

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Consolidated Financial Statements

December 31, 2006 and 2005

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SIMBERI MINING CORPORATION

We have audited the consolidated balance sheets of Simberi Mining Corporation (a Development Stage Company) as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for each of 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, 2006 and 2005 and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

(“Signed”)

Toronto, Canada
March 30, 2007
(Except notes 14 (c) (d) & (e) which are as at April 30, 2007)

Chartered Accountants
Licensed Public Accountants

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Consolidated Balance Sheets
As at December 31, 2006 and 2005

	2006	2005
ASSETS		
Current		
Cash	\$ 5,316,953	\$ 5,426,357
Sundry receivable	14,954	23,012
Prepaid expenses	26,921	18,264
Due from related parties (<i>note 5</i>)	30,539	448,057
Loan receivable (<i>note 6</i>)	58,270	58,295
Investment (<i>note 7(iii)</i>)	-	547,274
	<u>5,447,637</u>	<u>6,521,259</u>
Mining interests (<i>note 7</i>)	3,410,294	687,274
Equipment (<i>note 4</i>)	7,294	3,981
	<u>\$ 8,865,225</u>	<u>\$ 7,212,514</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 79,045	\$ 358,593
Net liabilities assumed from related party (<i>note 5</i>)	-	29,880
	<u>79,045</u>	<u>388,473</u>
Non-controlling interest	-	49,826
	<u>79,045</u>	<u>438,299</u>
SHAREHOLDERS' EQUITY		
Share capital (<i>note 8(a)</i>)	10,067,042	6,274,715
Warrants (<i>note 8(c)</i>)	2,956,906	2,002,000
Contributed surplus (<i>note 8(d)</i>)	1,238,248	740,396
Deficit	(5,476,016)	(2,242,896)
	<u>8,786,180</u>	<u>6,774,215</u>
	<u>\$ 8,865,225</u>	<u>\$ 7,212,514</u>

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

Approved by the Board of Directors

Signed

"Michael Newbury" Director

Signed

"Geoff Farrar" Director

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Consolidated Statements of Operations and Deficit
For the Years Ended December 31, 2006 and 2005

	2006	2005	Cumulative from Incorporation October 28, 2003
REVENUE	-	-	-
EXPENSES			
Accounting and corporate services	31,901	25,254	78,085
Due diligence costs	150,000	-	150,000
Filing fees	12,303	9,774	28,327
Financing costs written off	-	-	436,319
Foreign exchange	(8,734)	15,354	9,660
General and administrative	574,657	145,369	862,499
Legal and audit	100,627	68,406	344,941
Management fees (<i>note 5</i>)	-	10,085	513,220
Professional and consulting fees (<i>note 5</i>)	573,334	226,853	907,456
Investor relations	49,841	34,504	166,669
Stock-option compensation (<i>note 8(b)</i>)	569,682	425,654	1,305,497
Directors' compensation (<i>note 5</i>)	29,000	89,000	118,000
Amortization	1,801	519	2,320
Write-down of mining interests (<i>note 7(i)</i>)	35,835	135,139	170,974
	2,120,247	1,185,911	5,093,967
Loss for the year before the undernoted	(1,979,577)	(1,142,821)	(4,907,441)
Gain on sale of investment (<i>note 7(iii)</i>)	766,751	-	766,751
Gain on sale of mining interest (<i>note 7(iii)</i>)	-	1,155,328	1,155,328
Gain from write-off of net liabilities assumed			
From related party (<i>note 5</i>)	29,880	-	29,880
Non-controlling interest's share of income	-	(175)	(175)
Impairment of goodwill (<i>note 3</i>)	(2,050,174)	-	(2,050,174)
Interest	140,670	43,090	186,526
Net (loss) income for the year	(3,233,120)	12,332	(5,005,831)
Deficit, beginning of year as previously stated	(2,242,896)	(2,255,228)	-
Retroactive reinstatement of stock-based Compensation	-	-	(4,581)
Deficit, beginning of year as restated	(5,476,016)	(2,255,228)	(5,010,412)
Reorganization costs	-	-	(465,604)
Deficit, end of year	\$ (5,476,016)	\$ (2,242,896)	\$ (5,476,016)
Basic and diluted loss per share (<i>note 8 (e)</i>)	\$ (0.02)	\$ 0.00	

