

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

December 31, 2007 and 2006

March 7, 2008 (except for notes 17(b) (c) and (d) which are as at April 22, 2008)

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SIMBERI MINING CORPORATION

We have audited the consolidated balance sheets of Simberi Mining Corporation (formerly Simberi Gold Corporation), (A Development Stage Company) as at December 31, 2007 and 2006 and the consolidated statements of operations and deficit, cash flows, comprehensive loss and accumulated other comprehensive loss 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, 2007 and 2006 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.

Toronto, Canada

“McCarney Greenwood LLP”

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)
Consolidated Balance Sheets
As at December 31, 2007 and 2006

	2007	2006
ASSETS		
Current		
Cash and cash equivalents (<i>note 2(j)</i>)	\$ 1,480,679	\$ 5,316,953
Sundry receivable	200,285	14,954
Receivable from sale of Mt. Elephant (<i>note 8(i)(b)</i>)	21,675	-
Prepaid expenses	83,318	26,921
Due from former related party (<i>note 5(c)</i>)	21,016	30,539
Loan receivable (<i>note 6</i>)	49,405	58,270
Financial assets available for sale (<i>note 7(i)</i>)	585,187	-
	<u>2,441,565</u>	<u>5,447,637</u>
Receivable from sale of Mt. Elephant (<i>note 8(i)(b)</i>)	86,700	-
Investment in Gaelic Gold Corporation (<i>note 7(ii)</i>)	250,000	-
Mining interests (<i>note 8</i>)	5,077,050	3,410,294
Equipment (<i>note 4</i>)	27,123	7,294
	<u>\$ 7,882,438</u>	<u>\$ 8,865,225</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 148,415	\$ 79,045
SHAREHOLDERS' EQUITY		
Share capital (<i>note 9(a)</i>)	10,472,042	10,067,042
Warrants (<i>note 9(c)</i>)	954,906	2,956,906
Contributed surplus (<i>note 9(d)</i>)	3,642,107	1,238,248
Accumulated other comprehensive income	(7,813)	-
Deficit	(7,327,219)	(5,476,016)
	<u>7,734,023</u>	<u>8,786,180</u>
	<u>\$ 7,882,438</u>	<u>\$ 8,865,225</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, 2007 and 2006

	2007	2006	Cumulative from Incorporation October 28, 2003
Revenue	\$ -	\$ -	\$ -
Expenses			
Professional and consulting fees <i>(note 5)</i>	879,777	453,431	2,180,550
General and administrative	462,614	672,828	1,485,492
Stock-option compensation <i>(note 9(b))</i>	401,859	569,682	1,707,356
Legal and audit	149,203	100,627	494,144
Investor relations	136,466	115,777	369,071
Foreign exchange loss (gain)	46,190	(8,734)	55,850
Directors' compensation <i>(note 5(e))</i>	5,000	29,000	123,000
Due diligence costs	-	150,000	150,000
Financing costs written off	-	-	436,319
Amortization	6,100	1,801	8,420
Write-down of mining interests	-	35,835	170,974
	2,087,209	2,120,247	7,181,176
Loss for the year before the undernoted	(2,087,209)	(2,120,247)	(7,181,176)
(Loss) Gain on sale of investment	(8,136)	766,751	758,615
Gain on sale of mining interests <i>(note 8(i))</i>	112,672	-	1,268,000
Gain from write-off of net liabilities assumed			
From related party	-	29,880	29,880
Non-controlling interest's share of income	-	-	(175)
Impairment of goodwill <i>(note 3)</i>	-	(2,050,174)	(2,050,174)
Interest	131,470	140,670	317,996
Net loss for the year	(1,851,203)	(3,233,120)	(6,857,034)
Retroactive reinstatement of stock-based Compensation	-	-	(4,581)
Deficit, beginning of year	(5,476,016)	(2,242,896)	-
Reorganization costs	-	-	(465,604)
Deficit, end of year	\$(7,327,219)	\$(5,476,016)	\$(7,327,219)
Basic and diluted loss per share <i>(note 9(e))</i>	\$ (0.01)	\$ (0.02)	

