

LA QUINTA RESOURCES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006
(Expressed in Canadian Dollars)



AUDITORS' REPORT

To the Shareholders of
La Quinta Resources Corporation

We have audited the consolidated balance sheets of La Quinta Resources Corporation as at December 31, 2007 and 2006, and the consolidated statements of loss and comprehensive loss, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

"Morgan & Company"

May 21, 2008

Chartered Accountants

LA QUINTA RESOURCES CORPORATION

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	DECEMBER 31	
	2007	2006
ASSETS		
Current		
Cash and cash equivalents	\$ 198,202	\$ 144,650
Short term investments	-	750,000
Amounts receivable	95,756	45,005
Prepaid expenses	54,734	28,017
	<u>348,692</u>	<u>967,672</u>
Amount Due From Related Party (Note 4)	4,173	-
Equipment (Note 5)	249,516	32,364
Mineral Properties And Deferred Exploration Expenditures (Note 6)	2,000,157	1,194,758
	<u>\$ 2,602,538</u>	<u>\$ 2,194,794</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 138,730	\$ 51,545
Amount due to related party (Note 7)	40,709	-
	<u>179,439</u>	<u>51,545</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 8)	5,145,080	2,787,394
Contributed Surplus	979,924	44,300
Deficit	(3,701,905)	(688,445)
	<u>2,423,099</u>	<u>2,143,249</u>
	<u>\$ 2,602,538</u>	<u>\$ 2,194,794</u>

Commitments And Contractual Obligations (Note 11)

Approved on behalf of the Directors:

"Glen Watson"

Director

"Dustin Henderson"

Director

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

LA QUINTA RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	YEARS ENDED DECEMBER 31	
	2007	2006
Expenses		
Amortization	\$ 31,205	\$ 3,640
Bank charges and interest	10,502	1,019
Consulting fees	223,362	6,858
Foreign exchange	48,056	-
Management fees	257,781	71,050
Office and miscellaneous	147,686	23,631
Professional fees	184,261	130,709
Property investigation costs	145,877	100,709
Rent	96,121	23,839
Shareholder communications	243,119	90,350
Stock based compensation	416,400	-
Telephone	64,370	15,610
Transfer and regulatory fees	37,829	35,593
Travel and entertainment	268,903	45,824
Wages and salaries	162,387	-
	(2,337,859)	(548,832)
Loss Before Other Income (Expenses), Minority Interest And Income Taxes		
Other Income (Expenses)		
Interest income	29,291	15,284
Write off of mineral properties and deferred exploration costs	(726,126)	-
	(3,034,694)	(533,548)
Loss Before Minority Interest And Income Taxes		
Minority Interest	21,234	-
Loss before Income Taxes	(3,013,460)	(533,548)
Income taxes		
Future income tax recovery (Note 10)	-	117,215
Net Loss And Comprehensive Loss For The Year	\$ (3,013,460)	\$ (416,333)
Basic And Diluted Loss Per Share	\$ (0.15)	\$ (0.04)
Weighted Average Number Of Shares Outstanding, Basic and Diluted	19,859,853	10,728,425

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

LA QUINTA RESOURCES CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	YEARS ENDED DECEMBER 31	
	2007	2006
Cash Flows (Used By) Operating Activities		
Net loss for the year	\$ (3,013,460)	\$ (416,333)
Add (Deduct): Items not involving cash:		
Amortization	31,205	3,640
Stock based compensation	416,400	-
Write off of mineral property and deferred development expenditures	726,126	-
Minority interest	(21,234)	-
Future income tax recovery	-	(117,215)
	<u>(1,860,963)</u>	<u>(529,908)</u>
Changes in non-cash working capital items:		
Amounts receivable	(50,751)	(33,380)
Prepaid expenses	(14,656)	(20,848)
Accounts payable and accrued liabilities	26,610	(31,768)
	<u>(1,899,760)</u>	<u>(615,904)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of share capital, net	2,779,200	1,730,380
Proceeds from amounts due to (from) related parties, net	36,536	-
	<u>2,815,736</u>	<u>1,730,380</u>
Cash Flows (Used By) Investing Activities		
Proceeds from (purchase of) short term investments	750,000	(750,000)
Purchase of equipment	(241,981)	(27,675)
Mineral properties and deferred exploration expenditures	(1,370,443)	(975,669)
	<u>(862,424)</u>	<u>(1,753,344)</u>
Increase (Decrease) In Cash And Cash Equivalents	53,552	(638,868)
Cash And Cash Equivalents, Beginning Of Year	144,650	783,518
Cash And Cash Equivalents, End Of Year	\$ 198,202	\$ 144,650
Supplementary Cash Flow Information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-Cash Financing And Investing Activities		
Shares issued for property acquisition	\$ 75,000	\$ 34,000
Shares issued as finders' fees on mineral property acquisition	\$ 22,710	\$ -
Fair value of agent's warrants issued as finder's fees on private placement	\$ 115,600	\$ -
Fair valuation of granting extensions to the original expiry date of share purchase warrants	\$ 536,200	\$ -

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

LA QUINTA RESOURCES CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

DECEMBER 31, 2007 AND 2006

(Expressed in Canadian Dollars)

