

**LA QUINTA RESOURCES CORPORATION**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

*These unaudited interim financial statements for the period ended September 30, 2007 have not been reviewed by the Company's Auditor*

# LA QUINTA RESOURCES CORPORATION

## INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)

	SEPTEMBER 30, 2007	DECEMBER 31 2006
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,123,306	\$ 144,650
Short term investments	-	750,000
Amounts receivable	169,553	45,005
Exploration advance	312,798	-
Prepaid expenses	32,156	28,017
	1,637,813	967,672
<b>Amount Due From Related Party</b> (Note 4)	35,358	-
<b>Equipment</b> (Note 5)	164,791	32,364
<b>Mineral Properties And Deferred Exploration Expenditures</b> (Note 6)	1,241,428	1,194,758
	\$ 3,079,390	\$ 2,194,794
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 7,271	\$ 51,545
Amount due to related party (Note 7)	20,851	-
	28,122	51,545
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 8)	5,039,480	2,787,394
<b>Contributed Surplus</b>	1,015,024	44,300
<b>Deficit</b>	(3,003,236)	(688,445)
	3,051,268	2,143,249
	\$ 3,079,390	\$ 2,194,794

Approved by the Directors:

"Michel Cormier"

Director

"Malcolm Swallow"

Director

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

# LA QUINTA RESOURCES CORPORATION

## INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30		SEPTEMBER 30	
	2007	2006	2007	2006
<b>Expenses</b>				
Amortization	\$ 13,308	\$ -	\$ 17,756	\$ -
Bank charges and interest	6,147	293	7,768	388
Consulting	124,748	10,800	143,155	10,800
Foreign exchange loss	66,698	-	66,698	-
Management fees	99,551	20,000	182,122	50,000
Office and miscellaneous	50,421	4,847	73,586	8,873
Professional fees	38,322	23,451	124,582	48,176
Property investigation	33,788	33,676	101,502	68,713
Rent	25,227	19,813	69,181	25,755
Salaries	66,022	-	94,943	-
Shareholder communications	30,039	30,440	149,152	54,864
Stock based compensation	178,000	-	345,900	-
Telephone	28,132	7,183	46,207	7,183
Transfer and regulatory fees	5,525	10,931	33,993	25,030
Travel and entertainment	91,181	14,369	178,678	20,003
	<b>857,109</b>	<b>175,803</b>	<b>1,635,223</b>	<b>319,785</b>
<b>Loss Before The Following Item</b>	<b>(857,109)</b>	<b>(175,803)</b>	<b>(1,635,223)</b>	<b>(319,785)</b>
Interest income	9,326	-	25,324	-
Write off of mineral properties	(726,126)	-	(726,126)	-
Non Controlling Interest portion of La Quinta Congo SPRL's net loss	21,234	-	21,234	-
<b>Loss Before Income Taxes</b>	<b>(1,552,675)</b>	<b>(175,803)</b>	<b>(2,314,791)</b>	<b>(319,785)</b>
<b>Future Income Tax Recovery</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>102,073</b>
<b>Loss For The Period</b>	<b>\$ (1,552,675)</b>	<b>\$ (175,740)</b>	<b>\$ (2,314,791)</b>	<b>\$ (217,712)</b>
<b>Basic And Diluted Loss Per Share</b>	<b>\$ (0.07)</b>	<b>\$ (0.02)</b>	<b>\$ (0.12)</b>	<b>\$ (0.02)</b>
<b>Weighted Average Number Of Shares Outstanding</b>	<b>21,884,388</b>	<b>10,251,165</b>	<b>19,151,758</b>	<b>9,564,547</b>

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

# LA QUINTA RESOURCES CORPORATION

## INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	2007	2006
<b>Loss For The Period</b>	\$ (1,552,675)	\$ (175,740)	(2,314,791)	\$ (217,712)
<b>Other Comprehensive Loss</b>				
Foreign exchange translation adjustment	17,543	-	-	-
<b>Comprehensive Loss for the Period</b>	\$ (1,535,132)	\$ (175,740)	\$ (2,314,791)	\$ (217,712)

