

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Financial Statements

December 31, 2008 and 2007

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, 2008 and 2007 and the consolidated statements of operations, comprehensive loss, changes in shareholder's equity, and cash flows for each of the years then ended and for the period from October 28, 2003 to December 31, 2008. 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, 2008 and 2007 and the results of its operations and its cash flows for each of the years then ended and for the period from October 28, 2003 to December 31, 2008 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
April 3, 2009

“McCarney Greenwood LLP”

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Balance Sheets
As at December 31, 2008 and 2007

	2008	2007
ASSETS		
Current		
Cash and cash equivalents	\$ 190,748	\$ 1,480,679
Sundry receivable	21,182	200,285
Financial assets held for trading <i>(note 8(i))</i>	42,186	-
Receivable from sale of Mt. Elephant <i>(note 9(i))</i>	-	21,675
Prepaid expenses	54,004	83,318
Due from former related party	-	21,016
Loan receivable <i>(note 7)</i>	-	49,405
Financial assets available for sale	-	585,187
	308,120	2,441,565
Receivable from sale of Mt. Elephant <i>(note 9(i))</i>	-	86,700
Investment in Gaelic Gold Corporation <i>(note 8(ii))</i>	-	250,000
Mining interests <i>(note 9)</i>	6,429,836	5,077,050
Equipment <i>(note 5)</i>	18,793	27,123
	\$ 6,756,749	\$ 7,882,438
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 149,216	\$ 148,415
SHAREHOLDERS' EQUITY		
Share capital <i>(note 10(a))</i>	10,537,042	10,472,042
Shares to be issued	50,000	-
Warrants <i>(note 10(c))</i>	-	954,906
Contributed surplus <i>(note 10(d))</i>	4,621,544	3,642,107
Accumulated other comprehensive income	-	(7,813)
Deficit	(8,601,053)	(7,327,219)
	6,607,533	7,734,023
	\$ 6,756,749	\$ 7,882,438

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

Approved by the Board of Directors

Signed

“Michael Newbury” Director

Signed

“Maurice Stekel” Director

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Statements of Operations
For the Years Ended December 31, 2008 and 2007

	2008	2007	Cumulative from Incorporation October 28, 2003
Revenue	\$ -	\$ -	\$ -
Expenses			
Professional and consulting fees <i>(note 6)</i>	403,044	879,777	2,583,594
General and administrative <i>(note 6 and 17)</i>	398,754	462,614	1,884,246
Stock-option compensation <i>(note 10(b) and (d))</i>	24,531	401,859	1,731,887
Legal and audit	110,944	149,203	605,088
Investor relations	-	136,466	369,071
Foreign exchange (gain) loss	(79,325)	46,190	(23,475)
Directors' compensation <i>(note 6)</i>	16,500	5,000	139,500
Due diligence costs	-	-	150,000
Financing costs written off	-	-	436,319
Amortization	8,156	6,100	16,576
Write-down of equipment	1,000	-	1,000
Write-down of mining interests	-	-	170,974
	883,604	2,087,209	8,064,780
Loss for the period before the undernoted	(883,604)	(2,087,209)	(8,064,780)
(Loss) gain on sale of investment	(4,378)	(8,136)	754,237
Gain on sale of mining interests <i>(note 9(i))</i>	116,430	112,672	1,384,430
Gain from write-off of net liabilities assumed from related party	-	-	29,880
Adjustment to prior year sale of Mt. Elephant mineral interest <i>(note 9(i))</i>	(70,598)	-	(70,598)
Unrealized loss on investments <i>(note 8)</i>	(385,623)	-	(385,623)
Non-controlling interest's share of income	-	-	(175)
Impairment of loan to Miminco <i>(note 7)</i>	(53,301)	-	(53,301)
Impairment of goodwill <i>(note 4)</i>	-	-	(2,050,174)
Interest	7,240	131,470	325,236
Net loss for the period	(1,273,834)	(1,851,203)	(8,130,868)
Basic and diluted loss per share <i>(note 10(e))</i>	\$ (0.01)	\$ (0.01)	