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

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2006 and 2005

	2006	2005	Cumulative from Incorporation October 28, 2003
Cash flow from operating activities			
Net income (loss) for the year	\$ (3,233,120)	\$ 12,332	\$ (5,005,831)
Adjustment for:			
Stock-option compensation (<i>note 8(b)</i>)	569,682	425,654	1,305,497
Amortization	1,801	519	2,320
Prepaid financing costs written off	-	-	60,010
Gain on sale of investment	(766,751)	-	(799,751)
Gain on sale of mining interest	-	(1,155,328)	(1,155,328)
Non-controlling interest	-	175	175
Write-down of mining interest	35,835	135,139	170,974
Impairment of goodwill (<i>note 3</i>)	2,050,174	-	2,050,174
Changes in non-cash items:			
Sundry receivable and prepaid expenses	(599)	(19,908)	(41,872)
Accounts payable and accrued liabilities	(279,548)	191,201	79,045
Net liabilities assumed from related party	(29,880)	-	-
Cash flows (used in) operating activities	(1,652,406)	(410,216)	(3,301,587)
Cash flow from investing activities			
Mining interest acquisition on amalgamation	-	-	(885,870)
Mining interest expenditures	(2,758,855)	(862,560)	(6,236,092)
Proceeds on sale of mining interest	-	4,198,399	4,198,399
Additions to equipment	(5,114)	(4,500)	(9,614)
Investment in New Congo Resource Development Company	(100,000)	-	(100,000)
Purchase of investment	(1,269,000)	-	(1,269,000)
Proceeds on sale of investment	2,583,026	-	2,583,026
Cash flows from (used in) investing activities	(1,549,943)	3,331,339	(1,719,151)
Cash flow from financing activities			
Loan receivable	25	(58,295)	(58,270)
Reorganization costs	-	-	(465,607)
Due to/from related parties	417,518	(19,200)	(30,539)
Issue of share capital	1,820,094	2,600,000	5,324,984
Issue costs	(329,098)	(284,337)	(700,564)
Issue of warrants	954,906	-	6,098,197
Exercise of stock options	229,500	-	229,500
Prepaid financing costs written off	-	-	(60,010)
Cash flows from financing activities	3,092,945	2,238,168	10,337,691
Change in cash during the year	(109,404)	5,159,291	5,316,953
Cash, beginning of year	5,426,357	267,066	-
Cash, end of year	\$ 5,316,953	\$ 5,426,357	\$ 5,316,953

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

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

1. Nature of Business

Simberi Mining Corporation (the “Company”) was incorporated on October 28, 2003 under the Ontario Business Corporations Act. On August 8, 2006, the Company received approval from the TSX Venture Exchange of a name change from Simberi Gold Corporation to Simberi Mining Corporation. The Company’s main business is the exploration and development of mining projects. In the course of its business the Company evaluates and reviews a number of potential base and precious metal projects throughout the world.

To date, the Company has not earned any revenues from its projects and is considered to be in the development stage.

The Company has significant mining interests located in the Democratic Republic of Congo (DRC) which may be subject to sovereign risks, including political and economic instability, government regulations relating to mining, military repression, civil disorder, currency fluctuations and inflation, all or any of which may impede the Company’s activities in this country or may result in the impairment or loss of part or all of the Company’s interest in the properties.

The DRC does not adhere to Canadian financial standards; however, they are in the process of modernizing its mining code and registry standards.

2. Significant Accounting Policies

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(a) Basis of Presentation

These consolidated financial statements include the accounts of Simberi Mining Corporation, its four wholly-owned subsidiaries Novaking Pty Ltd. (“Novaking”), (in addition, Novaking’s wholly-owned subsidiary Renaissance Corporation Pty Ltd.), Alive International Holdings, Optima Pharmaceuticals Inc. and New Congo Resources Development Company Inc. (in addition, New Congo’s wholly owned subsidiary PTM Minerals (Cayman) Ltd.) (“New Congo”). In 2005, the Company owned 66.67% of New Congo. All significant intercompany balances and transactions have been eliminated on consolidation.

(b) Foreign Currency Exchange

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date.

At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in operations in the current period.

Novaking and New Congo are considered integrated foreign operations therefore monetary items are translated into Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transaction. Foreign exchange gains and losses are included in operations in the current period.

2. Significant Accounting Policies - continued

(c) Mining Interest

It is the Company's policy to defer expenditures related to the exploration and development of its mining properties (including direct administrative expenditures, if any) until such time as they are brought into commercial production. The cost of acquiring the mining property and all related deferred exploration and development expenditures will be amortized on a units-of-production basis once commercial production begins.

The recorded book value of mining properties is not intended to reflect their present or future value. Should a mining property become impaired as evidenced by unfavourable exploration results, or a decision to discontinue further work, the acquisition cost and related deferred exploration and development expenditures will be expensed.

(d) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method income taxes are recognized for the future income tax consequences attributed to the difference between the financial statement carrying values and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply when the asset is realized or the liability is settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period of the rate change. Future income tax assets are evaluated and if realization is not considered "more likely than not", a valuation allowance is provided.

(e) Asset Retirement Obligation

The Company measures the expected costs required to retire its mining interests at a fair value which approximates the cost a third party would incur in performing the tasks necessary to abandon the field and restore the site. The fair value is recognized in the financial statements at the present value of expected future cash outflows to satisfy the obligation.

