

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

For the six months ended June 30, 2008

SIMBERI MINING CORPORATION
(A Development Stage Company)
NOTICE TO SHAREHOLDERS

For the Six Months Ended June 30, 2008

Responsibility for Financial Statements

The accompanying interim consolidated financial statements for Simberi Mining Corporation for the six months ended June 30, 2008 and 2007 have been prepared by management in accordance with Canadian generally accepted accounting principles applicable to interim financial statements (see note 2 to the interim consolidated financial statements). Recognizing that the Corporation is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these financial statements have been fairly presented.

Auditors Involvement

McCarney Greenwood LLP, Chartered Accountants, the external auditors of Simberi Mining Corporation have not audited or performed a review of the unaudited interim consolidated financial statements for the six months ended June 30, 2008 and 2007 nor have they conducted any procedures with respect to the supplementary financial schedules included herein.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Interim Consolidated Balance Sheets

	As at June 30, 2008 (unaudited)	As at December 31, 2007 (audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 549,948	\$ 1,480,679
Sundry receivable	91,786	200,285
Receivable from sale of Mt. Elephant <i>(note 9(i))</i>	24,350	21,675
Marketable securities held for trading <i>(note 9(i))</i>	155,840	-
Prepaid expenses	77,745	83,318
Due from former related party <i>(note 6(d))</i>	23,610	21,016
Loan receivable <i>(note 7)</i>	50,930	49,405
Financial assets available for sale <i>(note 8(i))</i>	598,443	585,187
	<u>1,572,652</u>	<u>2,441,565</u>
Receivable from sale of Mt. Elephant <i>(note 9(i))</i>	97,400	86,700
Investment in Gaelic Gold Corporation <i>(note 8(ii))</i>	250,000	250,000
Mining interests <i>(note 9)</i>	5,619,855	5,077,050
Equipment <i>(note 5)</i>	22,870	27,123
	<u>\$ 7,562,777</u>	<u>\$ 7,882,438</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 148,281	\$ 148,415
SHAREHOLDERS' EQUITY		
Share capital <i>(note 10(a))</i>	10,537,042	10,472,042
Warrants <i>(note 10(c))</i>	954,906	954,906
Contributed surplus <i>(note 10(d))</i>	3,651,741	3,642,107
Accumulated other comprehensive income	5,443	(7,813)
Deficit	(7,734,636)	(7,327,219)
	<u>7,414,496</u>	<u>7,734,023</u>
	<u>\$ 7,562,777</u>	<u>\$ 7,882,438</u>

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

Approved by the Board of Directors

Signed

_____ Director

Signed

_____ Director

SIMBERI MINING CORPORATION
(A Development Stage Company)
Interim Consolidated Statements of Operations and Deficit (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		Cumulative from Incorporation October 28,
	2008	2007	2008	2007	2003
REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES					
Professional and consulting fees	111,120	104,750	202,470	208,527	2,383,020
General and administrative	83,439	208,764	263,196	298,873	1,748,688
Legal and audit	48,644	65,641	79,211	89,161	573,355
Stock option compensation (<i>note 10 (d)</i>)	3,594	151,637	9,634	317,490	1,716,990
Investor relations	-	13,400	-	120,265	369,071
Directors' compensation	-	-	16,500	-	139,500
Foreign exchange loss (gain)	(3,874)	5,371	(18,461)	7,876	37,389
Due diligence costs	-	-	-	-	150,000
Financing costs written off	-	-	-	-	436,319
Amortization	2,039	301	4,077	1,062	12,497
Write-down of mining interests	-	-	-	-	170,974
	244,962	549,864	556,627	1,043,254	7,737,803
Loss for the period before the undernoted	(244,962)	(549,864)	(556,627)	(1,043,254)	(7,737,803)
Gain (loss) on sale of investment	-	(8,136)	-	(8,136)	758,615
Gain on sale of mining interest	128,570	-	128,570	-	1,396,570
Gain from write-off of net liabilities assumed					
From related party	-	-	-	-	29,880
Non-controlling interest's share of income	-	-	-	-	(175)
Impairment of goodwill (<i>note 4</i>)	-	-	-	-	(2,050,174)
Interest income	6,722	50,600	20,640	74,604	338,636
Net loss for the period	(109,670)	(507,400)	(407,417)	(976,786)	(7,264,451)
Retroactive reinstatement of stock-based Compensation	-	-	-	-	(4,581)
Deficit, beginning of period	(7,624,966)	(5,945,402)	(7,327,219)	(5,476,016)	(7,269,032)
Reorganization costs	-	-	-	-	(465,604)
Deficit, end of period	\$(7,734,636)	\$(6,452,802)	\$(7,734,636)	\$(6,452,802)	\$(7,734,636)
Basic and diluted loss per share (<i>note 10 (e)</i>)	(0.00)	(0.00)	\$ (0.00)	\$ (0.01)	

