
August 31, 2007	19,690,272	22,435,677	266,943	541,585	437,626	(21,067,662)	2,614,169
Stock based compensation	-	-	-	7,766	-	-	7,766
Other comprehensive loss	-	-	-	-	(333,570)	-	(333,571)
Net income	-	-	-	-	-	369,783	369,783
November 30, 2007	**19,690,272**	**$22,435,677**	**$ 266,943**	**$ 549,351**	**$ 104,056**	**$ (20,697,879)**	**$ 2,658,148**

International Northair Mines Ltd.
(A Development Stage Company)

Interim Consolidated Schedule of Resource Property Costs

Canadian Funds – Unaudited – Prepared by Management

	Acquisition Costs	Exploration Costs	**Total November 30, 2007**
Mexico			
El Reventon			
Opening balance – 28 February 2007	$ 31,384	$ 128,745	**$ 160,129**
Camp and general	-	45,204	**45,204**
Field work and travel	-	72,749	**72,749**
Drilling	-	137,322	**137,322**
Salaries and consulting	-	84,062	**84,062**
Claim staking and acquisition	11,240	-	**11,240**
Ending balance – El Reventon	42,624	468,082	**510,706**
El Tesoro			
Opening balance – 28 February 2007	10,637	310,638	**321,275**
Concession lease payments received	-	-	**-**
Salaries and consulting	-	-	**-**
Taxes	-	-	**-**
Ending balance – El Tesoro	10,637	310,638	**321,275**
La India			
Opening balance – 28 February 2007	4,851	33,083	**37,934**
Field work and travel	-	11,407	**11,407**
Salaries and consulting	-	6,131	**6,131**
Taxes and option payments	17,913	-	**17,913**
Ending balance – La India	22,764	50,621	**73,385**
Sierra Rosario			
Opening balance – 28 February 2007	-	-	**-**
Field work, travel and salaries	-	19,235	**19,235**
Recoveries - Option payments (cash)	-	(25,000)	**(25,000)**
Recoveries - Option payments (shares)	-	(26,500)	**(26,500)**
Gain – property option agreement	-	32,265	**32,265**
Ending balance – Sierra Rosario	-	-	**-**
General exploration			
Opening balance – 28 February 2007	-	-	**-**
Assaying, camp and general	-	-	**-**
Field work and travel	-	72,889	**72,889**
Salaries and consulting	-	118,433	**118,433**
Write-offs	-	(191,322)	**(191,322)**
Ending balance – General Exploration	-	-	**-**
Canada			
General exploration			
Opening balance – 28 February 2007	-	-	**-**
Salaries and consulting	-	16,320	**16,320**
Write-offs	-	(16,320)	**(16,320)**
Ending balance – General Exploration	-	-	**-**
Balance – Resource Property Costs November 30, 2007	**$ 76,025**	**$ 829,341**	**$ 905,366**

- See Accompanying Notes -

1. Nature of Operations

The Company is a development stage company which is engaged principally in the acquisition, exploration and development of mineral properties and in providing administration services to other companies.

2. Basis of Consolidation and Presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the accounts of the Company and its wholly owned Mexican subsidiary, Grupo Northair de Mexico, S.A. de C.V. Inter-company balances have been eliminated upon consolidation. These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company as at February 28, 2007.

3. Change in Accounting Policies

Effective March 1, 2007, the Company prospectively adopted the Canadian Institute of Chartered Accountants ("CICA") recommendations pertaining to financial instruments (Section 3855), which establish standards for the recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives. These recommendations require that fair value be used to measure financial assets that are held for trading or available for sale, financial liabilities that are held for trading and all derivative financial instruments. Other financial assets, such as loans and receivables and investments that are held to maturity and other financial liabilities are measured at their carrying value. The main impact on the Company's financial statements was the recognition of the fair value of the short term investments which had been carried at the lower of cost or market.

Effective March 1, 2007, the Company prospectively adopted the CICA recommendations pertaining to hedges (Section 3865), which establish standards for the identification, designation, documentation and effectiveness of hedging relationships for the purpose of applying hedge accounting. The purpose of hedge accounting is to ensure that gains, losses, revenues and expenses from effective hedging relationships are recorded in earnings in the same period. This change in accounting policy had no effect on the consolidated financial statements for the nine months ended November 30, 2007 as the Company.