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

# LA QUINTA RESOURCES CORPORATION

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	2007	2006
Loss for the period	\$ (1,552,675)	\$ (175,740)	\$ (2,314,791)	\$ (217,712)
Add (Deduct): Items not involving cash:				
Amortization	13,308	-	17,756	-
Stock based compensation	178,000	-	345,900	-
Foreign exchange translation adjustment	17,543	-	-	-
Future income tax recovery	-	(63)	-	(102,073)
Write off mineral properties	726,126	-	726,126	-
	(617,698)	(175,803)	(1,225,009)	(319,785)
Changes in non-cash working capital items:				
Amounts receivable	(100,239)	-	(124,548)	-
Exploration advances	-	-	(312,798)	-
Prepaid expenses	12,308	(7,548)	(4,139)	10,025
Accounts payable and accrued liabilities	(16,306)	6,561	(44,274)	(55,210)
	(721,935)	(176,790)	(1,710,768)	(364,970)
<b>Cash Flows From Financing Activity</b>				
Issuance of share capital	6,250	588,579	2,982,000	588,579
Due to (from) related parties (net)	(14,507)	-	(14,507)	-
Share issuance costs	-	-	(202,800)	-
	(8,257)	588,579	2,764,693	588,579
<b>Cash Flows From Investing Activities</b>				
Proceeds on disposal of short term investments	-	-	750,000	-
Purchase of equipment	(141,891)	(8,820)	(150,183)	(8,820)
Mineral properties and deferred expenditures	(315,569)	(722,598)	(675,086)	(773,999)
	(457,460)	(731,418)	(75,269)	(782,819)
<b>Increase (Decrease) In Cash And Cash Equivalents</b>	(1,187,652)	(319,629)	978,656	(559,210)
<b>Cash And Cash Equivalents, Beginning Of Period</b>	2,310,958	543,937	144,650	783,518
<b>Cash And Cash Equivalents, End Of Period</b>	\$ 1,123,306	\$ 224,308	\$ 1,123,306	\$ 224,308

(Continued)

The accompanying notes are an integral part of these financial statements

# LA QUINTA RESOURCES CORPORATION

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	2007	2006
<b>Supplementary Cash Flow Information</b>				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

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

# LA QUINTA RESOURCES CORPORATION.

## INTERIM CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

**SEPTEMBER 30, 2007**

(Unaudited)

	<u>COMMON STOCK</u>		CONTRIBUTED SURPLUS	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED DEFICIT	TOTAL STOCKHOLDER'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 at \$0.50 per unit (net)	5,070,000	1,690,400	641,800	-	-	2,332,200
Shares issued for mineral properties	100,000	75,000	-	-	-	75,000
Shares issued for finders fees	50,466	22,710	-	-	-	22,710
Stock based compensation	-	-	345,900	-	-	345,900
Loss for the period	-	-	-	-	(2,314,791)	(2,314,791)
Balance, September 30, 2007	21,961,046	\$ 5,039,480	\$ 1,015,024	\$ -	\$ (3,003,236)	\$ 3,051,268

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

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007  
(Unaudited)

### 1. BASIS OF PRESENTATION

The interim financial statements of La Quinta Resources Ltd. (the "Company") have been prepared by management in accordance with accounting principles generally accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended December 31, 2006, except as described below. The disclosures included below are incremental to those included with the annual financial statements. The interim financial statements should be read in conjunction with the financial statements and the notes thereto in the Company's annual report for the year ended December 31, 2006.

### 2. NATURE OF OPERATIONS

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

The interim 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 Democratic Republic of the Congo on May 29, 2007. All significant inter-company balances and transactions have been eliminated in the consolidation.

The interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada.

The preparation of interim 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.

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.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates.