	COMMON STOCK		CONTRIBUTED SURPLUS	DEFICIT	TOTAL SHAREHOLDER'S EQUITY
	SHARES	AMOUNT			
Balance, December 31, 2005	9,238,000	\$ 1,140,229	\$ 44,300	\$ (272,112)	\$ 912,417
Shares issued for cash	5,535,000	1,731,000	-	-	1,731,000
Shares issued for mineral properties	140,000	34,000	-	-	34,000
Shares issued on exercise of agents warrants	67,500	27,000	-	-	27,000
Shares issued on exercise of agents options	382,580	95,645	-	-	95,645
Income tax benefit renounced	-	(117,215)	-	-	(117,215)
Share issuance costs	-	(123,265)	-	-	(123,265)
Loss for the year	-	-	-	(416,333)	(416,333)
Balance, December 31, 2006	15,363,080	2,787,394	44,300	(688,445)	2,143,249
Shares issued on exercise of share purchase warrants	1,202,500	390,750	-	-	390,750
Shares issued on exercise of stock options	175,000	73,226	(16,976)	-	56,250
Shares issued pursuant to private placement	5,070,000	2,332,200	-	-	2,332,200
Shares issued for mineral property acquisition	100,000	75,000	-	-	75,000
Shares issued for finders fees	50,466	22,710	-	-	22,710
Fair value of share purchase warrant exercise extensions, allocated to share issuance costs	-	(536,200)	536,200	-	-
Stock based compensation	-	-	416,400	-	416,400
Loss for the year	-	-	-	(3,013,460)	(3,013,460)
Balance, December 31, 2007	21,961,046	\$ 5,145,080	\$ 979,924	\$ (3,701,905)	\$ 2,423,099

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

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

The Company was incorporated on August 17, 2004 in British Columbia, Canada, and began active operations on that date. The Company holds mineral interests in Canada, Mexico and the Democratic Republic of Congo (“Congo” or “the Congo”).

Subsequent to the year end, in January 2008, a new Congolese company, La Quinta MSK sprl. (“MSK”), was incorporated, a company in which the Company will have the opportunity of earning an 80% equity interest. (Note 6)

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Management considers the use of the going concern assumption to be appropriate but the Company does not have sufficient cash to meet its planned exploration and administration costs for the year ending December 31, 2008.

The ability of the Company to continue as a going concern is dependent on the continued support of its directors and officers, and the attainment of additional debt or equity financing to finance its investing and operating activities in the current fiscal year. Management plans to raise share capital to fund its operations and commitments.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown as mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The consolidated financial statements include the operations of the Company and its wholly-owned subsidiary, Can-Mex Barite, S.A. de C.V., a company incorporated in Mexico, and its 80% interest in La Quinta Congo SPRL, a company which was incorporated in the Congo on May 29, 2007. All significant inter-company balances and transactions have been eliminated in the consolidation.

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada. All financial figures are presented in Canadian dollars unless otherwise stated.

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006
(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Presentation (Continued)

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

b) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the 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.

Significant areas requiring the use of management estimates include those related to the determination as to whether costs are expensed or capitalized; the establishment of accounts payable and accrued liabilities; estimates to accounts for the abandonment of long-lived assets; assumptions used in determining the fair value of non-cash stock-based compensation; the fair value of stock issued as finders fees; and the fair valuation of share purchase warrants which have been subject to expiry extensions and future tax asset valuations. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years could differ from these estimates.

c) Foreign Currency Translation

The operations of the Company's subsidiaries are determined to be of an integrated nature.

Currency transactions and balances are translated into the Canadian dollar reporting currency using the temporal method as follows:

- i) Monetary items are translated at the rates prevailing at the balance sheet date;
- ii) Non-monetary items are translated at historical rates;
- iii) Revenues and expenses are translated at the average rates in effect during applicable accounting periods, except amortization, which is translated at historical rates;
- iv) Gains and losses on foreign currency translation are reflected in the consolidated statements of loss and comprehensive loss.

LA QUINTA RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

e) Financial Instruments

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

The Company has monetary assets, represented by foreign currency financial instruments in Mexico and the Congo. The Company could, accordingly, be at risk for foreign currency fluctuations and developing legal and political environments. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

f) Equipment

Equipment is recorded at cost and amortized over their estimated useful lives at the following annual rates:

Computer equipment	Over 3 to 4 years straight line basis
Office furniture and equipment	Over 4 to 5 years straight line basis
Vehicles	Over 4 years straight line basis

g) Mineral Properties and Related Deferred Exploration Expenditures

The Company accounts for its mineral properties on a cost basis whereby all direct costs, net of pre-production revenue, relative to the acquisition of, exploration of the properties are capitalized. Amounts shown for the mineral properties represent capitalized costs incurred and are not intended to reflect present or future values. All sales and option proceeds received are first credited against the costs of the related property, with any excess credited to earnings. Once commercial production has commenced, the net costs of the applicable property are charged to operations using the unit-of-production method based upon estimated proven and probable recoverable reserves. The net costs related to abandoned properties are charged to operations. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based on changes in conditions and assumptions, that a material change in the recorded amounts could be required.