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

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2008 and 2007

Statement of Comprehensive Income	2008	2007	Cumulative from Incorporation October 28, 2003
Net loss	\$ (1,273,834)	(1,851,203)	(8,130,868)
Other comprehensive income			
Unrealized loss on investments available-for-sale	-	(7,813)	(7,813)
Reclassification of realized gains on investments available-for-sale to earnings	7,813		7,813
Comprehensive loss, end of period	\$ (1,266,021)	(1,859,016)	(3,125,037)

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

(A Development Stage Company)
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2008 and 2007

	2008	2007	Cumulative from Incorporation October 28, 2003
Share Capital (note 10)			
Balance, beginning of period	\$ 10,472,042	\$ 10,067,042	\$ 5,143,291
Share issued for reverse takeover	-	-	882,821
Acquisition of Novaking Pty Ltd.	-	-	22,070
Private placements	-	-	5,375,000
Issuance of shares	65,000	405,000	2,470,000
Exercise of stock options – cash	-	-	229,500
Exercise of stock options - valuation	-	-	71,831
Exercise of warrants - valuation	-	-	(2,956,906)
Cost of issue	-	-	(700,565)
Balance, End of Period	\$ 10,537,042	\$ 10,472,042	\$ 10,537,042
Shares to be issued			
Balance, beginning of period	\$ -	\$ -	\$ -
Shares to be issued	50,000	-	50,000
Balance, End of Period	\$ 50,000	\$ -	\$ 50,000
Warrants (note 10 (c))			
Balance, beginning of period	\$ 954,906	\$ 2,956,906	\$ -
Issued under private placement	-	-	2,956,906
Expired	(954,906)	(2,002,000)	(2,956,906)
Balance, End of Period	\$ -	\$ 954,906	\$ -
Contributed Surplus (note 10)			
Balance, beginning of period	\$ 3,642,107	\$ 1,238,248	\$ -
Stock-based compensation	24,531	401,859	1,736,468
Fair value of stock options exercised	-	-	(71,830)
Expired warrants	954,906	2,002,000	2,956,906
Balance, End of Period	\$ 4,621,544	\$ 3,642,107	\$ 4,621,544
Deficit			
Balance, beginning of period	\$ (7,327,219)	\$ (5,476,016)	\$ -
Retroactive restatement of stock based compensation	-	-	(4,581)
Reorganization costs	-	-	(465,604)
Net (loss)	(1,273,834)	(1,851,203)	(8,130,868)
Balance, End of Period	\$ (8,601,053)	\$ (7,327,219)	\$ (8,601,053)

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Statements of Changes in Shareholders' Equity (Continued)

For the Years Ended December 31, 2008 and 2007

	2008	2007	Cumulative from Incorporation October 28, 2003
Accumulated Other Comprehensive Income			
Balance, beginning of period	\$ (7,813)	\$ -	\$ -
Net change in unrealized gains on available-for-sale marketable securities and investment	-	(7,813)	(7,813)
Reclassification of loss on available- for-sale marketable securities	7,813	-	7,813
Balance, End of Period	\$ -	\$ (7,813)	\$ -
Total Shareholders' Equity, End of Period	\$ 6,607,533	\$ 7,734,023	\$ 6,607,533