Effective March 1, 2007, the Company prospectively adopted the CICA recommendations regarding the reporting and disclosure of comprehensive income (Section 1530). Comprehensive income consists of changes in the equity of the Company from sources other than the Corporation's share owners, and includes earnings of the Company, the foreign currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses on changes in fair values of available for sale assets and effective cash flow hedging instruments. Other comprehensive income comprises revenues, expenses and gains and losses that are recognized in comprehensive income but are excluded from earnings for the period. Comprehensive income is required to be disclosed in a separate statement in the consolidated financial statements.

Effective March 1, 2007, the Company prospectively adopted the CICA recommendations regarding the presentation of equity and changes in equity. These recommendations require separate presentation of the components of equity, including retained earnings, accumulated other comprehensive income, contributed surplus, share capital and reserves, and the changes therein.

3. Changes in Accounting Polices - *continued*

Recently issued accounting standards

Financial Instrument Disclosures

In March 2007, the CICA issued Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. The standard 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.

These sections are effective March 1, 2008. The Company is currently evaluating the impact on its financial statement disclosure and presentation.

Capital Disclosures

In December 2006, the CICA issued Section 1535 *Capital Disclosures*. This section establishes standards for disclosing information about an entity's objectives, policies, and processes for managing capital. This section is effective March 1, 2008, and the Company is currently evaluating the impact on the Company's disclosure and presentation.

Inventories

In June 2007, the CICA issued Section 3031 *Inventories* which provides more guidance on the measurement and disclosure requirements for inventories. Specifically the new pronouncement requires inventories to be measured at the lower of cost and net realizable value, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The new pronouncement is effective March 1, 2008, and will have no impact on the Company's accounting or disclosures.

4. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, short-term deposits, accounts receivable, amounts due from related parties, accounts payable and amounts due to related parties approximates their fair value due to their short-term maturity or capacity of prompt liquidation. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments.

5. Short-term Deposits

Included in short-term deposits of $68,184 (February, 28 2007 - $673,167) is $7,000 held for reclamation costs (February, 28 2007 - $5,000) and $61,184 (February, 28 2007 - $65,893) held as collateral for the corporate credit cards.

6. Short-term Investments

		November 30, 2007		February 28, 2007
Marketable Securities:				
Holdings in companies related by virtue of common directors/officers	$	**166,867**	$	209,397
Available-for-sale (quoted market value: March 1, 2007 - $562,490)				
Holdings in unrelated companies		**68,625**		7,600
Available- for- sale (quoted market value: March 1, 2007 - $41,914)				
	$	**235,492**	$	216,997

The Company prospectively adopted the CICA recommendations pertaining to financial instruments, which establish standards for the recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives. These recommendations require that fair value be used to measure financial assets that are held for trading or available for sale. In accordance with the new standards, as of March 1, 2007 the Company has classified its investments as available for sale. Accordingly, investments with a book value of $216,997 were measured as of March 1, 2007 at a fair value of $604,404 which resulted in a revaluation gain of $387,406, net of tax. As of November 30, 2007, investments were measured at a fair value of $235,492 and resulted in a revaluation loss of $104,056, net of tax and amounts reclassified to income upon realization. The revaluation losses have been recognized in Accumulated Other Comprehensive Income.

7. Property, Plant and Equipment

Details are as follows:

	November 30, 2007			February 28, 2007		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Office furniture and equipment	**$ 132,176**	**$ (83,863)**	**$ 48,313**	$ 122,994	$ 72,516	$ 50,478
Vehicle	**36,760**	**(27,422)**	**9,338**	36,760	24,711	12,049
Equipment under capital lease	**25,221**	**(11,500)**	**13,721**	25,221	9,080	16,141
	$ 194,157	**$ (122,785)**	**$ 71,372**	$ 184,975	$ 106,307	$ 78,668

8. Resource Property Costs

The write-off of exploration costs consisted of:

	Nine Months Ended November 30			
		2007		2006
Canada – General exploration	**$**	**16,320**	$	-
Mexico – General exploration and property examinations	**$**	**191,322**	$	128,022

Sierra Rosario, Mexico

The Company acquired, by staking, a concession in the state of Sinaloa Mexico, known as Sierra Rosario ("Rosario"). The Company has granted Sparton Resources Inc. ("Sparton") the option to acquire a 51% interest in the property by completing the following:

		Cash	Shares		Exploration Expenditures
Upon signing the agreement (received)	$	20,000	-	$	-
On or before 11 March 2005 (received)		15,000	75,000		-
On or before 31 August 2005 (completed)		-	-		150,000
On or before 11 March 2006 (received/completed)		20,000	100,000		150,000
On or before 11 March 2007 (received/completed)		25,000	100,000		200,000
On or before 11 March 2008		50,000	-		300,000
	$	130,000	275,000	$	800,000

El Tesoro, Mexico

The Company has a large property position located in Pueblo Nuevo Municipality, State of Durango, Mexico, consisting of four mineral concessions known as La Lajita, Tesoro 1, Tesoro 2 and Tesoro 3, all of which were acquired by staking.