LA QUINTA RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Mineral Properties and Related Deferred Exploration Expenditures (Continued)

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

h) Impairment of long-lived assets

Long-lived assets to be held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets, as at December 31, 2007.

i) Asset Retirement Obligations

The Company follows the recommendations in CICA Handbook Section 3110 – "Asset Retirement Obligations" with respect to asset retirement obligations. Under Section 3110, legal obligations associated with the retirement of long-lived assets are recorded as liabilities. The liabilities are calculated using the net present value of the cash flows required to settle the obligation. A corresponding amount is capitalized to the related asset. Asset retirement costs are charged to earnings in a manner consistent with the amortization of the underlying asset. The liabilities are subject to accretion over time for changes in the fair value of the liability through charges to accretion which are included in the statement of operations.

It is possible that the Company's estimates of its ultimate asset retirement obligations could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised. As at December 31, 2007, the Company does not have any asset retirement obligations.

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Stock Based Compensation

The Company's Option Plan provides for granting of stock options to directors, officers and employees. The Company uses the fair value method for valuing stock option grants. Compensation costs attributable to share options granted are measured at fair value at the grant date and are expensed over vesting periods with a corresponding increase to contributed surplus. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

k) Flow-Through Shares

Resource expenditure deductions for Canadian income tax purposes related to Canadian exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. On the date the expenditures are renounced, the Company records the income tax benefit arising from the renunciation as a recovery of income taxes in the statement of operations and a corresponding reduction in the share capital amounts recorded from the sale of the flow-through shares proceeds.

l) Income Taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are measured using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Valuation allowances are provided where future income tax assets are more likely than not to be realized.

m) Earnings Per Share

Basic earnings per share has been computed by dividing the earnings attributable to common shareholders by the weighted average number of common shares outstanding.

Diluted earnings per share is calculated using the treasury stock method, under which the deemed proceeds of the exercise of options and warrants are considered to be used to reacquire common shares at an average price per share. In computing diluted earnings per share, no shares were added to the weighted average number of common shares outstanding during the years ended December 31, 2007 and 2006 as the effect of potentially issuable common shares is anti-dilutive.

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006
(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Variable Interest Entities

The Canadian Institute of Chartered Accountants (CICA) issued Accounting Guideline 15, "Consolidation of Variable Interest Entities", to provide accounting guidance related to variable interest entities ("VIE"). A VIE exists when the entity's equity investment is at risk. When a VIE is determined to exist the guidance requires the VIE to be consolidated by the primary beneficiary. The Company determined that as of December 31, 2007 it does not have a primary beneficiary interest in any VIE. Subsequent to the year end on the incorporation of La Quinta MSK sprl., the Company acquired its first VIE (Note 6(a)).

o) Recently Issued Accounting Pronouncements

The following accounting pronouncements are applicable to future reporting periods. The Company is currently evaluating the effects of adopting these standards:

i) Goodwill and Intangible Assets

On January 8, 2008, the CICA issued Section 3064, Goodwill and Intangible Assets. Section 3064, and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The Company is currently evaluating the effects of adopting these standards. This section applies to interim and annual financial statements relating to fiscal years beginning on or after December 1, 2008.

ii) Financial Instruments

On September 15 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. Section 1535, Capital Disclosures requires that a company disclose information that enables users of its financial statements to evaluate its objectives, policies and procedures for managing capital including disclosures of any externally imposed capital requirements and the consequences for non-compliance

The new Sections 3862 and 3863 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 disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. Sections 1535, 3862 and 3863 are effective for the Company for annual and interim financial statements commencing January 1, 2008.

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006
(Expressed in Canadian Dollars)

3. NEWLY ADOPTED ACCOUNTING POLICIES

Financial Instruments

Effective January 1, 2007, the Company adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA").

These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements.

The new standards and policies are as follows:

(i) Financial Instruments – Recognition and Measurement

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

Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognised in the income statement for the period.

(ii) Comprehensive Income

The standard introduces the concept of comprehensive income, which consists of net income and other comprehensive income. The Company financial statements now refer to Comprehensive Income, which include the components of other comprehensive income ("OCI"). For the Company, at December 31, 2007, there were no OCI items incurred to create a difference between the loss from operations and the comprehensive loss for the year.

Cumulative changes in OCI are included in Accumulated Other Comprehensive Income ("AOCI") which will be presented as a new category within shareholders equity in the Balance Sheet. As the Company incurred no transactions to create OCI the statement of AOCI has not been presented at December 31, 2007.

(iii) Hedges

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. As at December 31, 2007 the Company has not designated any hedging relationships.

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006
(Expressed in Canadian Dollars)

3. NEWLY ADOPTED ACCOUNTING POLICIES (Continued)

Accounting Changes

Effective January 1, 2007, the Company adopted CICA Section 1506, Accounting Changes, effective for annual and interim periods beginning on or after January 1, 2007. The new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and the correction of errors

The disclosure is to include, on an interim and annual basis, a description and the impact on the Company on any new primary source of GAAP that has been issued but is not yet effective. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

4. AMOUNT DUE FROM RELATED PARTY

Advance to Congo Consolidated Copper Inc., a private company controlled by two common directors. The advance is interest free, unsecured, and with no specified repayment terms.