Asset retirement costs are depleted using the units-of-production method based on estimated reserves and are included with depletion and amortization expense. The accretion of the liability for the asset retirement obligation will be expensed on the statement of operations. As at December 31, 2006 there are no asset retirement obligations.

(f) Share Issue Costs and Reorganization Costs

Share issue costs are recorded as a reduction of share capital. Reorganization costs are charged to deficit.

(g) Equipment

Equipment is recorded at cost. Amortization is being provided for on the declining balance basis at the following rates:

Computer equipment	30%
Office equipment	20%

(h) Stock-Based Compensation

The Company has a stock-based compensation plan which is described in note 8(b) and accounted for using the recommendations in Section 3870 of the CICA Handbook, "Stock-based Compensation and Other Stock based Payments". These recommendations state that all stock-based awards be measured and recognized at the date of grant using the fair value method. The estimated fair value of the stock options is recorded as compensation

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

2. Significant Accounting Policies - continued

(h) expense over the vesting period or at the date of grant if the options vest immediately, with the offset recorded in contributed surplus. Any consideration paid to the Company with respect to the exercise of stock options is credited to share capital along with any related contributed surplus.

(i) **Earnings per Share**

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the year. Diluted earnings per share is computed using the "treasury stock method". The treasury stock method assumes that any "in the money" option proceeds are used to purchase common shares of the Company at the average market price during the year.

3. Acquisition of New Congo Resource Development Company Inc.

On December 21, 2005, the Company acquired 66.67% of the outstanding common shares of New Congo, a company incorporated in Canada, with mining interests in the Democratic Republic of Congo through its subsidiaries, for \$100,000 cash.

The purchase price has been allocated to the net assets of New Congo at their fair values on the date of acquisition as follows:

Cash	\$ 9,992
Accounts receivables	38,863
Investment	99,652
Mining interest	287,273
	435,780
Total liabilities	(335,780)
	\$ 100,000
Net assets acquired, December 21, 2005	\$ 100,000

On May 18, 2006 the Company acquired the remaining 33.33% outstanding common shares of New Congo by a cash payment of \$100,000 and the issuance of 8,000,000 common shares of Simberi at a deemed price of \$.25 per share for a total of \$2,000,000.

The total consideration of \$2,100,000 paid for the 33.33% interest in New Congo created a \$2,050,174 purchase price discrepancy. This purchase price discrepancy represents the excess of the cost over the net of the amounts assigned to the assets acquired and the liabilities assumed. As at December 31, 2006, the Company determined that the \$2,050,174 carrying value of goodwill was not recoverable and consequently charged the carrying value as impairment of goodwill to the consolidated statement of operations and deficit.

4. Equipment

	Cost	Accumulated Amortization	Net Book Value December 31,	
			2006	2005
Computer equipment	\$ 4,391	\$ 1,237	\$ 3,154	\$ 1,174
Office equipment	5,223	1,083	4,140	2,807
	\$ 9,614	\$ 2,320	\$ 7,294	\$ 3,981

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

5. Related Party Transactions

Management fees totalling \$285,000 (2005 - \$25,000) were paid to directors of the Company and were included in professional and consulting fees. Director fees totalling \$29,000 (2005 - \$9,000) were paid to directors of the Company and were included in directors' compensation. Management fees totalling \$nil (2005 - \$100,000) were charged by a corporation owned by a director of the Company and were included in professional and consulting fees, and capitalized to mining interest. Management fees totalling \$23,066 (2005 - \$32,535) were paid to a director of Novaking and were included in management fees. Severance fees totalling \$nil (2005 - \$80,000) were paid to two former directors upon resigning as directors of the Company and were included in directors' compensation. The recipients of the above management fees were also reimbursed for expenses incurred. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Two separate companies that are related to the Company by virtue of common directors or officers each paid \$64,981 for a share of a licence agreement with a sports and entertainment facility as described in Note 12.

Balances to/from related parties at December 31 are summarized as follows:

	2006	2005
Due from Iberian Minerals Corp. (formerly PGM Ventures Corporation)	\$ -	\$ 393,800
Due from a director of Novaking	30,539	54,257
Due from related parties	30,539	448,057
Net liabilities assumed from related party	-	(29,880)
Due to related parties (*)	-	(29,880)
Net balance due from related parties	\$ 30,539	\$ 418,177

(*) The "net liabilities assumed from related party" of \$29,880 represents the Company's guarantee of the liabilities of Optima Pharmaceuticals Inc. ("Optima"). Optimum is an inactive subsidiary of the Company and it is unlikely the amounts shall ever be paid by the Company or Optima, and, as a result the \$29,880 liability was written off in the current year.