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, 2007 and 2006

	2007	2006	Cumulative from Incorporation October 28, 2003
Cash flow from operating activities			
Net loss for the year	\$(1,851,203)	\$(3,233,120)	\$(6,857,034)
Adjustment for:			
Stock-option compensation (<i>note 9(b)</i>)	401,859	569,682	1,707,356
Amortization	6,100	1,801	8,420
Prepaid financing costs written off	-	-	60,010
Loss (Gain) on sale of investment	8,136	(766,751)	(758,615)
Shares issued for third party services	225,000	-	225,000
Gain on sale of mining interest	(112,672)	-	(1,268,000)
Non-controlling interest	-	-	175
Write-down of mining interest	-	35,835	170,974
Impairment of goodwill (<i>note 3</i>)	-	2,050,174	2,050,174
Changes in non-cash working capital items:			
Sundry receivable and prepaid expenses	(350,103)	(599)	(391,975)
Accounts payable and accrued liabilities	69,370	(279,548)	148,415
Net liabilities assumed from related party	-	(29,880)	-
Cash flows used in operating activities	(1,603,513)	(1,652,406)	(4,905,100)
Cash flow from investing activities			
Mining interest acquisition on amalgamation	-	-	(885,870)
Mining interest expenditures	(1,532,543)	(2,758,855)	(7,768,635)
Proceeds on sale of mining interest	158,459	-	4,356,858
Additions to equipment	(25,929)	(5,114)	(35,543)
Investment in New Congo Resource Development Company	-	(100,000)	(100,000)
Purchase of Shares in Gaelic Gold Corporation	(250,000)	-	(250,000)
Purchase of financial assets	(900,000)	(1,269,000)	(2,169,000)
Proceeds on sale of financial asset	298,864	2,583,026	2,881,890
Cash flows used in investing activities	(2,251,149)	(1,549,943)	(3,970,300)
Cash flow from financing activities			
Loan receivable	8,865	25	(49,405)
Reorganization costs	-	-	(465,607)
Due to/from related parties	9,523	417,518	(21,016)
Issue of share capital (net of issue costs)	-	1,490,996	4,624,420
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	18,388	3,092,945	10,356,079
Change in cash and cash equivalents during the year	(3,836,274)	(109,404)	1,480,679
Cash and cash equivalents, beginning of year	5,316,953	5,426,357	-
Cash and cash equivalents, end of year (<i>note 2(j)</i>)	\$ 1,480,679	\$ 5,316,953	\$ 1,480,679

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

SIMBERI MINING CORPORATION
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(A Development Stage Company)
Consolidated Statement of Comprehensive Income and Accumulated Other Comprehensive Income
For the Years Ended December 31, 2007 and 2006

Statement of Comprehensive Income	Year Ended December 31, 2007	Year Ended December 31, 2006
Net loss	\$ (1,851,203)	-
Other comprehensive income		
Unrealized loss on financial assets available for sale	(7,813)	-
Comprehensive income (loss), end of year	\$ (1,859,016)	-

Statement of Accumulated Other Comprehensive Income	Year Ended December 31, 2007	Year Ended December 31, 2006
Balance, beginning of year	\$ -	-
Adjustment on transition	-	-
Other comprehensive income (loss)	(7,813)	-
Balance, end of year	\$ (7,813)	-

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, 2007 and 2006

1. Nature of Business and Going Concern

Nature of Business

Simberi Mining Corporation (the “Company” or “Simberi”) 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 to change its name 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 significant 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 is 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.

Going concern assumption

These consolidated financial statements are prepared in accordance with Canadian Generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future.

The recoverability of the costs incurred to date on mining interests is dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance that it will be able to do so in the future.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write-downs to the carrying value of the properties.

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 subsidiaries Renaissance Corporation Pty Ltd. & SA Drilling PTY Ltd.), Alive International Holdings, Optima Pharmaceuticals Inc. and New Congo Resources Development Company Inc. ("New Congo")(in addition, New Congo's wholly owned subsidiary PTM Minerals (Cayman) Ltd. ("PTM")). Alive International Holdings and Optima Pharmaceuticals Inc. are inactive. All significant inter-company 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.

(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.

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.

2. Significant Accounting Policies (continued)

(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 substantially 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 would be expensed on the statement of operations.

(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 on the following basis:

Computer equipment	30 – 45% declining balance
Office equipment	20% declining balance
Leasehold improvements	5 years straight line

(h) Stock-Based Compensation

The Company has a stock-based compensation plan which is described in note 9(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 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.

2. Significant Accounting Policies (continued)

(i) Earnings (Loss) 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.

(j) Cash and cash equivalents

Cash and cash equivalents consists of cash and highly liquid investments which are readily convertible to known amounts of cash.