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

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Statements of Cash Flows

For the Years Ended December 31, 2008 and 2007

	2008	2007	Cumulative from Incorporation October 28, 2003
Cash flow from operating activities			
Net loss for the period	\$(1,273,834)	\$(1,851,203)	\$(8,130,868)
Adjustment for:			
Stock-option compensation	24,531	401,859	1,731,887
Amortization	8,156	6,100	16,576
Prepaid financing costs written off	-	-	60,010
Loss (Gain) on sale of investment	4,378	8,136	(754,237)
Shares issued for third party services	-	225,000	225,000
Gain on sale of mining interest	(116,430)	(112,672)	(1,384,430)
Adjustment to prior year sale of Mt. Elephant mineral interest	66,097	-	66,097
Unrealized loss on investments held for trading	385,623	-	385,623
Impairment in loan to Miminco	53,301	-	53,301
Loan repaid with services rendered	21,016	-	21,016
Non-controlling interest	-	-	175
Write-down of mining interest	-	-	170,974
Write-down of equipment	1,000	-	1,000
Impairment of goodwill (<i>note 4</i>)	-	-	2,050,174
Changes in non-cash working capital items:			
Sundry receivable and prepaid expenses	208,417	(350,103)	(183,558)
Accounts payable and accrued liabilities	801	69,370	149,216
Cash flows used in operating activities	(616,944)	(1,603,513)	(5,522,044)
Cash flow from investing activities			
Mining interest acquisition on amalgamation	-	-	(885,870)
Mining interest expenditures	(1,301,292)	(1,532,543)	(9,069,927)
Proceeds on sale of mining interest	36,008	158,459	4,392,866
Proceeds on sale of Mt. Elephant mining interest	4,501	-	4,501
Additions to equipment	(826)	(25,929)	(36,369)
Investment in New Congo Resource Development Company	-	-	(100,000)
Purchase of Shares in Gaelic Gold Corporation	-	(250,000)	(250,000)
Purchase of financial assets available for sale	(250,975)	(900,000)	(2,419,975)
Proceeds on sale of financial asset available for sale	839,597	298,864	3,721,487
Cash flows used in investing activities	(672,987)	(2,251,149)	(4,643,287)
Cash flow from financing activities			
Loan receivable	-	8,865	(49,405)
Reorganization costs	-	-	(465,607)
Due to/from former related parties	-	9,523	21,016
Issue of share capital (net of issue costs)	-	-	4,624,420
Issue of warrants	-	-	6,098,197
Exercise of stock options	-	-	229,500
Prepaid financing costs written off	-	-	(60,010)
Cash flows from financing activities	-	18,388	10,356,079

SIMBERI MINING CORPORATION
(A Development Stage Company)
Consolidated Statements of Cash Flows (Continued)

For the Years Ended December 31, 2008 and 2007

	2008	2007	Cumulative from Incorporation October 28, 2003
Change in cash and cash equivalents during the period	(1,289,931)	(3,836,274)	190,748
Cash and cash equivalents, beginning of period	1,480,679	5,316,953	-
Cash and cash equivalents, end of period	\$ 190,748	\$ 1,480,679	\$ 190,748

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

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, the country is 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 and its four wholly-owned subsidiaries consisting of: (1) Novaking Pty Ltd. (“Novaking”), (in addition, Novaking’s wholly-owned subsidiaries Renaissance Corporation Pty Ltd., Merlot Thoughts PTY Ltd. & SA Drilling PTY Ltd.); (2) Alive International Holdings; (3) Optima Pharmaceuticals Inc. and; (4) 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.

As at December 31, 2008, the Company had no asset retirement obligation.

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

In accordance with this standard the Company 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.

(k) 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.

(l) 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 standard, the Company reports a consolidated statement of comprehensive loss and accumulated other comprehensive income, which forms part of shareholders’ equity section of the consolidated balance sheet. The components of comprehensive income include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any.

(m) New Accounting Standards

Capital Disclosures

CICA Handbook Section 1535, “Capital Disclosures”, requires disclosure of an entity’s objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in note 3 to these consolidated financial statements.

Financial Instruments – Disclosure and Presentation

CICA Handbook Sections 3862, “Financial Instruments – Disclosures” and 3863, “Financial Instruments – Presentation” replace Handbook Section 3861, “Financial Instruments – Disclosure and Presentation”, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 12 to these consolidated financial statements.

2. Significant Accounting Policies (continued)

(n) Future Accounting Standards

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.

Goodwill and Intangible Assets

CICA Handbook Section 3064, Goodwill and Intangible Assets ("CICA 3064"), results in the withdrawal of CICA 3450, "Research and Developmental Costs", and amendments to Accounting Guideline 11, "Enterprises in the Development Stage" and CICA 1000, "Financial Statement Concepts". The standard intends to reduce the differences between Canadian GAAP and IFRS in the accounting for intangible assets. Under current Canadian standards, more items are recognized as assets than under IFRS. The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The new standard takes effect for fiscal years beginning on or after October 1, 2008, with early adoption encouraged. The Company is evaluating the effects of adopting this standard.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to replace Canadian GAAP with IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – Business Combinations. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements. The Company is in the process of evaluating the requirements of the new standards.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

3. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2008. The Company is not subject to externally imposed capital requirements.