6. Loan Receivable

The loan receivable in the amount of \$58,270 (US \$50,000) is due from Miminco LLC, a Delaware Limited Liability Corporation that owns a controlling interest in Miminco, SPRL of Kinshasa, and Democratic Republic of Congo. The loan is due on or before February 20, 2007 and bears interest at 10% per annum. The loan was received subsequent to year end.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

7. Mining Interests

As of December 31, 2006, accumulated costs with respect to the Company's interests in mineral properties owned, leased or under option, consisted of the following:

	<u>2006</u>	<u>2005</u>
Novaking Properties (i)		
Acquisition costs	\$ 25,648	\$ 25,648
Other exploration expenditures	102,614	81,065
Write down of Tarrawarra property	(35,835)	-
Book value of mineral property	92,427	106,713
New Congo Properties (ii)		
Acquisition cost	149,652	149,652
Regulatory fees	96,489	64,125
Travel and accommodation	223,782	37,309
General exploration	169,055	169,055
Consulting fees	1,061,069	134,079
Joint venture facilitation costs	1,017,047	-
General and administrative	194,114	26,341
Rent	227,655	-
Legal fees	179,004	-
Book value of mineral property	3,317,867	580,561
Simberi Gold Project (iii)		
Acquisition costs	-	2,664,653
Meals, travel and accommodation	-	31,609
Other exploration expenditures	-	894,083
Sale of Simberi Joint Venture	-	(3,590,345)
Book value of mineral property	-	-
Mongolian Properties (iv)		
Consulting	-	60,311
Travel	-	19,928
Geological	-	35,095
General and administrative	-	390
Maps and assays	-	598
Advance	-	7,448
Management fee	-	11,369
Write-down of Mongolian properties	-	(135,139)
Book value of mineral property	-	-
Mining Properties	\$ 3,410,294	\$ 687,274

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

7. Mining Interests (continued)

- (i) Novaking Pty Ltd. is an Australian mining and exploration company. The company's wholly owned Australian subsidiary, Renaissance Corporation Pty Ltd. ("Renaissance") held interests in three mineral prospects – Mt. Elephant, Tarrawarra and Zanthus.

In 2005 Renaissance completed a joint venture agreement with Korab Resources Limited ("Korab") on the Mt. Elephant Gold prospect in Western Australia. Korab can earn a 70% interest in the Mt. Elephant property by spending a minimum of \$40,000 Australian to December 31, 2006 and a total of \$500,000 Australian in exploration over a three-year period. Korab as the Manager of the Joint Venture undertakes the exploration programs in cooperation with the Company's subsidiary, Renaissance. As of December 31, 2006 Korab had not earned its 70% interest in the Mt. Elephant property.

On August 23, 2005, Renaissance completed a joint venture agreement with Domo Pty Ltd. ("Domo"), pertaining to the Zanthus Lignite property. Domo has the opportunity to earn an initial 25% interest in Zanthus, with the option to acquire the remaining 75%. To acquire a 100% interest, Domo must incur an initial AU\$125,000 in expenditures and other financial requirements and AU\$2.5 million in exploration expenditures over a 4 year period. The Company will retain a 1% royalty on the project. As at December 31, 2006 Domo had not earned its 25% interest in the Zanthus property.

In 2006, the Company had not found a joint venture partner to participate in the exploration of the Tarrawarra property nor was the Company prepared to spend future funds on the property. As a result the total accumulated deferred exploration costs of \$35,835 were expensed in the year.

- (ii) Effective December 21, 2005, the Company acquired from Firebird Global Master Fund Ltd. and Kershner, Grosso & Co. their combined interests in common shares in New Congo Resources Development Company Inc. ("New Congo"), a corporation that has natural resource projects in the Democratic Republic of Congo ("DRC"). The Company purchased 400,000 common shares of New Congo representing 66.67% equity ownership for \$100,000. In addition, the Company took over the obligation to provide funding for up to US\$900,000 in exploration expenditures on the Congo projects.

New Congo, through a wholly owned subsidiary in the DRC ("PTM"), has a joint venture agreement with Gecamines, the state owned copper mining company in the DRC, with respect to the Kakanda Copper/Cobalt project. PTM will receive 92.5% of the revenues from the project until its capital costs are recovered. PTM and Gecamines each have the right to participate in the joint venture on a 51% and 49% basis, respectively.

On May 18, 2006, the Company completed the acquisition of the remaining 33.33% from Quartern Holdings Inc. ("Quartern") through a payment to Quartern of \$100,000 in cash and the issuance to Quartern of 8,000,000 common shares of the Company at a deemed price of \$0.25 per share for a total of \$2,000,000. In addition, Quartern has entered into a consulting agreement with the Company and New Congo whereby Quartern will assist the development of the Kakanda Project. Pursuant to the terms of the consulting agreement, Quartern will also be entitled to receive an additional 3,900,000 common shares of Simberi upon successfully increasing Simberi's interest in the Kakanda Project from 51% to 75% or more.