	2007	2006
Cash and cash equivalents is comprised of:		
Cash in bank	260,145	2,038,178
Bankers Acceptances	1,220,534	3,278,775
	<u>1,480,679</u>	<u>5,316,953</u>

(k) Adoption of New Accounting Standards

Effective January 1, 2007, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005 (sections 3855, 1530 and 3865). These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements.

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations.

Hedges (CICA Handbook Section 3865)

CICA Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be applied. The company does not have any hedges.

Comprehensive Income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders’ equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a consolidated statement of comprehensive loss, and a new category, accumulated other comprehensive income, which has been added to the shareholders’ equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any.

2. Significant Accounting Policies (continued)

(1) Future Accounting Pronouncements

The CICA issued the following new accounting standards which will become effective in future periods. The Company is currently assessing the impact of the new accounting standards on its financial statements.

Financial Instruments - Disclosure and Presentation (CICA Handbook Section 3862 and 3863)

The CICA has issued two new financial instruments standards: Section 3862 Financial Instruments Disclosures and Section 3863 Financial Instrument Presentation. The new disclosure standards effective January 1, 2008 may increase the company's disclosures on risks related to financial instruments and how those risks are managed.

Capital Disclosures (CICA Handbook Section 1535)

As of January 1, 2008, the Company will be required to adopt Section 1535, Capital Disclosures, which requires disclosure of the Company's objectives, policies and processes for managing capital.

International Financial Reporting Standards

The CICA has confirmed the effective date of January 1st, 2011 for the convergence of Canadian GAAP to International Financial Reporting Standards. The Canadian Securities Administrators are currently examining changes to securities laws as a consequence of this initiative.

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
	<hr/>
	435,780
Total liabilities	(335,780)
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Net assets acquired, December 21, 2005	\$ 100,000
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SIMBERI MINING CORPORATION
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Notes to Consolidated Financial Statements
December 31, 2007 and 2006

3. Acquisition of New Congo Resource Development Company Inc. (continued)

On May 18, 2006 the Company acquired the remaining 33.33% outstanding common shares of New Congo from Quartern Holdings Inc. (“Quartern”) with 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.

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.

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 statements of operations and deficit.

4. Equipment

	Cost	Accumulated Amortization	Net Book Value	
			December 31, 2007	2006
Computer equipment	\$ 15,454	\$ 5,022	\$ 10,432	\$ 3,154
Office furniture	13,819	2,771	11,048	4,140
Leasehold improvements	6,270	627	5,643	-
	\$ 35,543	\$ 8,420	\$ 27,123	\$ 7,294

5. Related Party Transactions

- (a) During the year ended December 31, 2007 \$173,445 (2006 - \$335,260) was paid to Porphyry Inc., a company owned by a director and officer, for services rendered and for reimbursement of expenses. Of this amount \$120,000 (2006 - \$270,000) was included in professional and consulting fees for management services; the remainder of \$53,445 (2006 - \$65,260) was a reimbursement of expenses and was included in general and administrative. As at December 31, 2007 \$nil (December 31 2006 - \$Nil) was owed to Porphyry Inc.
- (b) During the year ended December 31, 2007 the Company paid \$39,600 of consulting fees to Billiken Management Services Inc. (“Billiken”) for assisting to manage the Australian and New Congo properties. Billiken was related to the company because of a common director. The amount was capitalized to mining interests. As at December 31, 2007, a \$35,184 (December 31, 2006 - \$Nil) advance is included in sundry receivables. On June 1, 2007 the director resigned from the board of Billiken. As such, effective June 1, 2007 the companies are no longer considered related parties.
- (c) During the year ended December 31, 2007, a Director of Novaking Pty Ltd. paid \$4,672 in exploration costs on behalf of the Company. This amount was capitalized to mining interests. As at December 31, 2007, \$21,016 (December 31, 2006 – \$30,539) is due from this individual and is recorded on the balance sheet as due from former related party. During the year this director resigned and is therefore not a related party at December 31, 2007. The amount due is non-interest bearing and has no specific terms of repayment. During 2006 \$23,066 was paid to this individual and was included in management fees.

SIMBERI MINING CORPORATION
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Notes to Consolidated Financial Statements
December 31, 2007 and 2006

5. Related Party Transactions - continued

- (d) During the year ended December 31, 2007 the Company paid \$30,165 (2006 - \$Nil) in consulting fees for corporate secretarial services to Norite Inc., a company owned by an immediate family member of the president, CEO and director of the Company. This amount is included in professional and consulting fees.
- (e) During the year ended December 31, 2007 the Company paid directors fees of \$5,000 (2006 - \$29,000).