5. EQUIPMENT

	2007		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Computer equipment	\$ 31,214	\$ 9,273	\$ 21,941
Office furniture and equipment	103,683	10,329	93,354
Vehicles	149,829	15,608	134,221
	\$ 284,726	\$ 35,210	\$ 249,516
	2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Computer equipment	\$ 14,621	\$ 2,192	\$ 12,429
Office furniture and equipment	21,747	1,812	19,935
	\$ 32,364	\$ 4,004	\$ 32,364

LA QUINTA RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	<u>2007</u>	<u>2006</u>
Maniema - South Kivu Gold Belt, Congo	\$ 1,019,723	\$ 371,822
La Virgen/Sanson Property, Sonora, Mexico	691,879	117,178
Kampene - South Kivu Province, Congo	288,555	-
Howell Property, British Columbia, Canada	-	503,107
Crowsnest Property, British Columbia, Canada	-	202,651
	<u>\$ 2,000,157</u>	<u>\$ 1,194,758</u>

a) Maniema - South Kivu Gold Belt, Congo

In August 2006 the Company entered into a Memorandum Of Understanding (MOU) with Wa Balengela Kasai-Investments Congo sprl, ("WBKasai or WBK") to explore and develop a contiguous group of 32 exploration licence areas comprising 7010 square kilometres in the southern portion of the Maniema – South Kivu Gold belt in the eastern Congo.

The Memorandum of Understanding gives the Company the right to earn into up to an 80% interest in a proposed joint venture by paying an aggregate of US\$1,500,000, issuing 8,000,000 common shares of the Company to WBK over the first three years of the agreement and expending a minimum of US \$2 million on the property in each of the next five years. Upon completion of a Feasibility Study, the joint venture will convert the licensed areas to a mineral license.

During the exploration period, ownership of the concessions shall remain vested with WBK and will be transferred to the joint venture company on completion of the Feasibility Study as contemplated in the MOU and formal documentation. WBK shall be responsible for assisting the joint venture company with government relations, local liaison and local management and expediting of the projects in the Congo.

On any gold production, the joint venture company shall pay WBK a net smelter returns royalty of 2.5%. The Company has also agreed to pay Finders or Agents fees in respect of the transaction in the amount of 550,000 shares issuable in six instalments, over the first three years of the agreement; prorated and made at the same time as the Company is required to make share payments to WBK.

The Original MOU provided for a 90 day due diligence period during which the Company had the right to conduct due diligence into the terms, conditions, validity and enforceability of WBK's concessions and exploration rights in the Congo. In October 2006, a Congolese-based mining company commenced an action in the British Columbia courts over the Congo acquisition claiming to have a prior agreement with WBK. The Company will be defending the lawsuit and as a consequence of this action, the Company suspended due diligence work and requested that WBK clear title in Congo.

LA QUINTA RESOURCES CORPORATION

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(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

a) Maniema - South Kivu Gold Belt, Congo (Continued)

WBK subsequently applied to the Commercial Court of the Congo to have the protocol between the Congo mining company and WB Kasai dated September 29, 2005 declared invalid. On March 13, 2007, the Commercial Court in Congo found in favour of WBK and against the Congo mining company and declared that the 2005 Protocol was null and void. The Congo mining company has appealed this decision. The Company is now working to complete the acquisition process on these properties under a formal extension to the due diligence process.

Subsequent to the year end, on the April 23, 2008, the Company and Wa Balengela Kasai Investments Congo sprl., ("WBK") signed formal agreements completing the formation of a Joint Venture Company, La Quinta MSK sprl. ("MSK") which will option and explore the area granted to WBK by the Cadastre Minier under the Mining Code of the Democratic Republic of Congo.

The formal Agreements give the Company the option to earn up to 80% in MSK with WBK, under the same terms as the original Memorandum of Understanding. Upon the commencement of the Joint Venture, the Company will hold a 10% interest MSK and WBK will hold 90% interest. The Company shall have the right to increase its interest in MSK to an 80% interest by making payments to WBK totalling US\$1,500,000 and issuing 8,000,000 shares of La Quinta Resources Corp. over the first three years of the agreement. Upon completion of all share issuances and cash payments, the Company will be vested with an 80% interest and WBK with a 20% interest in MSK.

The expenditure commitments under the option and Joint Venture agreement are as follows:

DATE	CASH PAYMENTS US\$	SHARES TO BE ISSUED	EXPENDITURE COMMITMENT US\$
On Signing of MOU	\$ 75,000 (paid)	-	\$ -
On completion of due diligence and entry into a JV Company	75,000	1,000,000	-
6 months	150,000	1,000,000	-
12 months	150,000	1,000,000	2,000,000
18 months	150,000	1,000,000	-
24 months	200,000	1,000,000	2,000,000
30 months	200,000	1,000,000	-
36 months	500,000	2,000,000	2,000,000
48 months	-	-	2,000,000
60 months	-	-	2,000,000
	<u>\$ 1,500,000</u>	<u>8,000,000</u>	<u>\$ 10,000,000</u>

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6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

a) Maniema - South Kivu Gold Belt, Congo (Continued)

	<u>2007</u>	<u>2006</u>
Acquisition Costs		
Option payments	\$ 84,120	\$ 84,120
Exploration Costs		
Assays	39,728	-
Camp costs	113,162	1,588
Engineering	286,113	286,114
Permits	6,131	-
Travel and consulting	343,529	-
Transport	23,121	-
Wages	123,819	-
	935,603	287,702
	\$ 1,019,723	\$ 371,822

b) La Virgen/Sanson (formerly Orofino,) Property, Sonora, Mexico

On June 23 and 29, 2006, the Company entered into two option agreements to acquire a 100% interest in the Sanson, El Quelitoso, La Perla and La Virgen claims in Sonora, Mexico. To earn its interest the Company is required to pay cash acquisition costs of US\$1,005,000 over 5 years, issue 1,000,000 shares and incur US\$150,000 expenditures on the claims. The properties are subject to a 1% Net Smelter Return, which may be purchased for US\$1,000,000.