4. 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 was 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

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 \$0.25 per share for a total of \$2,000,000.

Quartern entered into a consulting agreement with the Company and New Congo whereby Quartern will assist the development of Simberi's Kakanda Copper-Cobalt Property ("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.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

5. Equipment

	Cost	Accumulated Amortization	Net Book Value December 31,	
			2008	2007
Computer equipment	\$ 16,280	\$ 9,816	\$ 6,464	\$ 10,432
Office furniture	12,820	4,880	7,940	11,048
Leasehold improvements	6,270	1,881	4,389	5,643
	\$ 35,370	\$ 16,577	\$ 18,793	\$ 27,123

6. Related Party Transactions

- (a) During year ended December 31, 2008 a total of \$175,514 (2007 - \$173,445) was charged by Porphyry Inc., a company owned by a director and officer, for services rendered and for reimbursement of expenses. Of this amount \$120,000 was included in professional and consulting fees for management services; the remainder of \$55,514 was a reimbursement of expenses and was included in general and administrative.
- (b) During the year ended December 31, 2008 the Company paid directors fees of \$16,500 (2007 - \$5,000).
- (c) During the year ended December 31, 2008 the Company paid \$8,780 (2007 - \$30,165) in consulting fees for consulting 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.
- (d) During the year ended December 31, 2008 the Company paid WATT Capital Inc., a company owned by the Vice President, \$30,000 (2007 - \$Nil) in consulting fees for management and corporate mineral development services.

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.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

7. Loan Receivable

The loan receivable was due from Miminco LLC, a Delaware Limited Liability Corporation that owns a controlling interest in Miminco, SPRL of Kinshasa, Democratic Republic of Congo. Due to the deterioration of market conditions there is no longer any reasonable assurance of collection of the principal and interest. As such the carrying amount has been reduced to \$Nil.

8. Financial Assets held for trading And Investment In Gaelic Gold Corporation

- (i) The financial assets held for trading represents 363,297 shares of Blackham Resources Limited which were received on the sale of Simberi's interest in Zutshan Energy Pty (see note 9(i)). It also includes 500,000 shares of Korab Resources Limited received on the sale of Simberi's interest in the Mount Elephant property (see note 9(i)).
- (ii) The investment in Gaelic Gold Corporation represents 1,000,000 common shares. Gaelic is a private company that has been unsuccessful in doing an IPO. As such, Simberi does not believe it will be able to recover its investment and has written the investment down to \$Nil.

9. Mining Interests

As of December 31, 2008, 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		Balance December 31, 2007		Balance Sept. 30, 2008
		Additions		Additions	
Australian Properties (i) (note 16)	\$ 92,427	\$ 641,043	\$ 733,470	\$ 398,997	\$1,132,467
New Congo Property (ii)					
Acquisition cost	149,652	-	149,652	-	149,652
Regulatory fees	96,489	95,819	192,308	14,981	207,289
Travel meals, and accommodation	223,782	65,877	289,659	62,983	352,642
General exploration	169,055	-	169,055	-	169,055
Consulting fees	1,061,069	210,343	1,271,412	105,070	1,376,482
Joint venture facilitation costs	1,017,047	-	1,017,047	-	1,017,047
Rent, general and administrative	421,769	291,653	713,422	292,600	1,006,022
Legal fees	179,004	362,021	541,025	478,155	1,019,180
Book value of mineral property	3,317,867	1,025,713	4,343,580	953,789	5,297,369
Mining Properties	\$ 3,410,294	\$ 1,666,756	\$ 5,077,050	\$ 1,352,786	\$ 6,429,836

- (i) As at December 31, 2008, the Company, through its wholly owned Australian subsidiaries (Novaking Property Ltd ("Novaking"), Renaissance Corporation Pty Ltd. ("Renaissance"), SA Drilling PTY Ltd. ("SA Drilling") and Merlot Thoughts PTY Ltd. ("Merlot") held interests in four mineral prospects – Mount Sarah, Mount Narlee, Lambina and Merlot.