#### b) Foreign Currency Translation

Transactions recorded in foreign currencies are translated as follows:

- monetary assets and liabilities at the rate prevailing at the balance sheet date.
- non-monetary assets and liabilities at historic rates.
- income and expenses at the average rate in effect during the year.
- gains or losses on foreign exchange are included in the statement of operations

#### c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, short term deposits and short term investments with original maturities or redeemable features of ninety days or less from the date of acquisition.

#### d) Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, exploration advances, advances to and from related parties and accounts payable and accrued liabilities. The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

#### e) Equipment

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

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

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Mineral Properties and Related Deferred Exploration Expenditures

The Company capitalizes all exploration expenditures directly related to specific mineral properties in which it has a continuing interest until the extent of mineralization has been determined and the mineral properties are either sold, developed or the Company's mineral rights are allowed to lapse. Capitalized costs are amortized over the useful life of the ore body following commencement of commercial production based on estimated economic reserves or written off if the property is sold or abandoned.

#### g) 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 September 30, 2007.

#### h) 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 September 30, 2007, the Company does not have any asset retirement obligations.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) 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.

#### j) 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.

#### k) 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.

#### l) 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 periods ended September 30, 2007 and 2006 as the effect of potentially issuable common shares is anti-dilutive.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### m) Variable Interest Entities

The Canadian Institute of Chartered Accountants issued Accounting Guideline 15, "Consolidation of Variable Interest Entities", to provide accounting guidance related to variable interest entities ("VIE's") and indicates that they are required to be consolidated by the Company (primary beneficiary). The Company adopted the Guideline effective December 1, 2005 and has determined that it holds two VIE's, its 100% interest in Can-Mex Barite, S.A. de C.V. and its 80% interest in La Quinta Congo SPRL.

#### n) Recently Issued Accounting Pronouncements

Financial Instruments – Disclosure and Presentation.

In March 2007, the CICA issued Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation. The new guidance replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories. These Sections are effective for interim and annual fiscal years beginning on or after October 1, 2007. The implementation of these standards is not expected to have a material effect on the Company's financial statements.

Capital Disclosures

In December 2006, the CICA issued section 1535, Capital Disclosures. This section establishes standards for disclosing information about an entities capital and how it is managed. This section is effective for interim and annual fiscal years beginning on or after October 1, 2007. The new requirements are for disclosures only and will not impact the financial results of the Company.

### 3. NEWLY ADOPTED ACCOUNTING POLICIES

These accounting policy changes were adopted on January 1, 2007, on a prospective basis with no restatement of prior period financial statements.

The new standards and policies are as follows:

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007  
(Unaudited)

### 3. NEWLY ADOPTED ACCOUNTING POLICIES (Continued)

#### (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 amortized 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 recognized 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 include a Statement of Comprehensive Income, which includes the components of comprehensive income. For the Company, other comprehensive income (“OCI”) is comprised of changes in the foreign currency translation adjustments arising on the consolidation of foreign operations.

Cumulative changes in OCI are included in Accumulated Other Comprehensive Income (“AOCI”), which is presented as a new category within shareholders equity in the Balance Sheet.

#### (iii) Hedges

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. As at September 30, 2007 the Company has not designated any hedging relationships.

### 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, with no repayment terms, and has been repaid subsequent to the period end.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**  
(Unaudited)

### 5. EQUIPMENT

	<b>SEPTEMBER 30, 2007</b>			DECEMBER 31 2006
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Computer equipment	\$ 29,669	\$ 7,455	\$ 22,214	\$ 12,429
Office equipment and furniture	67,124	6,825	60,299	19,935
Vehicles	89,758	7,480	82,278	-
	<u>\$ 186,551</u>	<u>\$ 21,760</u>	<u>\$ 164,791</u>	<u>\$ 32,364</u>

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	<b>SEPTEMBER 30, 2007</b>	DECEMBER 31 2006
Howell Property, British Columbia	\$ -	\$ 503,107
Crowsnest Property, British Columbia	-	202,651
La Virgen/Sanson Property, Mexico	590,628	117,178
Maniema - South Kivu Gold Belt, Congo	378,427	371,822
Kampene - South Kivu Province, Congo	272,373	-
	<u>\$ 1,241,428</u>	<u>\$ 1,194,758</u>