Related party transactions are considered to be in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Loan Receivable

The loan receivable in the amount of \$49,405 (US \$50,000) is due from Miminco LLC, a Delaware Limited Liability Corporation that owns a controlling interest in Miminco, SPRL of Kinshasa, Democratic Republic of Congo. The loan became due on February 20, 2007. The Company is currently in discussions to extend the due date of the loan and renegotiate the terms.

7. Financial Assets Available For Sale And Investment In Gaelic Gold Corporation

- (i) The available for sale financial assets consist of fixed income securities bearing interest at 5% and due March 27, 2015 and March 7, 2022. These assets are recorded at fair market value and any changes are reflected in other comprehensive income.
- (ii) The investment in Gaelic Gold Corporation represents 1,000,000 common shares. This investment is classified as available for sale and measured at cost since the shares are not traded in an active market.

SIMBERI MINING CORPORATION
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Notes to Interim Consolidated Financial Statements
December 31, 2007 and 2006

8. Mining Interests

As of December 31, 2007, accumulated costs with respect to the Company's interests in mineral properties owned, leased or under option, consisted of the following:

	Balance December 31, 2006	Additions	Balance December 31, 2007
Australian Properties (i) (note 16)	\$ 92,427	\$ 641,043	\$ 733,470
New Congo Property (ii)			
Acquisition cost	149,652	-	149,652
Regulatory fees	96,489	95,819	192,308
Travel and accommodation	223,782	65,877	289,659
General exploration	169,055	-	169,055
Consulting fees	1,061,069	210,343	1,271,412
Joint venture facilitation costs	1,017,047	-	1,017,047
General and administrative	194,114	237,953	432,067
Rent	227,655	53,700	281,355
Legal fees	179,004	362,021	541,025
Book value of mineral property	3,317,867	1,025,713	4,343,580
Mining Properties	\$ 3,410,294	\$ 1,666,756	\$ 5,077,050

- (i) As at December 31, 2007, the Company, through its wholly owned Australian subsidiaries (Renaissance Corporation Pty Ltd. ("Renaissance") and SA Drilling PTY Ltd. ("SA Drilling") held interests in four mineral prospects – Zanthus, Mount Sarah, Mount Narlee, and Lambina. The company also has an option to acquire interest in the Merlot property.

Mt. Elephant

In 2005 Renaissance completed a joint venture agreement with Korab Resources Limited ("Korab") on the Mt. Elephant Gold prospect in Western Australia. The agreement stated that Korab could 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 was to undertake the exploration programs in cooperation with the Company's subsidiary, Renaissance. As at June 30, 2007 Korab had not earned its 70% interest in the Mt. Elephant property. On July 26, 2007 Simberi, through its wholly owned Australian subsidiary Renaissance, sold its interest in the Mount Elephant project to Korab for the following consideration:

- (a) A cash payment of AU\$50,000 (CDN\$50,084);
- (b) Annual payments of AU\$25,000 to total AU\$125,000 (CDN\$108,375). CDN\$21,675 is included in current assets and CDN\$86,700 is included in long-term assets;
- (c) Simberi will retain a 10% net smelter royalty interest in any production from the property; and
- (d) If a bankable feasibility study is not completed within five years the property will revert back to Simberi.

The sale resulted in a gain of AU \$125,442 (CDN\$ 112,672).

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December 31, 2007 and 2006

8. Mining Interests (continued)

Zanthus

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, 2007 Domo had not earned its 25% interest in the Zanthus property.

Mount Sarah and Mount Narlee

On April 10, 2007 the Company agreed to acquire interest in two resource properties located in Australia. The agreement with Caldera Resources Pty. Ltd. (“Caldera”) and Ellendale Resources NL (“Ellendale”) gives the Company the right to earn up to a 60% interest in the Mount Sarah and Mount Narlee projects located in Southern Australia. The acquisition is subject to the following terms:

- (a) The issuance of an aggregate of 1,500,000 common shares of Simberi to Caldera and Ellendale;
- (b) 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;
- (c) Simberi shall be the operator of the exploration programs; and
- (d) Upon completion of the CDN\$1.25 million expenditure, the joint venture ownership will be:
 - Renaissance Corporation Ltd 60% (Simberi)
 - Caldera Resource PTY Ltd 20%
 - Ellendale Resources NK 20%