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

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

	Three Months Ended		Six Months Ended		Cumulative from
	June 30,		June 30,		Incorporation
	2008	2007	2008	2007	October 28, 2003
Cash flow from operating activities					
Net loss for the period	\$ (109,668)	\$ (507,400)	\$ (407,417)	\$ (976,786)	\$ (7,264,451)
Adjustment for:					
Stock-option compensation (<i>note 8(b)</i>)	3,594	151,637	9,634	317,490	1,716,990
Amortization	2,039	301	4,077	1,062	12,497
Prepaid financing costs written off	-	-	-	-	60,010
(Loss) Gain on sale of investment	-	8,136	-	8,136	(758,615)
Shares issued for third party services	-	-	-	-	225,000
Gain on sale of mining interest	(128,570)	-	(128,570)	-	(1,396,570)
Non-controlling interest	-	-	-	-	175
Write-down of mining interest	-	-	-	-	170,974
Impairment of goodwill (<i>note 4</i>)	-	-	-	-	2,050,174
Changes in non-cash items:					
Sundry receivable and prepaid expenses	(43,627)	(133,385)	98,104	(111,046)	(293,870)
Accounts payable and accrued liabilities	68,228	(30,057)	(134)	21,874	148,281
Cash flows used in operating activities	(208,004)	(510,768)	(424,305)	(739,270)	(5,329,405)
Cash flow from investing activities					
Mining interest acquisition on amalgamation	-	-	-	-	(885,870)
Mining interest expenditures	(284,690)	(513,076)	(541,275)	(845,239)	(8,309,910)
Proceeds on sale of mining interest	36,200	-	36,200	-	4,393,058
Additions to equipment	-	-	174	-	(35,369)
Investment in New Congo Resource Development Company	-	-	-	-	(100,000)
Purchase of investments	-	-	-	(1,150,000)	(2,419,000)
Proceeds on sale of investment	-	298,864	-	298,864	2,881,890
Exploration advances	-	57,113	-	(35,184)	-
Cash flows used in investing activities	(248,490)	(157,099)	(504,901)	(1,731,559)	(4,475,201)
Cash flow from financing activities					
Loan receivable	(1,525)	4,475	(1,525)	5,100	(50,930)
Reorganization costs	-	-	-	-	(465,607)
Due to/from related parties	-	887	-	5,040	(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	(1,525)	5,362	(1,525)	10,140	10,354,554
Change in cash and cash equivalents during the period	(458,019)	(662,505)	(930,731)	(2,460,689)	549,948
Cash and cash equivalents, beginning of period	1,007,967	3,518,769	1,480,679	5,316,953	-
Cash and cash equivalents, end of period	\$ 549,948	\$ 2,856,264	\$ 549,948	\$ 2,856,264	\$ 549,948

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

SIMBERI MINING CORPORATION**(A Development Stage Company)****Interim Consolidated Statement of Comprehensive Income and Accumulated Other Comprehensive Income**
(unaudited)

Statement of Comprehensive Income	Three months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net loss	\$ (109,670)	\$ (507,400)	\$ (407,417)	\$ (976,786)
Other comprehensive income				
Unrealized gain on financial assets available for sale	(1,787)	(25,878)	13,256	(29,800)
Comprehensive loss, end of period	(111,457)	(533,278)	\$ (409,204)	\$(1,006,586)

Statement of Accumulated Other Comprehensive Income	As at	As at
	June 30, 2008	December 31, 2007
Balance, beginning of period	\$ (7,813)	\$ -
Adjustment on transition	-	
Other comprehensive income (loss)	13,256	(7,813)
Balance, end of period	\$ 5,443	\$ (7,813)

The accompanying notes are an integral part of these 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, 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

These unaudited interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles using the same significant accounting policies as the Company's audited consolidated financial statements for the year ended December 31, 2007, except for the changes in accounting policies described below. These financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2007.