- (iii) Simberi Gold project was jointly controlled by the Company and Allied Gold Limited ("Allied"). The Company had a 50% interest in the Simberi Mining Joint Venture ("SMJV") related to a gold deposit property located in Papua New Guinea.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

7. Mining Interests (continued)

On April 5, 2005 the Company finalized its negotiations to sell 75% of its 50% interest (37.5% while maintaining a 12.5% free carried interest) in the Simberi Mining Joint Venture and its 1% interest in the Tabar Exploration Joint Venture located on Simberi Island, Tabar Island and Tatau Island, Papua New Guinea to Allied for \$4 million in cash. As partial consideration for the sale, Nord Pacific Limited ("Nord"), a wholly owned subsidiary of Allied, and subject to the establishment of Nord's right to a 14% interest in a gold prospect in Chester Township, Ontario, held by Young-Shannon Gold Mines, Limited, Nord has agreed to transfer its 14% interest to Simberi.

As of October 12, 2005, Simberi has completed an agreement with Allied to sell its remaining interest (12.5%) in the SMJV. The Company has received for its interest: (i) 2 million common shares of Allied; (ii) 2 million options exercisable at \$0.25 on or before December 31, 2006; (iii) 2 million options exercisable at \$0.50 on or before December 31, 2008; and (iv) \$200,000 cash in Canadian currency.

The 2,000,000 common shares of Allied were valued at AUD \$620,000 (CAD \$547,274). No values were assigned to the options as values could not be reasonably determined.

In fiscal 2005, the Company recorded a gain on the sale of Simberi Gold project, net of disposition costs of \$1,601, in the amount of \$1,155,328. The combined gain on the sale of the 2 million Allied shares and the 4 million optioned Allied shares in 2006 totalled \$766,151.

- (iv) The Company in 2005 entered into a letter of intent with Mongal Gazar Resources Limited ("MGH") of Mongolia to acquire an initial 22% joint venture interest in its Olon Ovoot gold project in the South Gobi district of Mongolia. The Company will be the Manager of the Joint Venture and MGH will be the on-site operator however the exploration programs will be conducted through joint cooperation of the two parties. The Company was to invest US\$0.5 million in the joint venture and pay MGH US \$1.85 million and 9.3 million shares for its interest.

The Company was also to pay a finder's fee of 700,000 common shares to the Balloch Group of Beijing. The Company would have an option to purchase up to a 100% interest in the Olon Ovoot project from MGH with the purchase price being a discounted value based on the resources delineated at the time of the purchase.

As at December 31, 2005, the Company made a decision not to continue exploring the Mongolian properties and as a result the accumulated deferred exploration costs of \$135,139 were written off in 2005.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital

Share Capital			
(a)	Authorized		
	An unlimited number of common shares		
	Issued	Number of Shares	Amount
	Balance, December 31, 2004	94,381,831	\$ 5,961,052
	Private placement (i)	26,000,000	2,600,000
	Warrant valuation (i)	-	(2,002,000)
	Share issue costs	-	(284,337)
	Balance, December 31, 2005	120,381,831	6,274,715
	Option exercise – cash	1,530,000	229,500
	Option exercise – valuation	-	71,831
	Issuance of shares (ii)	8,000,000	2,000,000
	Private placement (iii)	27,750,000	2,775,000
	Warrants valuation (iii)	-	(954,906)
	Share issue costs	-	(329,098)
	Balance, December 31, 2006	157,661,831	\$ 10,067,042

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital (continued)

- (i) On December 23, 2005, the Company issued 26,000,000 units at a price of \$0.10 per unit for gross proceeds of \$2,600,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share at an exercise price of \$0.20 for a period of two years until December 23, 2007. A finder's fee equal to 10% of the gross proceeds or \$260,000 was paid in connection with the private placement.

The fair value of the warrants was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 194.36%; expected dividend yield of 0%, risk-free interest rate of 3.83% and expected life of 2 years. The warrants were valued at \$2,002,000.

- (ii) On May 18, 2006, the Company has completed the acquisition of the remaining 33.33% from Quartern Holdings Inc. ("Quartern") through a payment to Quartern of \$100,000 in cash and the issuance to Quartern of 8,000,000 common shares of Simberi at a deemed price of \$0.25. The common shares were valued at \$2,000,000.
- (iii) On November 16, 2006, the Company issued 27,750,000 units at a price of \$0.10 per unit for gross proceeds of \$2,775,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.20 for a period of two years until November 16, 2008.

The fair value of the warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 119.33%; expected dividend yield of 0%; risk-free interest rate of 4.00% and expected life of 2 years. The warrants were valued at \$954,906.

(b) Stock Option Plan

The Company has an employee stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors of, or consultants to, the Company, options to acquire common shares in such numbers, for such terms, and at such exercise prices, as may be determined by the Board of Directors or such committee.