The aggregated expenditure commitments under the option agreements are as follows:

DATE	CASH PAYMENTS US\$	SHARES TO BE ISSUED	EXPENDITURE COMMITMENT US\$
On letter agreement	\$ 20,000 (paid)	-	\$ -
On Signing	35,000 (paid)	100,000 (issued)	-
December 23/29, 2006	30,000 (paid)	-	50,000 (incurred)
June 23/29, 2007	65,000 (paid)	100,000 (issued)	100,000 (incurred)
June 23/29, 2008	122,500	200,000	-
June 23/29, 2009	150,000	200,000	-
June 23/29, 2010	200,000	200,000	-
June 23/29, 2011	382,500	200,000	-
	\$ 1,005,000	1,000,000	\$ 150,000

LA QUINTA RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

b) La Virgen/Sanson (formerly Orofino,) Property, Sonora, Mexico (Continued)

	<u>2007</u>	<u>2006</u>
Acquisition Costs		
Option payments	\$ 232,179	\$ 89,138
Exploration Costs		
Assay costs	35,028	-
Engineering	347,336	23,336
Field and camp costs	45,723	-
Reports, maps, fees and licenses	11,609	2,657
Transport	15,542	-
Travel	4,462	2,047
	<u>459,700</u>	<u>28,040</u>
	<u>\$ 691,879</u>	<u>\$ 117,178</u>

c) Kampene - South Kivu Province, Congo

The Company entered into a Lease agreement and option to purchase with Association Miniere du Kivu sprl ("AMIKI") to lease or acquire all of the exploration and mineral rights of AMIKI on the Kampene Project in South Kivu Province in the Democratic Republic of the Congo. The Kampene project covers 34 square kilometres and is covered by an Exploitation Licence allowing the Company to mine and sell all mineral products from the Licence area. The provisions of the MOU include a term of 10 years renewable as the Code Miniere allows, an annual property rental of US\$100,000 payable in advance, and a 1.5% Net Smelter Returns Royalty ("NSR") on all production. The Company has the option to buy out 100% of the NSR after 5 years for US\$2,000,000.

	<u>2007</u>	<u>2006</u>
Acquisition Costs		
Finders fees	\$ 22,710	\$ -
Exploration Costs		
Assays	63,370	-
Engineering	84,675	-
Lease payments	117,800	-
	<u>265,845</u>	<u>-</u>
	<u>\$ 288,555</u>	<u>\$ -</u>

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

d) Howell Property, British Columbia, Canada

On August 17, 2004, the Company accepted assignment of an option on the Howell property under which the Company can earn a 60% interest in the mineral property by paying cash acquisition costs of \$220,000 over 4 years, issuing 150,000 common shares and incurring exploration expenditures of \$900,000 over 4 years. The property is subject to a 3.0% net smelter returns royalty, 1% of which may be purchased for \$2,000,000. In addition, if the property goes into commercial production, the Company is required to pay a bonus to the royalty holders equal to \$1,000,000 if the mineral reserve is greater than 750,000 ounces, and \$200,000 if the mineral reserve is less than 750,000 ounces.

	<u>2007</u>	<u>2006</u>
Acquisition Costs		
Option payments	\$ 31,520	\$ 31,520
Exploration Costs		
Administration	4,040	4,040
Assays	8,436	3,692
Drilling	103,956	103,956
Engineering	95,654	89,870
Field and camp costs	179,937	179,937
Geophysical costs	76,353	76,353
Reports, maps, fees and licenses	446	446
Travel	13,293	13,293
	<u>482,115</u>	<u>471,587</u>
Total Costs Incurred	513,635	503,107
Mineral Property Write Off	<u>(513,635)</u>	-
	<u>\$ -</u>	<u>\$ 503,107</u>

On August 4, 2007, the Company abandoned its interest in the Howell Property.

LA QUINTA RESOURCES CORPORATION
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6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

e) Crowsnest Property, British Columbia, Canada

On August 17, 2004, the Company entered into an assignment of an option agreement with respect to the Crowsnest claims under which the Company can earn up to a 60% interest in the claims by paying cash acquisition costs of \$100,000 over 4 years, issuing 150,000 common shares and incurring \$800,000 of exploration expenditures on the claims. The property is subject to a 2% net smelter returns royalty, 1% of which may be purchased for \$1,000,000.