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008.

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 interim 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", revision 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 11 to these interim financial statements.

Recent accounting pronouncements

Goodwill and Intangible Assets

In October 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of this new accounting standard on its financial statements.

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 July 31, 2011. 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.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Interim Consolidated Financial Statements
June 30, 2008

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 three and six months ended June 30, 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 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)
	<hr/>
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 \$.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.

SIMBERI MINING CORPORATION
(A Development Stage Company)
Notes to Interim Consolidated Financial Statements
June 30, 2008

5. Equipment

	Cost	Accumulated Amortization	Net Book Value	
			June 30, 2008	December 31, 2007
Computer equipment	\$ 16,280	\$ 7,419	\$ 8,861	\$ 10,432
Office furniture	12,819	3,826	8,993	11,048
Leasehold improvements	6,270	1,254	5,016	5,643
	\$ 35,369	\$ 12,499	\$ 22,870	\$ 27,123

6. Related Party Transactions

- (a) During the six months ended June 30, 2008 \$101,488 was charged by Porphyry Inc., a company owned by a director and officer, for services rendered and for reimbursement of expenses. Of this amount \$60,000 (2007 - \$60,000) was included in professional and consulting fees for management services; the remainder of \$41,488 (2007 - \$30,208) was a reimbursement of expenses and was included in general and administrative. During the three months ended June 30, 2008 Porphyry Inc. charged \$30,000 (2007 - \$30,000) for services rendered and \$5,196 (2007 - \$13,698) for reimbursement of expenses. The \$30,000 (2007 - \$30,000) was included in professional and consulting fees for management services and the \$5,196 (2007 - \$13,698) was included in general and administrative. As at June 30, 2008 \$10,000 (December 31 2007 - nil) was owed to Porphyry Inc. for management services.
- (b) In the first quarter the Company paid directors fees of \$16,500 (2007 – nil).
- (c) In the first quarter of 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 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. The advance was repaid in the first quarter of 2008.
- (d) During the six months ended June 30, 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. During 2007 this director resigned and is therefore no longer a related party. As at December 31, 2007, \$21,016 is due from this individual and is recorded on the balance sheet as due from former related party. The amount due is non-interest bearing and has no specific terms of repayment.
- (e) During the six months ended June 30, 2008 the Company paid \$8,250 (2007 - \$16,415) 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. During the three months ended June 30, 2008 the Company paid Norite \$Nil (2007 - \$10,750) in consulting fees for corporate secretarial services.
- (f) During the six months ended June 30, 2008 the Company paid WATT Capital Inc. (“WATT”), a company owned by the Vice President, \$30,000 (2007 \$Nil) in consulting fees for management and Corporate/Mineral Development services. During the three months ended June 30, 2008 the Company paid WATT \$18,000 (2007 \$Nil) for these 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 Interim Consolidated Financial Statements
June 30, 2008

7. Loan Receivable

The loan receivable in the amount of \$50,930 (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.

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

- (i) The financial assets available for sale 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.

9. Mining Interests

As of June 30, 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 June 30, 2008
		Additions		Additions	
Australian Properties (i) (note 16)	\$ 92,427	\$ 641,043	\$ 733,470	\$ 221,023	\$ 954,493
New Congo Property (ii)					
Acquisition cost	149,652	-	149,652	-	149,652
Regulatory fees	96,489	95,819	192,308	8,322	200,630
Travel and accommodation	223,782	65,877	289,659	26,498	316,157
General exploration	169,055	-	169,055	-	169,055
Consulting fees	1,061,069	210,343	1,271,412	55,508	1,326,920
Joint venture facilitation costs	1,017,047	-	1,017,047	-	1,017,047
General and administrative	421,769	291,653	713,422	121,159	834,581
Legal fees	179,004	362,021	541,025	110,295	651,320
Book value of mineral property	3,317,867	1,025,713	4,343,580	321,782	4,665,362
Mining Properties	\$ 3,410,294	\$ 1,666,756	\$ 5,077,050	542,805	5,619,855

- (i) As at June 30, 2008, the Company, through its wholly owned Australian subsidiaries (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.