Howell Property, British Columbia

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.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**

(Unaudited)

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

Howell Property, British Columbia (Continued)

The expenditure commitments under the option agreement are as follows:

DATE	CASH PAYMENT	SHARES TO BE ISSUED	EXPENDITURE COMMITMENT
On Signing	: 2,500 (paid)	20,000 (issued)	: -
August 4, 2005	5,000 (paid)	20,000 (issued)	100,000 (incurred)
August 4, 2006	12,500 (paid)	20,000 (issued)	100,000 (incurred)
August 4, 2007	20,000	20,000	100,000 (incurred)
August 4, 2008	180,000	70,000	-
December 31, 2008	-	-	600,000
	: 220,000	150,000	: 900,000

	SEPTEMBER 30, 2007	DECEMBER 31 2006
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
	<b>482,115</b>	<b>471,587</b>
Total Costs Incurred	<b>513,635</b>	503,107
Mineral Property Write Off	<b>(513,635)</b>	-
	<b>\$ -</b>	<b>\$ 503,107</b>

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

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**

(Unaudited)

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

Crowsnest Property, British Columbia

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.

The expenditure commitments under the option agreement are as follows:

DATE	CASH PAYMENT	SHARES TO BE ISSUED	EXPENDITURE COMMITMENT
On Signing	\$ 10,000 (paid)	20,000 (issued)	\$ -
July 31, 2005	7,500 (paid)	-	-
August 4, 2005	5,000 (paid)	20,000 (issued)	10,000 (incurred)
July 31, 2006	12,500 (paid)	-	-
August 4, 2006	5,000 (paid)	20,000 (issued)	100,000 (incurred)
August 4, 2007	20,000	20,000	100,000
August 4, 2008	40,000	70,000	-
December 31, 2008	-	-	590,000
	\$ 100,000	150,000	\$ 800,000

	SEPTEMBER 30, 2007	DECEMBER 31 2006
Acquisition Costs		
Option payments	\$ 54,399	\$ 54,399
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
	<b>158,092</b>	148,252
Total Costs Incurred (c/fwd)	\$ 212,491	\$ 202,651

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**

(Unaudited)

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

Crowsnest Property, British Columbia (Continued)

	<b>SEPTEMBER 30, 2007</b>	<b>DECEMBER 31 2006</b>
Total Costs Incurred (b/fwd)	\$ 212,491	\$ 202,651
Mineral Property Write Off	<b>(212,491)</b>	-
	\$ -	\$ 202,651

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

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	<b>CASH PAYMENTS US\$</b>	<b>SHARES TO BE ISSUED</b>	<b>EXPENDITURE COMMITMENT US\$</b>
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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007  
(Unaudited)

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

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

	SEPTEMBER 30 2007	DECEMBER 31 2006
Acquisition Costs		
Option payments	\$ 232,179	\$ 89,138
Exploration Costs		
Assay costs	27,604	-
Engineering	295,906	23,336
Field and camp costs	12,210	-
Reports, maps, fees and licenses	5,645	2,657
Transport	14,219	-
Travel	2,865	2,047
	<u>358,449</u>	<u>28,040</u>
	<u>\$ 590,628</u>	<u>\$ 117,178</u>

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.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

Maniema - South Kivu Gold Belt, Congo (Continued)

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.

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.

DATE	CASH PAYMENT 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>

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**  
(Unaudited)

### 6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

Maniema - South Kivu Gold Belt, Congo (Continued)

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

	<b>SEPTEMBER 30 2007</b>	<b>DECEMBER 31 2006</b>
Acquisition Costs		
Option payments	<b>\$ 84,120</b>	<b>\$ 84,120</b>
Exploration Costs		
Assays	3,479	-
Administration	4,714	1,588
Engineering	286,114	286,114
	<b>294,307</b>	<b>287,702</b>
	<b>\$ 378,427</b>	<b>\$ 371,822</b>

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.