9. Mining Interests (continued)

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. 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.

In September 2008 the agreement between Korab and Simberi was amended. Simberi agreed to complete the sale in return for an immediate payment of AU\$5,000 and AU\$40,000 in fully paid common shares of Korab (500,000 common shares).

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.

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 owned 40% and 60%, respectively, of the outstanding shares of ZEP. In addition, the Company was to retain a 1% gross revenue royalty on the entire property.

On June 16, 2008 the Company announced it has completed the sale of its interest in ZEP to Blackham Resources Limited (“Blackham”) for total consideration of AU\$500,000 (AU\$100,000 in cash and the balance of AU\$400,000 through the issuance of common shares of Blackham). Simberi received its proportionate share (40%) of the sale. The issue price of the common shares was \$0.44 per share resulting in Simberi receiving 363,297 common shares of Blackham. These shares are recorded on the balance sheet as financial assets held for trading.

In addition to the \$500,000 purchase price, Blackham is obligated to pay to Simberi and Domo an additional aggregate amount of \$200,000 upon determination that the lignite project owned by Zutshan can proceed to commercial production. The \$200,000 is payable through the issuance of common shares of Blackham which shares will be valued based on a five day trading average prior to their issuance.

Blackham is also entitled to purchase from Simberi, within nine 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 lignite project.

Notes to Interim Consolidated Financial Statements

December 31, 2008 and 2007

9. Mining Interests (continued)

Mount Sarah and Mount Narlee

On April 10, 2007 the Company acquired 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>

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 nine 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;

During 2008 Simberi completed the purchase of the 80% interest in Merlot and purchased the remaining 20% interest for AU\$50,000 cash and 1,000,000 common shares of Simberi issued subsequent to year end. The vendor will retain a 2% net profit royalty

The purchase price has been allocated to the net assets (exploration licenses) of Merlot at the fair values at the date of acquisition.

9. Mining Interests (continued)

- (ii) Simberi through its wholly owned subsidiary, PTM Minerals (Cayman) Ltd. (“PTM”), has a 51% interest in the Kakanda Copper-Cobalt Property. PTM has a joint venture agreement with La Générale des Carrières et des Mines (“Gecamines”), the Congo’s state mining company. The Kakanda Copper-Cobalt Property is currently held under a permit (Permis d’Exploitation No 469) issued in the name of Gecamines by which the concession was transferred to the joint venture after completion of a feasibility study in 1997. Simberi acquired PTM through the acquisition of New Congo Resource Development Company Inc., as described in note 4.

During 2007, Simberi entered into a definitive agreement with Amari Holdings Ltd (“AMARI”) for the development of Simberi’s Kakanda Project in the DRC. On March 6, 2008 the Company announced that its agreement with AMARI 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.

10. 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	8,000,000	2,000,000
Private placement	27,750,000	2,775,000
Warrants valuation	-	(954,906)
Share issue costs	-	(329,098)
Balance, December 31, 2006	157,661,831	\$ 10,067,042
Issuance of shares (i)	3,000,000	225,000
Issuance of shares (ii)	750,000	60,000
Issuance of shares (iii)	1,500,000	120,000
Balance, December 31, 2007	162,911,831	\$ 10,472,042
Issuance of shares (iv)	1,000,000	50,000
Issuance of shares (v)	300,000	15,000
Balance, December 31, 2008	164,211,831	\$ 10,537,042

10. Share Capital (continued)

- (i) 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 9 (ii)). The common shares were valued at \$225,000.
- (ii) 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 9). The common shares were valued at \$60,000.
- (iii) 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 9). The common shares were valued at \$120,000.
- (iv) The Company issued 1,000,000 common shares at a deemed price of \$0.05, as part of the purchase of SA Drilling PTY Ltd. (see note 9). The common shares were valued at \$50,000.
- (v) The Company issued 300,000 common shares at a deemed price of \$0.05, as part of the purchase of Merlot Thoughts PTY Ltd. (see note 9). The common shares were valued at \$15,000.