In 2005 the Company's wholly-owned subsidiary, Grupo Northair de Mexico, S.A. de C.V. ("Grupo Northair") entered into an agreement with Compania Minera San Valentin, S.A. de C.V. ("San Valentin") whereby, for up to 15 years, San Valentin may purchase the G Zone for US$200,000 and the remainder of the concessions for a further US$300,000. During the option period San Valentin must pay to Grupo Northair US$3,000 per month. Should San Valentin exercise the purchase option, Grupo Northair will retain a 49% back-in right for the G Zone. San Valentin has encountered mining dilution and ground control problems in their underground excavation on the Company's and adjacent claims. In view of the circumstances, the scheduled dates and amounts of the monthly payments have been modified. As of January 2008, the Company has received a total of US$25,350. It is not clear if San Valentin will be able to maintain their lease.

8. Resource Property Costs - *Continued*

El Reventon, Mexico

In April 2006 the Company acquired the El Reventon project in Durango, Mexico by staking a 100% interest in certain claims and by concluding in July 2006 an option agreement for an additional concession. Under the terms of the option agreement, the Company may earn a 100% interest in the optioned concession by making payments totalling US$151,000.

La India, Mexico

In August and September 2006 the Company acquired the La India project in Durango, Mexico by staking a 100% interest in certain claims and by concluding in February 2007 an option agreement for an additional concession. Under the terms of the option agreement, the Company may earn a 100% interest in the optioned concession by making payments totalling US$171,000 over a four year period.

In November 2007 the Company signed a letter of intent with Exploraciones Mineras Parrena, SA de CV, a subsidiary of Minas Penoles, SA de CV, to form a joint venture on the Company's La India project. Penoles can earn a 60% interest in the project by maintaining the obligations to the owners of the privately held internal La India concession, making cash payments to Northair of US$210,000, purchasing Northair shares from treasury valued at US$210,000 (at a 20% premium to market value) and by completing exploration expenditures of US$1,750,000 over a four year period.

The first year payment/share purchase of US$39,000 and exploration expenditures of US$150,000 are a firm Penoles commitment, with all subsequent expenditures optional.

Penoles can increase their interest in the project to 75% by preparing a Pre-Feasibility Study, and can increase its interest to 80% by financing Northair to production with a 90:10 preferential payback to Penoles from production. If Northair elects not to participate, Northair will retain a 1% NSR interest. The final agreement is subject to board and regulatory approval.

9. Capital Lease Obligation

The Company has equipment classified as a capital lease and the applicable cost is included in property, plant and equipment. The lease term expires in February 2008; leaving no future minimum lease payments in excess of one fiscal year.

2008	1,782
Total minimum lease payments	1,782
Less: Current portion	(1,782)
Long-term portion	$ -

10. Share Capital

Authorized

Unlimited number of common shares without par value

Stock Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant up to a total of 3,938,054 options to directors, officers, employees or consultants. The vesting period of options outstanding range from the grant date to one year and expire 5 years from the grant date.

A summary of the Company's options is as follows:

	Options Outstanding		Weighted Average Exercise Price
Balance – February 28, 2007	1,385,000	$	0.43
Granted	180,000		0.30
Exercised	-		-
Cancelled	(90,000)		0.42
Balance – November 30, 2007	1,475,000	$	0.42

As at November 30, 2007, the following stock options are outstanding:

Number	Price per Share	Expiry Date	Options Exercisable	
310,000	$0.25	December 31, 2007	310,000	$0.25
5,000	$0.40	June 5, 2008	5,000	$0.40
485,000	$0.69	October 21, 2008	485,000	$0.69
15,000	$0.40	June 17, 2009	15,000	$0.40
50,000	$0.23	September 14, 2010	50,000	$0.23
20,000	$0.40	April 21, 2011	20,000	$0.40
360,000	$0.30	September 26, 2011	360,000	$0.30
50,000	$0.32	January 24, 2012	50,000	$0.32
170,000	$0.30	April 16, 2012	56,667	$0.30
10,000	$0.28	June 6, 2012	3,333	$0.28
1,475,000	$0.42		1,355,000	$0.43

10. Share Capital - *Continued*

Warrants

As at November 30, 2007, the following warrants were outstanding:

Balance, February 28, 2007	Granted	Cancelled	Ending Balance November 30, 2007	Exercise Price	Expiry
3,642,150	-	-	3,642,150	$0.50	November 24, 2008

Stock-based Compensation

During the period ended November 30, 2007, the Company granted options to purchase up to 180,000 shares of the Company's stock to employees and non-employees of the Company at an exercise prices between $0.30 and $0.28.