Lambina

On April 10, 2007 Simberi and its wholly owned subsidiary, Novaking, acquired all of the outstanding shares of SA Drilling in exchange for \$50,000 and the issuance of 750,000 common shares of Simberi. The shares issued were valued at \$0.08 per share for a total amount of \$60,000. This amount represents fair market value at the date of acquisition. The purchase also provides for a further payment of \$50,000 and the issuance 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. This second payment is contingent upon Simberi not having relinquished its interest in the tenement within twelve months of the agreement. SA Drilling holds a 100% interest in the Lambina Project located in Southern Australia. The purchase price has been allocated to the net assets of SA Drilling at their fair values at the date of acquisition as follows:

Exploration license EL3566 – Lambina	\$107,323
<u>Total Liabilities</u>	<u>nil</u>
<u>Net Assets acquired</u>	<u>\$107,323</u>

8. Mining Interests (continued)

Merlot

On August 6, 2007 Simberi, through its wholly owned Australian subsidiary, Novaking, entered into an Option to Purchase Agreement with Merlot Thoughts Pty Ltd (“Merlot”). The agreement allows Novaking to purchase an 80% equity interest in Merlot, which is the holder of an 800 square kilometre property located in Western Australia by completing the following:

- (a) An AU\$100,000 payment for a six month option period and commitment to an AU\$40,000 exploration expenditure to conduct due diligence investigations;
 - (b) If Simberi elects not to proceed, it will be reimbursed for the tenement fee of AU\$40,000;
 - (c) If Simberi proceeds, it will pay the vendor AU\$100,000 and issue 300,000 common shares of Simberi;
 - (d) The AU\$40,000 expenditure for due diligence will be included in the AU\$500,000 exploration commitment to be expended over a three year period from the date of exercise of the option;
- (ii) During 2007, Simberi entered into a definitive agreement with Amari Holdings Ltd (“AMARI”) for the development of Simberi’s Kakanda Copper/Cobalt project (the “Kakanda Project”) in the DRC. The terms of the Definitive Agreement include that:
- (a) PTM and AMARI will jointly work together to negotiate and finalize the JV with Gecamines.
 - (b) Over a 24 month period commencing on the date (“Commencement Date”) that the JV becomes effective, AMARI agrees to invest US\$10 million (“Investment”) on an equity basis in PTM on a draw down basis as and when requested by PTM and, at a minimum, AMARI will ensure that PTM is sufficiently funded at all times through the investment to facilitate necessary expenditures pursuant to the JV and to keep the Kakanda Project property in good standing. In exchange for the Investment, AMARI will receive common shares of PTM up to a maximum of 51% of the outstanding common shares of PTM upon completion of the full Investment.
 - (c) AMARI will also receive an additional 14% (for a total of 65%) of the outstanding common shares of PTM upon completion by PTM of a feasibility study for the Kakanda Project.
 - (d) Following the Commencement Date, PTM will be managed by a board of directors of which AMARI will have the right to appoint three directors and Simberi will have the right to appoint two. All decisions of the board of directors of PTM will be made by a simple majority vote excluding any decision relating to (i) the disposal of any interest in the Kakanda Project; or (ii) the use of the funds representing the Investment for any purpose other than the advancement of the Kakanda Project. Approval of these matters will require unanimous consent of both parties.
 - (e) Following the Commencement Date, PTM will appoint AMARI to be the manager of the Kakanda Project.

In connection with this agreement, the Company paid \$300,000 cash and issued 3,000,000 common shares valued at \$0.08 per share, or \$225,000, to the arms length parties for consulting services. The entire \$525,000 has been recorded in professional and consulting fees.

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9. Share Capital

Share Capital

(a) Authorized 500,000,000 common shares Issued	Number of Shares	Amount
Shares issued on incorporation	15,881,831	\$ -
Balance, December 31, 2003	15,881,831	5,143,291
Shares issued for Reverse takeover	62,000,000	882,821
Acquisition of Novaking Pty Ltd.	16,000,000	22,070
Exercise of warrants	500,000	-
Share issue costs	-	(87,130)
Balance, December 31, 2004	94,381,831	\$ 5,961,052
Private placement	26,000,000	2,600,000
Warrant valuation	-	(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 (i)	8,000,000	2,000,000
Private placement (ii)	27,750,000	2,775,000
Warrants valuation (ii)	-	(954,906)
Share issue costs	-	(329,098)
Balance, December 31, 2006	157,661,831	\$ 10,067,042
Issuance of shares (iii)	3,000,000	225,000
Issuance of shares (iv)	750,000	60,000
Issuance of shares (v)	1,500,000	120,000
Balance, December 31, 2007	162,911,831	\$ 10,472,042

- (i) Pertains to 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.