(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 following stock options were granted during the year ended December 31, 2008:

On March 3, 2008 the Company granted 300,000 stock options to an officer of the Company exercisable for one common share at \$0.10 per share for a five year period. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%; expected volatility of 142%; risk-free interest rate of 3.09% and an expected average life of 5 years. The options were valued at \$12,028 and are being expensed over their vesting period. The options vest quarterly over 18 months from the date of grant.

10. Share Capital (continued)

On April 22, 2008 the Company granted 1,600,000 stock options to certain officers and a director of the Company exercisable for one common share at \$0.10 per share for a five year period. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%; expected volatility of 140%; risk-free interest rate of 3.12% and an expected average life of 5 years. The options were valued at \$77,862 and are being expensed over their vesting period. The options vest quarterly over 18 months from the date of grant.

On September 5, 2008 the Company granted 200,000 stock options to an officer of the Company exercisable for one common share at \$0.10 per share for a five year period. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%; expected volatility of 176%; risk-free interest rate of 2.98% and an expected average life of 5 years. The options were valued at \$3,402 and are being expensed over their vesting period. The options vest quarterly over 18 months from the date of grant.

On October 20, 2008 the Company granted 5,100,000 stock options to certain officers and directors of the Company exercisable for one common share at \$0.10 per share for a five year period. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%; expected volatility of 176%; risk-free interest rate of 2.88% and an expected average life of 5 years. The options were valued at \$47,561 and are being expensed over their vesting period. The options vest quarterly over 18 months from the date of grant.

The changes in stock options for each of the years ended December 31, 2008 and 2007 are as follows:

	Number	2008 Weighted Average Exercise Price Per Share	Number	2007 Weighted Average Exercise Price Per Share
Outstanding, beginning of the year	13,485,000	\$ 0.14	17,085,000	\$ 0.14
Activity in the year:				
Granted	7,200,000	0.10	100,000	0.10
Expired	(1,475,000)	0.15	-	-
Cancelled	(6,385,000)	0.12	(3,700,000)	0.13
Outstanding, end of the year	12,825,000	\$ 0.12	13,485,000	\$ 0.14
Options exercisable at year end	7,008,333		13,251,666	
Weighted average fair value of options granted during the year is				\$ 0.015 (2007- \$ 0.06)

10. Share Capital (continued)

As at December 31, 2008, the Company had the following stock options outstanding:

Black-Scholes	Number of	Exercise		Number of Options	Remaining
Value (\$)	Options Outstanding	Price (\$)	Expiry Date	Exercisable	Contractual
					Life
99,742	1,125,000	0.15	May 13, 2009	1,125,000	0.41
221,000	4,250,000	0.10	August 24, 2010	4,250,000	1.65
234,000	1,000,000	0.24	January 30, 2011	1,000,000	2.08
5,750	50,000	0.12	August 17, 2011	50,000	2.63
9,726	100,000	0.12	October 10, 2011	100,000	2.78
5,773	100,000	0.10	June 20, 2012	100,000	3.47
12,028	300,000	0.10	March 3, 2013	150,000	4.20
29,198	600,000	0.10	April 22, 2013	200,000	4.31
3,402	200,000	0.10	September 3, 2013	33,333	4.67
47,561	5,100,000	0.10	October 20, 2013	0	4.81
\$ 668,180	12,825,000			7,008,333	3.09

(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, 2008 and December 31, 2007 are as follows:

	Year ended December 31, 2008		Year ended December 31, 2007	
	Number of Warrants	\$ Amount	Number of Warrants	\$ Amount
Balance outstanding, Beginning of year	13,875,000	\$ 954,906	39,875,000	\$ 2,956,906
Activity in the year: Expired	(13,875,000)	(954,906)	(26,000,000)	(2,002,000)
Balance outstanding, End of year	-	\$ -	13,875,000	\$ 954,906

(d) Contributed Surplus

For the year ended December 31, 2008, stock compensation of \$24,531 (2007 - \$401,859) 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.