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:

9. Mining Interests (continued)

- (a) A cash payment of AU\$50,000 (CDN\$50,084);
- (b) Annual payments of AU\$25,000 to total AU\$125,000 (CDN\$121,750). CDN\$24,350 is included in current assets and CDN\$97,400 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).

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 \$500,000 (\$100,000 in cash and the balance of \$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 marketable securities 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 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 lignite project.

The sale resulted in a gain of AU \$130,913 (CDN \$128,570).

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:

9. Mining Interests (continued)

- (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
Total Liabilities	nil
Net Assets acquired	<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 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) Simberi through its wholly owned subsidiary, PTM Minerals (Cayman) Ltd. (“PTM”), has a 51% interest in the Kakanda Copper-Cobalt Property through a joint venture agreement between La Générale des Carrières et des Mines (“Gecamines”), the Congo’s state mining company. The Property is held under Permis d’Exploitation No 469, issued in the name of Gecamines under which the concession was transferred to a joint venture with PTM Minerals after completion of a feasibility study in 1997. Simberi purchased 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 Copper/Cobalt project (the “Kakanda Project”) in the DRC. 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.

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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 (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
Issuance of shares (vi)	1,000,000	50,000
Issuance of shares (vii)	300,000	15,000
Balance, June 30, 2008	164,211,831	\$ 10,537,042

- (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.
- (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 \$0.075, as part of a consulting agreement with various parties on assisting with the development of the Kakanda project in the DRC. The common shares were valued at \$225,000.

10. Share Capital (continued)

- (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 9). 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 9). The common shares were valued at \$120,000.
- (vi) 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.
- (vii) 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 six months ended June 30, 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.

On April 22, 2008 the Company granted 1,600,000 stock options 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.

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10. Share Capital (continued)

The changes in stock options for the six months ended June 30, 2008 and the year ended December 31, 2007 are as follows:

	Number	2008 Weighted Average Exercise Price Per Share	Number	2007 Weighted Average Exercise Price Per Share
Outstanding, beginning of the period/year	13,485,000	\$ 0.14	17,085,000	\$ 0.14
Activity in the period/year:				
Granted	1,900,000	0.10	100,000	0.10
Cancelled	(2,250,000)	0.15	(200,000)	0.22
Expired	(2,475,000)	-	(3,500,000)	0.13
Outstanding, end of the period/year	10,660,000	\$ 0.12	13,485,000	\$ 0.14
Options exercisable at period/year end	8,776,667		13,251,666	
Weighted average fair value of				
Options granted during the period/year		\$ 0.10		\$ 0.10

As at June 30, 2008, 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
11,798	200,000	\$ 0.12	October 10, 2008	200,000	0.28
445,333	1,960,000	\$ 0.15	May 13, 2009	1,960,000	0.86
273,000	5,250,000	\$ 0.10	August 24, 2010	5,250,000	2.15
234,000	1,000,000	\$ 0.24	January 30, 2011	1,000,000	2.59
11,600	50,000	\$ 0.24	April 11, 2011	50,000	2.78
5,750	50,000	\$ 0.12	August 17, 2011	50,000	3.13
14,589	150,000	\$ 0.12	October 10, 2011	150,000	3.28
5,773	100,000	\$ 0.10	June 18, 2012	66,667	3.97
12,028	300,000	\$ 0.10	March 13, 2013	50,000	4.70
77,862	1,600,000	\$ 0.10	April 22, 2013	-	4.81
\$ 1,091,733	10,660,000			8,776,667	2.43

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10. Share Capital (continued)

(c) Warrants

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

The changes in warrants for each of the six months ended June 30, 2008 and the year ended December 31, 2007 are as follows:

	Six months ended June 30, 2008		Twelve months ended December 31, 2007	
	Number of Warrants	\$ Amount	Number of Warrants	\$ Amount
Balance outstanding, Beginning of period/year	13,875,000	\$ 954,906	39,875,000	\$ 2,956,906
Activity in the period/year:				
Expired	-	-	(26,000,000)	(2,002,000)
Balance outstanding, End of period/year	13,875,000	\$ 954,906	13,875,000	\$ 954,906

The following table summarizes the warrants outstanding at June 30, 2008.