	<u>2007</u>	<u>2006</u>
Acquisition Costs		
Option payments	<u>\$ 54,399</u>	<u>\$ 54,399</u>
Exploration Costs		
Administration	1,854	1,854
Assay costs	10,910	10,910
Engineering	44,149	34,937
Field and camp costs	88,912	88,912
Claim maintenance fees	1,101	1,101
Reports, maps, fees and licenses	1,313	685
Travel	9,853	9,853
	<u>158,092</u>	<u>148,252</u>
Total Costs Incurred	212,491	202,651
Mineral Property Write Off	<u>(212,491)</u>	-
	<u>\$ -</u>	<u>\$ 202,651</u>

On August 4, 2007, the Company abandoned its interest in the Crowsnest Property.

7. AMOUNT DUE TO RELATED PARTY

Advances received from Wa Balengela Kasai-Investments Congo sprl, a 20% shareholder of La Quinta Congo sprl. The advances are interest free, unsecured, and with no specified repayment terms.

LA QUINTA RESOURCES CORPORATION
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8. SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

b) Issued:

i) During the year ended December 31, 2007, the Company issued 175,000 common shares for proceeds of \$56,250 on the exercise of stock options.

ii) During the year ended December 31, 2007, the Company issued 1,202,500 common shares for proceeds of \$390,750 on the exercise of share purchase warrants.

iii) On May 15, 2007 the Company closed a non-brokered private placement of 5,070,000 units at a price of \$0.50 per unit for gross proceeds of \$2,535,000. Each unit is comprised of one common share and one half share purchase warrant with each whole share purchase warrant entitling the holder to purchase one common share for a price of \$0.70 per share until May 7, 2008.

In payment for Agent's fees provided in connection with the private placement the Company paid \$202,800 cash and granted 405,600 Agent's warrants with a fair value of \$115,600. Each Agent's warrant entitles the holder to purchase one common share at \$0.70 until May 7, 2008.

All shares issued as a result of the exercises of warrants or Agent's warrants were subject to a four month hold period which expired September 8, 2007.

The fair value of each Agent's warrant issued is estimated using the Black-Scholes option pricing model with the following assumptions:

	2007	2006
Risk-free interest rate	4.18%	-
Expected life	1 year	-
Expected volatility	100%	-
Expected dividend yield	-	-
Weighted average of fair value of options granted	\$ 0.29	\$ -

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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8. SHARE CAPITAL

b) Issued (Continued)

- iv) On August 28, 2007, the Company issued 50,446 common shares of fair value \$22,710 for as finders fees for the acquisition by the Company of the Kampene mineral property.
- v) On July 20, 2007, the Company issued 100,000 common shares of fair value \$75,000 pursuant to the La Virgen/Sanson mineral property agreement.
- vi) In February 2006, the Company renounced exploration expenditures of \$344,750 to flow-through shareholders and reduced share capital by \$117,215 representing the tax benefit of the tax deduction renounced to these shareholders.
- vii) On August 18, 2006, the Company issued 1,665,000 units at a price of \$0.20 per unit for total consideration of \$333,000. Each unit consists of one common share and ½ share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 per share until February 17, 2007.

On August 31, 2006 the Company issued an additional 750,000 units at a price of \$0.20 per unit for total consideration of \$150,000. Each unit consists of one common share and ½ share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 per share until February 28, 2007.

In payment for services provided in connection with the issuances, the Company paid \$30,585.

- viii) On October 17, 2006, the Company issued 1,205,000 units at a price of \$0.40 per unit for total consideration of \$482,000. Each unit consists of one common share and ½ share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.60 per share until April 17, 2007. Subsequent to December 31, 2006, the term of the warrants was extended to October 17, 2007, and then further extended to January 17, 2008.

On November 10, 2006, the Company issued an additional 1,915,000 units at a price of \$0.40 per unit for total consideration of \$766,000. Each unit consists of one common share and ½ share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.60 per share until May 10, 2007. Subsequent to December 31, 2006, the term of the warrants was extended to October 17, 2007.

In payment for services provided in connection with the issuances the Company has paid \$92,680.

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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8. SHARE CAPITAL (Continued)

c) Stock Options

On October 15, 2004, the Company adopted a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company at prices to be determined and for a term not in excess of five years.

As at December 31, 2007, options were outstanding for the purchase of common shares as follows:

NUMBER OF SHARES	EXERCISE PRICE PER SHARE	NUMBER EXERCISABLE AT DECEMBER 31, 2007	EXPIRY DATE
650,000	\$ 0.25	650,000	March 31, 2010
220,000	0.50	220,000	February 8, 2010
475,000	0.70	475,000	August 30, 2010
250,000	0.50	200,000	March 29, 2012
200,000	0.59	100,000	April 18, 2012
250,000	0.60	250,000	May 2, 2012

A summary of changes in stock options for the years ended December 31, 2007 and 2006 is presented below:

	2007		2006	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	775,000	\$ 0.25	-	\$ -
Granted	1,470,000	0.59	775,000	0.25
Exercised	(175,000)	(0.32)	-	-
Cancelled	(25,000)	(0.59)	-	-
Balance, end of year	<u>2,045,000</u>	<u>\$ 0.49</u>	<u>775,000</u>	<u>\$ 0.25</u>

Subsequent to the year end options to purchase 70,000 common shares at \$0.50 were cancelled.