10. Share Capital (continued)

The following is a continuity of contributed surplus for the years ended December 31, 2008 and 2007.

	<u>Amount</u>
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
Stock-option compensation	24,531
Expiry of warrants	954,906
Balance, December 31, 2008	\$ 4,621,544

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

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

	<u>2008</u>	<u>2007</u>
Numerator:		
Loss for the year	\$ (1,273,834)	\$ (1,851,203)
Numerator for basic and diluted loss per share	(1,273,834)	(1,851,203)
Denominator:		
Weighted average number of common shares	163,849,639	159,998,132
Denominator for basic and diluted loss per share	163,849,639	159,998,132
Basic loss per share	\$ (0.01)	\$ (0.01)
Diluted loss per share	\$ (0.01)	\$ (0.01)

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

11. Income Taxes

The Company has the following future income tax assets:

	<u>2008</u>	<u>2007</u>
Non capital loss carry-forwards	\$ 774,180	\$ 688,425
Cumulative eligible capital	70,147	87,131
Exploration expenditures	31,917	16,771
Share issue costs	54,667	139,320
Tax losses – Australia	96,433	55,259
Total future tax assets	1,027,344	986,908
Valuation allowance	(1,027,344)	(986,908)
Future income tax assets recognized	\$ -	\$ -

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

11. 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, 2008 and 2007 is \$Nil. The Company's actual income tax expense for each of the years ended is made up as follows:

	<u>2008</u>	<u>2007</u>
Loss income before income taxes	\$ (1,273,834)	\$(1,851,203)
Income tax (recovery) at the combined federal and provincial		
Rate of 33.50% (2007 – 36.12%)	(426,734)	(668,655)
Statutory tax differences	(4,804)	5,049
Non-deductible stock option compensation	8,218	145,151
Non-deductible loss (gain) on sale of investment	1,467	2,938
Unrealized loss on investments	129,184	-
Share issue costs	(76,171)	(82,129)
Taxable capital gain on expiration of warrants	159,947	361,561
Miscellaneous	3,020	3,065
Potential income tax recovery not recognized	205,873	233,020
Total income tax expense	\$ -	\$ -

The Company has incurred non-capital loss carryforwards of approximately \$2,670,000, Australian tax losses of approximately AU\$352,000 (Cdn\$321,000) and Cumulative Foreign Resource Expenses of approximately \$6,400,000 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	730,000
2028	<u>615,000</u>
	<u>\$2,670,000</u>

12. Financial Instruments

Financial instruments are classified into one of the following five categories under Canadian generally accepted accounting principles: held-for-trading, held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities.

Available-for-sale assets are those non-derivative financial assets that are not classified as loans and receivables or held for trading. Available-for-sale assets are measured at fair value with unrealized gains and losses included in accumulated other comprehensive income until sale or other-than temporary impairment when the cumulative gain or losses are transferred to the consolidated statement of operations.

Receivables have been classified as loans and receivables. Accounts payables and accrued liabilities have been classified as other financial liabilities.

12. Financial Instruments (continued)

As at December 31, 2008, the carrying and fair value amounts of the Company's financial instruments are approximately the same due to the short-term to maturity of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to short-term investments included in cash and cash equivalents and financial assets available for sale. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of banker's acceptances, GIC's and other low risk liquid investments, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2008, the Company had a cash and cash equivalents balance of \$190,478 (December 31, 2007 - \$1,480,679) to settle current liabilities of \$149,216 (December 31, 2007 - \$148,415). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates and other low risk investments. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

Certain of the Company's financial assets are denominated in United States dollars or Australian dollars. Accordingly, the Company is exposed to financial gain or loss as a result of foreign exchange movements against the Canadian dollar. Management believes the foreign exchange risk deriving from currency conversions is negligible and therefore does not hedge its foreign currency risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