The options are valid for a maximum of 5 years from the date of the issue. Vesting terms are 1/6th after 3, 6, 9, 12, 15 and 18 month anniversaries of the date of the grant.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital (continued)

The changes in stock options for each of the years ended December 31, 2006 and 2005 are as follows:

	Number	2006 Weighted Average Exercise Price Per Share	Number	2005 Weighted Average Exercise Price Per Share
Outstanding, beginning of the year	15,550,000	\$ 0.13	10,000,000	\$ 0.15
Activity in the year:				
Granted	5,900,000	0.17	5,550,000	0.10
Exercised	(1,530,000)	0.15	-	-
Cancelled/expired	(2,835,000)	0.15	-	-
Outstanding, end of the year	17,085,000	\$ 0.14	15,550,000	\$ 0.13
Options exercisable at year end	11,893,334		11,750,000	
Weighted average fair value of Options granted during the year		\$ 0.15		\$ 0.05

As at December 31, 2006, the Company had the following stock options outstanding:

Black-Scholes Value (\$)	Number of Options Outstanding	Exercise Price (\$)	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Contractual Life
\$ 4,424	1,475,000	\$ 0.15	June 30, 2008	1,475,000	1.50 years
373,258	4,210,000	\$ 0.15	May 13, 2009	4,210,000	2.37
259,858	5,250,000	\$ 0.10	August 24, 2010	4,375,000	3.65
18,125	250,000	\$ 0.10	November 23, 2010	166,667	3.90
156,000	1,000,000	\$ 0.24	January 30, 2011	500,000	4.08
179,003	2,000,000	\$ 0.185	March 30, 2011	1,000,000	4.25
5,153	50,000	\$ 0.24	April 11, 2011	16,667	4.28
21,635	200,000	\$ 0.22	June 1, 2011	100,000	4.42
7,709	250,000	\$ 0.115	July 14, 2011	41,667	4.54
1,277	50,000	\$ 0.12	August 17, 2011	8,332	4.63
1,790	200,000	\$ 0.12	October 10, 2011	-	4.78
31,726	2,150,000	\$ 0.12	October 10, 2011	-	4.78
178,290	N/A	N/A	Cancelled stock options	-	-
\$ 1,238,248	17,085,000			11,893,333	3.43

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital (continued)

During the year, 5,900,000 (2005 – 5,550,000) stock options were granted. These options will be amortized over the vesting period, expensed in the statement of operations and deficit and credited to contributed surplus. For the year ended December 31, 2006, the following options were expensed:

Option grant date	Number of Options Expensed	Amount Expensed
August 24, 2005 (i)	4,375,000	\$ 150,558
November 23, 2005 (ii)	166,667	14,831
January 30, 2006 (iii)	500,000	156,000
March 30, 2006 (iv)	1,000,011	179,003
April 11, 2006 (v)	16,667	5,153
June 1, 2006 (vi)	100,000	21,635
July 14, 2006 (vii)	41,667	7,709
August 17, 2006 (viii)	8,333	1,277
October 10, 2006 (ix)	-	33,516
	6,208,334	\$ 569,682

The following table sets out the remaining options to be expensed as they vest:

Option Grant Date	Number of Remaining Options to be Expensed	Amount to be Expensed
August 24, 2005 (i)	875,000	\$ 13,142
November 23, 2005 (ii)	83,333	3,625
January 30, 2006 (iii)	500,000	78,000
March 30, 2006 (iv)	1,000,000	178,999
April 11, 2006 (v)	33,333	6,447
June 1, 2006 (vi)	100,000	15,266
July 14, 2006 (vii)	208,333	20,041
August 17, 2006 (viii)	41,667	4,473
October 10, 2006 (ix)	2,350,000	187,370
	5,191,666	\$ 507,363

- (i) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 177.69%; risk-free interest rate of 3.51% and an expected average life of 5 years.
- (ii) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 195.19%; risk-free interest rate of 3.80% and an expected average life of 5 years.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital (continued)

- (iii) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 195.83%; risk-free interest rate of 4.04% and an expected average life of 5 years.
- (iv) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 189.63%; risk-free interest rate of 4.11% and an expected average life of 5 years.
- (v) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 188.01%; risk-free interest rate of 4.28% and an expected average life of 5 years.
- (vi) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 129.15%; risk-free interest rate of 4.34% and an expected average life of 5 years.
- (vii) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 181.26%; risk-free interest rate of 4.31% and an expected average life of 5 years.
- (viii) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 179.55%; risk-free interest rate of 4.14% and an expected average life of 5 years.
- (ix) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 124.95%; risk-free interest rate of 4.07% and an expected life of 2 and 5 years.

(c) Warrants

The following table sets out the warrant activity during the year.

The changes in warrants for each of the years ended December 31, 2006 and 2005 are as follows:

	2006		2005	
	Number of Warrants	\$ Amount	Number of Warrants	\$ Amount
Balance outstanding, Beginning of year	26,000,000	\$ 2,002,000	26,000,000	\$ 2,002,000
Activity in the year:				
Granted (Note 8(a)(iii))	13,875,000	954,906	20,000,000	-
Exercised/Expired (i)	-	-	(20,000,000)	-
Balance outstanding, End of year	39,875,000	\$ 2,956,906	26,000,000	\$ 2,002,000

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital (continued)

- (i) The value assigned was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.50% and an expected life of 20 months. The calculated value for these warrants was \$Nil.