Black-Scholes Value	Exercise Price	Expiry Date	Number of Warrants Outstanding at June 30, 2008
\$ 954,906	\$ 0.20	November 16, 2008	13,875,000

(d) Contributed Surplus

For the six months ended June 30, 2008, stock compensation of \$9,634 (2007 - \$317,490) 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.

The following is a continuity of contributed surplus for the six months ended June 30, 2008.

	<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 based compensation Q1	6,040
Stock based compensation Q2	3,594
Balance, June 30, 2008	\$ 3,651,741

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10. Share Capital (continued)

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Numerator:				
Net Loss for the period attributable to common shareholders				
- basic and fully diluted	\$ 109,668	\$ 507,400	\$ 407,417	\$ 976,786
Denominator:				
Weighted average number of common shares outstanding	164,044,798	157,661,831	163,478,315	157,661,831
Basic loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

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

11. Financial Instruments and Related Risk Factors

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.

Classification of financial instruments

Available-for-sale assets are those non-derivative financial assets that are designated as AFS or are not classified as loans and receivables, HTM 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 transferred to the consolidated statement of operations. Assets included in this category are temporary investments.

Cash and cash equivalents are classified as held for trading. Receivables have been classified as loans and receivables. Accounts payables and accrued liabilities have been classified as other financial liabilities.

As at June 30, 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.

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11. Financial Instruments and Related Risk Factors (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2008, the Company had cash and short term investments of \$1,148,391 to settle current liabilities of \$148,277. 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

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.

12. Segmented Information

	<i>June 30, 2008</i>			
	Canada	Congo	Other Areas	Consolidated
Current assets	\$ 1,257,796	\$ 53,660	\$ 261,196	\$1,572,652
Long-term assets	994,987	4,421,652	573,486	5,990,125
	\$ 2,252,783	\$ 4,475,312	\$ 834,682	\$7,562,777
	<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

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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>

14. Comparative Amounts

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

15. Supplemental information for the Statement of Cash Flows

For the six months ended June 30	2008	2007
<i>Supplementary information:</i>		
Interest paid	-	-
Income taxes paid	-	-
<i>Non Monetary Transactions:</i>		
Shares issued for mineral properties	-	-
Shares issued for third party services	-	-

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16. Australian Properties

	Zanthus	Mt Sarah	Mt Narlee	Lambina	Merlot	Total
Tenement costs	485	605	838	605	1,501	4,035
Payment for purchase of Merlot	-	-	-	-	107,200	107,200
Acquisition of exploration license	-	-	-	96,565	-	96,565
Application fee	543	-	-	-	-	543
Contract Geologist	-	-	-	-	4,619	4,619
Field Assistant	-	-	-	931	7,091	8,022
Geologist Managing director	-	4,657	1,862	5,123	30,640	42,282
Geochemistry	-	-	-	2,401	1,323	3,724
Petrology	-	-	-	-	559	559
Field expense - Vehicle	-	-	-	1,242	1,118	2,360
Field Communications	-	-	-	-	968	968
Gravity Survey	-	-	-	-	-	-
Aerial Survey	-	-	-	-	-726	-726
Geophysical consultants	-	1,016	1,608	847	2,286	5,757
Tenement services	-	-	-	-	-	-
Mines department	-	-	75	-	-	75
Admin	-	1,397	1,537	-	-	2,934
Native Title Clearance	-	566	566	-	2,116	3,248
Native Title Legal	-	-	-	-	-	-
Native Title Consultants	2,328	-	-	-	-	2,328
Sale of Zanthus	-63,470	-	-	-	-	-63,470
	-60,114	8,241	6,486	107,714	158,695	221,023
Balance at December 31, 2007	60,114	151,606	95,869	247,435	178,446	733,470
Balance at June 30, 2008	0	159,847	102,355	355,149	337,141	954,493