13. Segmented Information

	<i>December 31, 2008</i>			
	Canada	Congo	Other Areas	Consolidated
Current assets	\$ 245,254	\$ 2,905	\$ 59,961	\$ 308,120
Long-term assets	527,151	5,050,218	871,260	6,448,629
	\$ 772,405	\$ 5,053,123	\$ 931,221	\$ 6,756,749

	<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	5,440,873
	\$ 3,033,093	\$ 4,184,196	\$ 665,149	\$ 7,882,438

14. Commitments

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

2009	39,884
2010	40,929
2011	41,974
2012	42,845
2013	<u>7,140</u>
	\$ 172,772

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

15. Supplemental information for the Statement of Cash Flows

	2008	2007
<i>Supplementary information:</i>		
Interest received	\$ 7,240	\$ 131,470
<i>Non Monetary Transactions:</i>		
Shares received for sale of mineral properties	(181,705)	-
Shares issued for mineral properties	65,000	180,000
Shares to be issued for mineral properties	50,000	-
Shares issued for third party services	-	300,000

16. Australian Properties

	Zanthus	Mt Sarah	Mt Narlee	Lambina	Merlot	Total
Balance at December 31, 2007	\$ 60,114	\$ 151,606	\$ 95,869	\$ 247,435	\$ 178,446	\$ 733,470
Sale of Mt Elephant	(63,610)	-	-	-	-	(63,610)
Acquisition of exploration license	-	-	-	97,760	199,505	297,265
Application fee	526	-	-	-	-	526
Contract Geologist	-	-	-	-	4,461	4,461
Field Assistant	-	-	-	900	7,484	8,384
Geologist Managing director	-	11,169	7,568	20,621	69,959	109,317
Geochemistry	-	-	-	2,321	6,547	8,868
Petrology	-	-	-	-	540	540
Field expense - Vehicle	-	-	-	1,201	1,080	2,281
Field Communications	-	-	-	-	1,273	1,273
Gravity Survey	-	-	-	-	-	-
Aerial Survey	-	-	-	-	(703)	(703)
Geophysical consultants	-	982	1,555	982	2,570	6,089
Tenement services	720	1,290	2,202	1,447	3,431	9,090
Mines department	-	-	72	2,381	-	2,453
Admin	-	1,350	1,485	629	2,882	6,346
Native Title Clearance	2,250	1,026	2,063	(2,063)	2,045	5,321
Native Title Legal	-	547	549	-	-	1,096
	(60,114)	16,364	15,494	126,179	301,074	398,997
Balance at December 31, 2008	\$ -	\$ 167,970	\$ 111,363	\$ 373,614	\$ 479,520	\$ 1,132,467

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2008 and 2007

17. General and administrative expenses

	<u>2008</u>	<u>2007</u>
Travel	\$ 116,745	\$ 78,715
Advertising and promotion	92,434	213,858
Rent	72,828	33,108
Exchange fees, transfer agent & shareholder communication	28,130	33,760
Office and administration	23,830	44,013
Bookkeeping	22,000	21,450
Conference	16,031	5,495
Telephone	10,770	5,995
Insurance	6,947	9,811
Customer support	5,149	8,614
Bank charges and interest	3,890	2,795
Donations	-	5,000
	\$ 398,754	\$ 462,614

18. Comparative Amounts

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

19. Subsequent Events

On January 12, 2009 Simberi announced that its wholly owned subsidiary PTM has signed a Memorandum of Understanding ("MOU") with Gecamines based on the 1997 agreement that will be the basis to establish a joint venture to exploit the Kakanda tailings deposit. This MOU is in accordance with the government of the Democratic Republic of the Congo Mining Revisitation Program. The MOU allow PTM to be a major shareholder with between 51% and 70% of the project. The final holding will be confirmed after the updating of the feasibility study that is expected to be completed within six (6) months following the signing of this MOU. The new feasibility study will also incorporate the additional tailings deposited on the site since the original feasibility study completed in 1997.

On February 26, 2009 Simberi completed a private placement for gross proceeds of \$65,000 through the sale of 6,500,000 non flow-through shares at an issue price of \$ 0.01 per share. All securities issued pursuant to the private placement will be subject to a four month hold period following the closing date.