LA QUINTA RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

c) Stock Options (Continued)

On February 8, 2007 the Company granted options to purchase up to 295,000 common shares at a price of \$0.50 per share exercisable for a period of three years. The options vested immediately.

On March 29, 2007 the Company granted options to purchase up to 250,000 common shares at a price of \$0.50 per share exercisable for a period of three years. The options will vest as follows: - 150,000 immediately, 50,000 vested on September 29, 2007 and 50,000 vest on March 29, 2008.

On April 18, 2007 the Company granted options to purchase up to 200,000 common shares at a price of \$0.59 per share exercisable for a period of five years, pursuant to an investor relations contract. The options vest in equal instalments of 50,000 shares commencing July 18, 2007 and every three months thereafter.

On May 2, 2007 the Company granted options to purchase up to 250,000 common shares at a price of \$0.60 per share exercisable for a period of five years. The options vested 125,000 immediately and 125,000 on November 2, 2007.

On August 30, 2007, the Company granted options to purchase up to 475,000 common shares at a price of \$0.70 per share exercisable for a period of three years. The options vested immediately.

During the year ended December 31, 2007, the Company recorded \$416,400 (2006 - \$nil) in stock based compensation for options granted and vesting during the period.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	4.2%	-
Expected life	3.82 years	-
Expected volatility	78%	-
Expected dividend yield	-	-
Weighted average of fair value of options granted	\$ 0.29	\$ -

LA QUINTA RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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8. SHARE CAPITAL (Continued)

d) Broker Agent Options

A summary of changes in broker agent options for the years ended December 31, 2007 and 2006 is presented below:

	2007		2006	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	-	\$ -	394,340	\$ 0.25
Exercised	-	-	(382,580)	(0.25)
Expired	-	-	(11,760)	(0.25)
Balance, end of year	-	\$ -	-	\$ -

e) Share Purchase Warrants

As at December 31, 2007, the following share purchase warrants were outstanding:

NUMBER OUTSTANDING	EXERCISE PRICE	EXPIRY DATE
1,460,000	\$ 0.60	January 17, 2008
2,940,600	\$ 0.70	May 7, 2008

A summary of changes in share purchase warrants for the years ended December 31, 2007 and 2006 is presented below:

	2007		2006	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	2,767,500	\$ 0.47	-	\$ -
Issued	2,940,600	0.70	2,767,500	0.47
Exercised	(1,202,500)	(0.32)	-	-
Expired	(105,000)	(0.30)	-	-
Balance, end of period	4,400,600	\$ 0.67	2,767,500	\$ 0.47

LA QUINTA RESOURCES CORPORATION

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8. SHARE CAPITAL (Continued)

e) Share Purchase Warrants (Continued)

During the year ended December 31, 2007, the Company extended the exercise periods of 602,500 share purchase warrants originally expiring April 17, 2007, and 957,500 share purchase warrants originally expiring May 10, 2007, to October 17, 2007, and recorded the fair value of the warrant extensions as share issuance costs and a credit to contributed surplus of \$92,600 and \$308,500 respectively. On October 1, 2007, the Company again extended the expiry date of 1,560,000 share purchase warrants expiring October 17, 2007 to January 17, 2008, and recorded the fair value of the warrant extension as share issuance costs and a credit to contributed surplus of \$131,500.

The fair value of the share purchase warrant extensions is estimated on the date of warrant expiry using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	4.1%	-
Expected life	0.33 years	-
Expected volatility	71%	-
Expected dividend yield	-	-
Weighted average of fair value of warrants granted	\$ 0.12	\$ -

Subsequent to the year end 4,400,600 share purchase warrants expired unexercised.

e) Escrowed Shares

As at December 31, 2007, 1,086,000 (December 31, 2006 – 2,172,002) common shares are subject to an escrow agreement, their release subject to regulatory approval.

9. RELATED PARTY TRANSACTIONS AND AMOUNTS OWING

- a) Included in accounts payable is \$17,934 (2006 - \$27,885) due to directors and director-controlled companies.
- b) During the years ended December 31, 2007 and 2006 included in the financial statements are the following amounts charged or accrued to directors and companies with a common director:

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9. RELATED PARTY TRANSACTIONS AND AMOUNTS OWING (Continued)

	2007	2006
Balance Sheets		
Mineral property acquisition costs	\$ 22,710	\$ -
Deferred exploration expenditures	\$ 331,768	\$ 394,191
Share issuance costs – Share purchase warrant extensions	\$ 15,248	\$ -
Statement of Loss		
Consulting fees	\$ 157,366	\$ -
Management fees	257,781	71,050
Property investigation costs	143,733	100,708
Professional fees	-	9,000
Stock based compensation	218,579	-
	\$ 777,459	\$ 180,758

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

10. INCOME TAXES

The recovery of income taxes shown in the statements of operations and deficit differs from the amounts obtained by applying statutory rates due to the following:

	2007	2006
Statutory rates	34%	34%
Income tax recovery based upon reported loss	\$ (1,024,576)	\$ (179,431)
Lower effective tax rates in foreign jurisdictions	82,290	-
Permanent differences in foreign jurisdictions	(277,400)	-
Non-deductible items	144,826	-
Change in tax rates	73,120	-
Share issue costs	(36,564)	(14,913)
Tax effect of flow-through renunciation	-	(117,215)
Unrecognized tax losses	1,038,304	194,344
	\$ -	\$ (117,215)
Future income tax recovery	\$ -	\$ (117,215)