The following table summarizes the warrants outstanding at December 31, 2006.

Black-Scholes Value	Exercise Price	Expiry Date	Number of Warrants Outstanding at December 31, 2006
\$ 2,002,000	\$ 0.20	December 23, 2007	26,000,000
954,906	\$ 0.20	November 16, 2008	13,875,000
\$ 2,956,906			39,875,000

(d) Contributed Surplus

The following is a continuity of contributed surplus for the years ended December 31, 2005 and 2006.

	<u>Amount</u>	<u>Amount</u>
Balance, December 31, 2004	\$ -	\$ 314,742
Stock options vested	-	425,654
Balance, December 31, 2005	-	740,396
Stock options vested	569,682	-
Stock options exercised	(71,830)	497,852
Balance, December 31, 2006		\$ 1,238,248

Included in contributed surplus are the following items:

Expiry Date	Number of Stock Options	Exercise Price	Black-Scholes Valuation
June 30, 2008	1,475,000	\$ 0.15	\$ 4,424
May 13, 2009	4,210,000	0.15	373,258
August 24, 2010	5,250,000	0.10	259,858
November 23, 2010	250,000	0.10	18,125
January 30, 2011	1,000,000	0.24	156,000
March 30, 2011	2,000,000	0.185	179,003
April 11, 2011	50,000	0.24	5,153
June 1, 2011	200,000	0.22	21,635
July 14, 2011	250,000	0.115	7,709
August 17, 2011	50,000	0.12	1,277
October 10, 2008	200,000	0.10	1,790
October 10, 2011	2,150,000	0.10	31,726
Stock options cancelled/expired	N/A	N/A	178,290
	17,085,000		\$ 1,238,248

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

8. Share Capital (continued)

(e) Basic and Diluted Income (Loss) per Share

The following table sets forth the computation of basic and diluted (loss) income per share:

	<u>2006</u>	<u>2005</u>
Numerator:		
(Loss) income for the year	\$ (3,233,120)	\$ 12,332
Numerator for basic and diluted (loss) income per share	(3,233,120)	12,332
Denominator:		
Weighted average number of common shares	131,806,675	95,010,863
Denominator for basic (loss) income per share	131,806,675	95,010,863
Effect of dilutive securities:		
Stock options	-	11,886,712
Warrants	-	5,777,778
Denominator for diluted income (loss) per share	131,806,675	112,675,353
Basic (loss) income per share	\$ (0.02)	\$ 0.00
Diluted (loss) income per share	\$ (0.02)	\$ 0.00

The stock options and warrants have not been included in the calculation for 2006 as their effect would be anti-dilutive.

9. Income Taxes

The Company has the following future income tax assets:

	<u>2006</u>	<u>2005</u>
Non capital loss carry-forwards	\$ 525,590	\$ 82,858
Cumulative eligible capital	93,945	93,945
Exploration expenditures	71,937	80,713
Share issue costs	232,345	195,604
Tax losses – Australia	55,259	43,044
Total future tax assets	979,076	496,164
Valuation allowance	(979,076)	(496,164)
Future income tax assets recognized	\$ -	\$ -

The Company provided a valuation allowance equal to the future tax asset because it is not more likely than not that they will be realized. The Company has no future income tax liabilities.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

9. Income taxes (continued)

The Company's income tax recovery for each of the years ended December 31, 2005 and 2006 is \$Nil. The Company's actual income tax expense for the year ended is made up as follows:

	<u>2006</u>	<u>2005</u>
(Loss) income before income taxes	\$ (3,233,120)	\$ 12,332
Income tax (recovery) at the combined federal and provincial		
Rate of 36.12%	(1,167,803)	4,454
Statutory tax differences	3,204	28
Non-deductible goodwill impairment	740,523	-
Non-deductible stock option compensation	205,769	153,746
Non-deductible gain on sale of investment	(276,950)	-
Write-off of mining interest	-	48,812
Share issue costs	(82,129)	(58,354)
Capital gain on sale of investment	136,421	-
Income from foreign resources tax pool	-	530,637
Non-taxable gain on sale of mining interest	-	(417,304)
Miscellaneous	6,018	1,084
Non-capital losses applied to reduce taxable income	-	(263,103)
Potential income tax recovery not recognized	434,947	-
Total income tax (recovery)	\$ -	\$ -

The Company has incurred non-capital loss carryforwards of approximately \$1,455,000, Australian tax losses of approximately A\$200,000 (Cdn\$184,000), Canadian Exploration Expenditures of approximately \$410,000, and Cumulative Foreign Resource Expenses of approximately \$2,957,000 which can be used to reduce future's year's taxable income. The potential tax benefit of these losses and expenditures has not been recognized in these financial statements. The non-capital losses will expire as follows:

2014	\$ 229,000
2026	<u>1,226,000</u>
	<u>\$1,455,000</u>

10. Financial Instruments

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, sundry receivables, due from related parties, loan receivable, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their immediate or short-term maturity.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals. If the Company locates mineral deposits, it will be subject to commodity price risk.