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9. Share Capital (continued)

- (ii) 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 weighted average assumption: 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.

- (iii) The Company issued 3,000,000 common shares at a deemed price of \$0.08, as part of a consulting agreement with various parties on assisting with the development of the Kakanda project in the DRC (see note 8 (ii)). The common shares were valued at \$225,000.
- (iv) The Company issued 750,000 common shares at a deemed price of \$0.08, as part of the purchase of SA Drilling PTY Ltd. (see note 8). The common shares were valued at \$60,000.
- (v) The Company issued 1,500,000 common shares at a deemed price of \$0.08, as part of the purchase of the interest in Mount Sarah and Mount Narlee (see note 8). The common shares were valued at \$120,000.

(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.

The changes in stock options for each of the years ended December 31, 2007 and 2006 are as follows:

	Number	2007 Weighted Average Exercise Price Per Share	Number	2006 Weighted Average Exercise Price Per Share
Outstanding, beginning of the year	17,085,000	\$ 0.14	15,550,000	\$ 0.13
Activity in the year:				
Granted	100,000	0.10	5,900,000	0.17
Exercised	-	-	(1,530,000)	0.15
Cancelled	(200,000)	0.22	(1,530,000)	0.15
Expired	(3,500,000)	0.13	(2,835,000)	0.15
Outstanding, end of the year	13,485,000	\$ 0.14	17,085,000	\$ 0.14
Options exercisable at year end	13,251,666		11,893,334	
Weighted average fair value of Options granted during the year		\$ 0.10		\$ 0.15

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9. Share Capital (continued)

As at December 31, 2007, 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	0.50 years
240,268	2,710,000	\$ 0.15	May 13, 2009	2,710,000	1.37
273,000	5,250,000	\$ 0.10	August 24, 2010	5,250,000	2.65
21,750	250,000	\$ 0.10	November 23, 2010	250,000	2.90
234,000	1,000,000	\$ 0.24	January 30, 2011	1,000,000	3.08
358,000	2,000,000	\$ 0.18	March 30, 2011	2,000,000	3.24
11,600	50,000	\$ 0.24	April 11, 2011	50,000	3.28
27,750	250,000	\$ 0.11	July 14, 2011	208,334	3.53
5,750	50,000	\$ 0.12	August 17, 2011	41,667	3.63
14,589	150,000	\$ 0.12	October 10, 2011	100,000	3.78
11,798	200,000	\$ 0.12	October 10, 2008	133,332	0.78
5,773	100,000	\$ 0.10	June 18, 2012	33,333	4.47
\$ 1,208,700	13,485,000			13,251,666	2.30

During the year, 100,000 (2006 – 5,900,000) stock options were granted. These options will be amortized over the vesting period, expensed in the statements of operations and deficit and credited to contributed surplus. For the year ended December 31, 2007, the following options were expensed:

Option grant date	Number of Options Expensed	Amount 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	178,997
April 11, 2006 (v)	33,333	6,447
June 1, 2006 (vi)	133,333	15,266
July 14, 2006 (vii)	166,667	18,500
August 17, 2006 (viii)	33,333	3,832
October 10, 2006 (ix)	900,000	81,969
June 18, 2007 (x)	33,333	2,081
	3,758,332	\$ 401,859

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9. Share Capital (continued)

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)	-	\$ -
November 23, 2005 (ii)	-	-
January 30, 2006 (iii)	-	-
March 30, 2006 (iv)	-	-
April 11, 2006 (v)	-	-
June 1, 2006 (vi)	-	-
July 14, 2006 (vii)	41,667	1,541
August 17, 2006 (viii)	8,334	641
October 10, 2006 (ix)	116,672	4,773
June 18, 2007 (x)	66,667	3,692
	233,336	\$ 10,647

- (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.
- (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.

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9. Share Capital (continued)

(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.