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10. INCOME TAXES (Continued)

The significant components of the Company's future income tax asset and liabilities are as follows:

	<u>2007</u>	<u>2006</u>
Future tax assets		
Operating losses	\$ 986,800	\$ 298,709
Equipment	9,800	-
Resources deductions	48,500	1,350
Share issue costs	99,100	53,120
	<u>1,144,200</u>	<u>353,179</u>
Future tax liabilities		
Resource deductions	(351,600)	-
Less: Valuation allowance	<u>(792,600)</u>	<u>(353,179)</u>
	<u>\$ -</u>	<u>\$ -</u>

As at December 31, 2007, the Company had accumulated non-capital losses of approximately \$3,681,000 which may be carried forward for tax purposes to reduce future taxable income in the jurisdictions in which it operates.

These losses expire as follows:

	<u>CANADA</u>	<u>MEXICO</u>	<u>CONGO</u>	<u>TOTAL</u>
2011	\$ -	\$ 8,400	\$ -	\$ 8,400
2012	-	591,000	-	591,000
2014	42,600	-	-	42,600
2015	268,000	-	-	268,000
2017	-	-	781,000	781,000
2026	587,000	-	-	587,000
2027	1,403,000	-	-	1,403,000
	<u>\$ 2,300,600</u>	<u>\$ 599,400</u>	<u>\$ 781,000</u>	<u>\$ 3,681,000</u>

LA QUINTA RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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11. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

- a) The Company's annual minimum future lease payments under a rental agreement expiring in November 2011 are as follows:

2008	\$ 42,557
2009	\$ 44,675
2010	\$ 46,618
2011	\$ 42,733

- b) By agreements dated February 1, 2006, the Company entered into two consulting agreements, for a three year period, with companies controlled by directors. Consulting fees, to a maximum of \$10,000 and \$15,000, are payable monthly.
- c) On July 1, 2007, the Company entered into a management contract with the President, Chief Operating Officer and Director of the Company for management services and is required to pay up to \$13,500 per month under the terms of the contract. The contract expires June 30, 2009 and can be terminated at any time after June 30, 2008, by payment of three monthly payments prior to the contract expiry date.
- d) On November 4, 2007 the Company entered into a one year contract for investor relations services. In consideration for services to be provided, the Company will pay \$6,000 per month for the first six months of the contract and \$7,500 per month for the remainder of the contract.

12. SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration, and its resource properties and offices are located in three geographical locations, Canada, Mexico and the Congo. On a geographical basis, the Company's assets and liabilities as at December 31, 2007 and 2006, and net loss for the year are located as follows:

	2007			
	CANADA	MEXICO	CONGO	TOTAL
Assets				
Current	\$ 240,902	\$ 75,235	\$ 32,555	\$ 348,692
Long term	30,492	691,877	1,531,477	2,253,846
	<u>\$ 271,394</u>	<u>\$ 767,112</u>	<u>\$ 1,564,032</u>	<u>\$ 2,602,538</u>
Liabilities				
Current	\$ 49,285	\$ 3,037	\$ 127,117	\$ 179,439
Net Loss For The Year	<u>\$ 2,457,836</u>	<u>\$ 66,504</u>	<u>\$ 489,120</u>	<u>\$ 3,013,460</u>

LA QUINTA RESOURCES CORPORATION
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12. SEGMENTED INFORMATION (Continued)

	2006			TOTAL
	CANADA	MEXICO	CONGO	
Assets				
Current	\$ 949,470	\$ 18,202	\$ -	\$ 967,672
Long term	738,122	117,178	371,822	1,227,122
	<u>\$ 1,687,592</u>	<u>\$ 135,380</u>	<u>\$ 371,822</u>	<u>\$ 2,194,794</u>
Liabilities				
Current	<u>\$ 50,043</u>	<u>\$ 1,502</u>	<u>\$ -</u>	<u>\$ 51,545</u>
Net Loss For The Year	<u>\$ 406,510</u>	<u>\$ 9,823</u>	<u>\$ -</u>	<u>\$ 416,333</u>

13. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2007 which were not disclosed elsewhere in the financial statements:

- i) Subsequent to the year end the Company completed a non brokered private placement to raise \$1,192,500 by the issue of 5,962,500 units at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one half share purchase warrant. Each full share purchase warrant can be exercised for one common share of the Company for a price of \$0.35 cents up until August 13th 2008. In the event that the share price of the Company trades at \$0.40 per share or greater, for 10 consecutive days, (the Acceleration Event) then the exercise of the warrants will be accelerated and the warrants will expire on the earlier of the expiry date and 4 weeks after the Company provides notice to the warrant holders of the Acceleration Event.

In payment for agent's fees provided in connection with the private placement, the Company paid \$93,800 cash and granted 469,000 agent's warrants that entitle the holder to purchase one common share at \$0.35 June 16, 2008.

- ii) Subsequent to the year end, the Company retained the services of an investor relations company. In consideration for the services to be provided, the Company will pay a monthly retainer of \$2,500 for a contract period up to 6 months, as well as issue 175,000 stock options exercisable at \$0.30.