A total estimated value of $19,072 has been recorded in contributed surplus as stock-based compensation expense for the period ended November 30, 2007 (November 30, 2006 $67,671).

The fair value of each option granted during the period has been estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	Nil
Expected stock price volatility	65%
Risk free interest rate	4%
Expected life of options	5 years

Option pricing models require the input of highly subjective assumptions including the estimate of the share 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.

11. Related Party Transactions

Except as disclosed elsewhere in the financial statements, related party transactions are as follows:

Administrative recoveries during the nine month period of $120,049 (November 30, 2006 - $123,472) and during the three month period of $38,217 (November 30, 2006 - $41,157), are primarily recovered from various companies with certain officers and directors in common. Total salaries during the nine month period of $207,000 (November 30, 2006 - $207,000) and during the three month period of $69,000 (November 30, 2006 - $69,000), were paid to two directors of the Company. Based on time spent, the Company recovered $189,328 (November 30, 2006 - $217,223) for the nine month period and $53,863 (November 30, 2006 - $80,315) for the three month period, from companies with certain officers and directors in common.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by all the related parties.

12. Changes in Non-cash Working Capital

The change in non-cash working capital is comprised of:

	Three Months Ended November 30		Nine Months Ended November 30	
	2007	2006	**2007**	2006
(Increase) decrease in:				
Short-term deposits	**$ 10,000**	$ 124,862	**$ 604,983**	$ 124,862
Receivable	**17,546**	12,115	**(26,995)**	(6,115)
Due from related parities	**(74,202)**	(63,773)	**(205,230)**	1,381
Prepaid expenses	**11,425**	(3,104)	**(8,766)**	(6,321)
(Decrease) increase in:				
Accounts payable and accrued liabilities	**(37,080)**	(97,326)	**28,533**	(206,344)
	$ (72,311)	$ (27,226)	**$ 392,525**	$ (92,537)

13. Segmented Information

The Company's business consists of mineral exploration and development. Details on geographic segments are as follows:

For the Nine Months Ended:

	Canada		Mexico		Total	
	November 30, 2007	November 30, 2006	**November 30, 2007**	November 30, 2006	**November 30, 2007**	November 30, 2006
Assets	**$ 1,915,728**	$ 2,144,237	**$ 940,739**	$ 447,867	**$ 2,856,467**	$ 2,591,917
Capital Expenditures	**$ 16,320**	$ 12,725	**$ 577,352**	$ 303,898	**$ 593,672**	$ 316,623
Interest Income	**$ 37,248**	$ 10,500	**$ -**	$ -	**$ 37,248**	$ 10,500
Income (loss) for the period	**$ 474,277**	$ (197,288)	**$ (213,367)**	$ (165,867)	**$ 260,910**	$ (363,155)

For the Three Months Ended:

	Canada		Mexico		Total	
	November 30, 2007	November 30, 2006	**November 30, 2007**	November 30, 2006	**November 30, 2007**	November 30, 2006
Capital Expenditures	**$ 2,880**	$ 3,597	**$ 321,732**	$ 118,516	**$ 324,612**	$ 122,113
Interest Income	**$ 9,928**	$ 3,075	**$ -**	$ -	**$ 9,928**	$ 3,075
Income (loss) for the period	**$ 480,375**	$ (99,321)	**$ (110,592)**	$ (81,132)	**$ 369,783**	$ (180,453)

14. Commitments

The Company has a lease agreement for its office space. The minimum annual commitments for rental expenses are as follows:

2008	$ 34,449
2009	142,851
2010	135,044
2011	123,790
Total	$ 436,134

In addition to the basic monthly rent, the Company must also pay a proportionate share of the building's operating costs and property taxes. The Company has a sub-lease agreement with Strongbow Exploration Inc. The Company may recover approximately two-thirds of the minimum annual rent commitment pursuant to this sub-lease agreement.