(x) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 138.56%; risk-free interest rate of 4.62% and an expected average life of 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, 2007 and 2006 are as follows:

	2007 Number of Warrants	\$ Amount	2006 Number of Warrants	\$ Amount
Balance outstanding, Beginning of year	39,875,000	\$ 2,956,906	26,000,000	\$ 2,002,000
Activity in the year:				
Granted (Note 8 (ii))	-	-	13,875,000	954,906
Expired	(26,000,000)	(2,002,000)	-	-
Balance outstanding, End of year	13,875,000	\$ 954,906	39,875,000	\$ 2,956,906

The following table summarizes the warrants outstanding at December 31, 2007.

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

(d) Contributed Surplus

For the year ended December 31, 2007, stock compensation of \$401,859 (2006 - \$569,682) was charged to operations with an equivalent offset credited to contributed surplus to reflect the vested portion of the fair value of stock options granted.

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9. Share Capital (continued)

The following is a continuity of contributed surplus for the years ended December 31, 2007 and 2006.

	<u>Amount</u>
Balance, December 31, 2005	\$ 740,396
Stock options exercised	497,852
Balance, December 31, 2006	1,238,248
Stock-option compensation	401,859
Expiry of warrants	2,002,000
Balance, December 31, 2007	\$ 3,642,107

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

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

	<u>2007</u>	<u>2006</u>
Numerator:		
Loss for the year	\$ (1,851,203)	\$ (3,233,120)
Numerator for basic and diluted loss per share	(1,851,203)	(3,233,120)
Denominator:		
Weighted average number of common shares	159,998,132	131,806,675
Denominator for basic and diluted loss per share	159,998,132	131,806,675
Basic loss per share	\$ (0.01)	\$ (0.02)
Diluted loss per share	\$ (0.01)	\$ (0.02)

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

10. Income Taxes

The Company has the following future income tax assets:

	<u>2007</u>	<u>2006</u>
Non capital loss carry-forwards	\$ 1,023,682	\$ 525,590
Cumulative eligible capital	87,131	93,945
Exploration expenditures	16,771	71,937
Share issue costs	139,320	232,345
Tax losses – Australia	55,259	55,259
Total future tax assets	1,322,163	979,076
Valuation allowance	(1,322,163)	(979,076)
Future income tax assets recognized	\$ -	\$ -

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10. Income taxes (continued)

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.

The Company's income tax recovery for each of the years ended December 31, 2007 and 2006 is \$Nil. The Company's actual income tax expense for the year ended is made up as follows:

	<u>2007</u>	<u>2006</u>
(Loss) income before income taxes	\$ (1,851,203)	\$(3,233,120)
Income tax (recovery) at the combined federal and provincial		
Rate of 36.12%	(668,655)	(1,167,803)
Statutory tax differences	5,049	3,204
Non-deductible goodwill impairment	-	740,523
Non-deductible stock option compensation	145,151	205,769
Non-deductible loss (gain) on sale of investment	2,938	(276,950)
Share issue costs	(82,129)	(82,129)
Capital gain on sale of investment	-	136,421
Miscellaneous	3,065	6,018
Potential income tax recovery not recognized	594,581	434,947
Total income tax (recovery)	\$ -	\$ -

The Company has incurred non-capital loss carryforwards of approximately \$3,056,000, Australian tax losses of approximately A\$200,000 (Cdn\$184,000) and Cumulative Foreign Resource Expenses of approximately \$4,715,000 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	1,096,000
2027	<u>1,731,000</u>
	<u>\$3,056,000</u>

11. Financial Instruments

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, 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.

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12. Segmented Information

	<i>December 31, 2007</i>			
	Canada	Congo	Other Areas	Consolidated
Current assets	\$ 2,222,384	\$ 52,994	\$ 166,187	\$ 2,441,565
Long-term assets	810,709	4,131,202	498,962	5,440,872
	\$ 3,033,093	\$ 4,184,196	\$ 665,149	\$ 7,882,438

	<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
	\$ 5,319,955	\$ 3,416,925	\$ 128,345	\$ 8,865,225

13. Commitments

The Company has a lease commitment for its premises ending on February 28, 2013. Annual minimum base rent commitment is as follows:

2008	\$ 38,840
2009	39,884
2010	40,929
2011	41,974
2012	42,845
2013	<u>7,140</u>
	\$ <u>211,612</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, 2008	\$ <u>238,388</u>
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In fiscal 2007 three companies absorbed approximately 40% of the commitment.