Other Risks

It is management's opinion that the Company is not exposed to significant price, currency or credit risk arising from its financial instruments.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

11. Segmented Information

	<i>December 31, 2006</i>			
	Canada	Congo	Other Areas	Consolidated
Current assets	\$ 5,312,661	\$ 99,058	\$ 35,918	\$ 5,447,637
Long-term assets	7,294	3,317,867	92,427	3,417,588
	<u>\$ 5,319,955</u>	<u>\$ 3,416,925</u>	<u>\$ 128,345</u>	<u>\$8,865,225</u>

	<i>December 31, 2005</i>			
	Canada	Congo	Other Areas	Consolidated
Current assets	\$ 5,836,287	\$ 73,284	\$ 611,688	\$ 6,521,259
Long-term assets	3,981	580,562	106,712	691,255
	<u>\$ 5,840,268</u>	<u>\$ 653,846</u>	<u>\$ 718,400</u>	<u>\$ 7,212,514</u>

12. Commitments

The Company has a lease commitment for its premises ending on September 30, 2007. Annual minimum base rent and operating expense commitment is as follows:

2007	\$ <u>24,642</u>
------	------------------

On July 10, 2006, the Company agreed to a three year licence agreement in connection with a sports and entertainment facility. The remaining commitments under the licence agreement are as follows:

May 1, 2007	\$ 230,327
May 1, 2008	<u>238,388</u>
	<u>\$ 468,715</u>

In fiscal 2006 three companies (two of which are related parties as described in note 5) absorbed approximately 52% of the commitment.

13. Comparative Amounts

Certain prior year amounts have been reclassified to conform to the current year's presentation.

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

14. Subsequent Events

- a) Subsequent to the year-end, Simberi advanced \$75,000 to a company for future exploration and consulting services. A director of the Company is also a director of that company.
- b) On February 27, 2007, the Company paid \$250,000 for 1,000,000 common shares of Gaelic Gold Corporation. Gaelic Gold Corporation is a private company that is conducting exploration activities on four properties situated in Nevada, U.S.A.
- c) On April 30, 2007 the Company entered into a Letter of Intent (the "LOI") with Amari Holdings ("Amari") relating to the development of the Kakanda project in the DRC. The principal terms outlined in the LOI are as follows:
 - i. Amari will invest \$10 million (US) in PTM over a 24 month period, as and when required by PTM, from the date of execution of a joint venture agreement with Gecamines. In exchange for the cash investment, Amari will receive a 51% interest in the outstanding common shares of PTM. The common shares of PTM will be released to Amari on an earn in basis as funds are advanced to PTM.
 - ii. An additional number of common shares in PTM will be issued to Amari upon the completion by PTM of a bankable feasibility study for the Kakanda project so that upon issuance of said additional shares, Amari will own an additional 14% of PTM (for a total of 65%).

Amari is an arms length African based and Central African focused mining investment company.

- d) On April 10, 2007 the Company entered into a LOI and a conditional agreement to acquire interests in certain resource properties located in Australia. The LOI is with Caldera Resources Pty. Ltd. ("Caldera") and Ellendale Resources NL ("Ellendale") pursuant to which the Company will have the right to earn a 60% interest in the Mt. Sarah project located in Southern Australia. The acquisition of 60% of the Mt. Sarah project is subject to the following:
 - i. The issuance of an aggregate of 1,500,000 common shares of the Company to Caldera and Ellendale; and
 - ii. The Company spending or causing to be expended CDN\$ 1.25 million on exploration over a three year term and commencing a ground gravity survey on the Mt. Sarah project.

14. Subsequent Events (continued)

- e) On April 10, 2007 the Company and Novaking entered into a conditional agreement to acquire all of the outstanding shares of SA Drilling Pty. Ltd. ("SA Drilling"). SA Drilling holds a 100% interest in its Lambina Project located in Southern Australia. The agreement provides that Novaking will acquire the outstanding shares of SA Drilling for the following consideration:
- i. Payment of CDN \$50,000 and the issuance to the vendor of the SA Drilling shares of 750,000 common shares of the Company; and
 - ii. Payment of a further CDN \$50,000 and the issuance to the vendor of an additional 1,000,000 common shares of the Company on the first anniversary of the date of the closing or upon the completion of a joint venture by Novaking with a third party in respect of the Lambina Project, whichever is earlier.

In addition the agreement also provides that the vendor of the SA Drilling shares will retain a 2% net profit royalty in the production from the Lambina Project after payment back to the Company of all exploration and development costs or, in the event of a joint venture with a third party, the royalty will become immediately payable upon commencement of production.