14. Comparative Amounts

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

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15. Supplemental information for the Statement of Cash Flows

	2007	2006
<i>Supplementary information:</i>		
Interest paid	-	-
Income taxes paid	-	-
<i>Non Monetary Transactions:</i>		
Shares issued for mineral properties	\$ 180,000	-
Shares issued for third party services	\$ 300,000	-

16. Australian Properties

	Zanthus	Mt Elephant	Mt Sarah	Mt Narlee	Lambina	Merlot	Total
Tenement costs	13,473	-	-	-	-	-	13,473
Sale of Mt Elephant	-	(45,787)	-	-	-	-	(45,787)
Option payment	-	-	-	-	-	87,280	87,280
Acquisition of exploration license	-	-	60,000	60,000	107,323	-	227,323
Technical report	-	-	13,893	13,893	13,893	-	41,679
Contract Geologist	-	-	12,735	-	5,380	-	18,115
Field Assistant	-	-	817	849	816	6,808	9,290
Geologist Managing director	-	-	14,255	12,128	13,971	17,066	57,420
Geochemistry	-	-	-	-	-	7,028	7,028
Petrology	-	-	-	-	-	1,796	1,796
Field expense - Vehicle	-	-	-	-	2,199	1,363	3,562
Field Communications	-	-	-	-	-	81	81
Gravity Survey	-	-	28,555	-	73,678	-	102,233
Aerial Survey	-	-	6,532	-	9,798	55,079	71,409
Geophysical consultants	-	-	4,582	-	1,782	790	7,154
Tenement services	-	-	205	-	2,583	1,155	3,943
Mines department	-	-	1,174	7,936	1,828	-	10,938
Admin	-	-	1,078	-	1,078	-	2,156
Native Title Clearance	-	-	3,632	-	6,101	-	9,733
Native Title Legal	-	-	1,453	1,063	-	-	2,516
Native Title Consultants	-	-	2,695	-	7,006	-	9,701
	13,473	(45,787)	151,606	95,869	247,436	178,446	641,043
Opening January 1, 2007	46,641	45,787	-	-	-	-	92,427
Balance at December 31, 2007	60,114	-	151,606	95,869	247,436	178,446	733,470

17. Subsequent Events

- (a) On March 6, 2008 the Company announced that its agreement with Amari Holdings Ltd relating to the development of Simberi's interest in the Kakanda project has been terminated as a result of Amari not fulfilling its obligation with respect to the due diligence completion.
- (b) On March 24, 2008 the Company announced that the joint venture agreement with Domo regarding the Zanthus project had been revised. In addition to the lignite deposit originally constituting the Zanthus project, Domo and the Company acquired additional exploration ground adjacent to the original Exploration Tenement, following the acquisition, Simberi and Domo incorporated a private company, Zutshan Energy Pty Ltd. ("ZEP"), to hold the exploration license relating to the entire property. The Company and Domo own 40% and 60%, respectively, of the outstanding shares of ZEP. In addition, the Company will retain a 1% gross revenue royalty on the entire property.
- (c) On April 2, 2008 the Company granted 300,000 stock options to an officer of the Company. The stock options will vest quarterly over an 18 month period, are exercisable at a price of \$0.10 for a period of 5 years from the date of grant.
- (d) On April 22, 2008 the Company announced that they and Domo have signed an agreement with Blackham Resources Limited ("Blackham") to sell to Blackham all of the outstanding shares of ZEP.

The terms of the transaction are:

- (i) Blackham has agreed to pay \$10,000 to Simberi and Domo for an option for a period of two months to complete the purchase of ZEP. During that time, Blackham will conduct its due diligence on the Lignite Project;
- (ii) At closing, Blackham will pay Simberi and Domo \$500,000 of which \$100,000 will be paid in cash and the balance of \$400,000 will be paid in shares of Blackham which will be valued on a five day trading average prior to closing;
- (iii) Upon determination that the Lignite Project will proceed to commercial production, Blackham will pay to Simberi and Domo an additional \$200,000 payable through the issuance of shares of Blackham which shares will be valued based on a five day trading average prior to their issuance;
- (iv) Blackham will be entitled to purchase from Simberi, within six months of the determination to proceed to commercial production, the 1% gross revenue royalty which Simberi currently holds in respect of the entire property constituting the Ignite Project;

In addition Simberi and Domo will pay a finder's fee to an independent third party of \$25,000, \$5,000 of which will be payable upon signing the option and the balance upon completion of the purchase.