The expenditure commitments under the lease agreement and option to purchase are as follows:

	<b>SEPTEMBER 30 2007</b>	<b>DECEMBER 31 2006</b>
Acquisition Costs		
Finders fees	<b>\$ 22,710</b>	<b>\$ -</b>
Exploration Costs		
Assays	3,479	-
Engineering	128,384	-
Lease payments	117,800	-
	<b>249,663</b>	<b>-</b>
	<b>\$ 272,373</b>	<b>\$ -</b>

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 7. AMOUNT DUE TO RELATED PARTY

Note payable to WBK. The note is interest free, unsecured, with no repayment terms.

### 8. SHARE CAPITAL

#### a) Authorized

Unlimited common shares without par value

#### b) Issued

- i) During the nine month period ended September 30, 2007 the Company issued 175,000 common shares for proceeds of \$56,250 on the exercise of stock options.
- ii) During the nine month period ended September 30, 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 has 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 are 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:

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 8. SHARE CAPITAL (Continued)

#### b) Issued (Continued)

	NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007	YEAR ENDED DECEMBER 31 2006
Risk free interest rate	4.18	-
Expected life	1 year	-
Expected volatility	100.38%	-
Expected dividend yield	-	-
Weighted average of fair value of options granted	\$ 0.29	\$ -

iv) During the nine month period ended September 30, 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) During the nine month period ended September 30, 2007 the Company issued 100,000 common shares of fair value \$75,000 pursuant to the La Virgen/Sanson mineral property agreement.

#### 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 September 30, 2007, options were outstanding for the purchase of common shares as follows:

NUMBER OF SHARES	EXERCISE PRICE PER SHARE	NUMBER EXERCISABLE AT SEPTEMBER 30, 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	450,000	August 30, 2010
250,000	0.50	200,000	March 29, 2012
200,000	0.59	50,000	April 18, 2012
250,000	0.60	125,000	May 2, 2012

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007  
(Unaudited)

### 8. SHARE CAPITAL (Continued)

#### c) Stock Options (Continued)

A summary of changes in stock options for the nine month period ended September 30, 2007 and the year ended December 31, 2006 is presented below:

	NINE MONTH PERIOD ENDED SEPTEMBER 30 2007		YEAR ENDED DECEMBER 31, 2006	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	775,000	\$ 0.25	-	\$ -
Granted	1,470,000	0.59	775,000	0.25
Exercised	(175,000)	(0.32)	-	-
Cancelled	(25,000)	(0.50)		
Balance, end of period	<u>2,045,000</u>	<u>\$ 0.49</u>	<u>775,000</u>	<u>\$ 0.25</u>

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.

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.

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.

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.

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.

During the nine month period ended September 30, 2007, the Company recorded \$345,900 (2006 - \$nil) in stock based compensation for options granted and vesting during the period.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**  
(Unaudited)

### 8. SHARE CAPITAL (Continued)

#### c) Stock Options (Continued)

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:

	<b>NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007</b>	<b>YEAR ENDED DECEMBER 31 2006</b>
Risk free interest rate	<b>0.42</b>	-
Expected life	<b>3.95 years</b>	-
Expected volatility	<b>79.68%</b>	-
Expected dividend yield	-	-
Weighted average of fair value of options granted	<b>\$ 0.32</b>	<b>\$ -</b>

#### d) Broker Agent Options

A summary of changes in broker agent options for the nine month period ended September 30, 2007 and the year ended December 31, 2006 is presented below:

	<b>NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007</b>		<b>YEAR ENDED DECEMBER 31, 2006</b>	
	<b>NUMBER</b>	<b>WEIGHTED AVERAGE EXERCISE PRICE</b>	<b>NUMBER</b>	<b>WEIGHTED AVERAGE EXERCISE PRICE</b>
Balance, beginning of period	-	\$ -	<b>394,340</b>	<b>\$ 0.25</b>
Exercised	-	-	<b>(382,580)</b>	<b>(0.25)</b>
Expired	-	-	<b>(11,760)</b>	<b>(0.25)</b>
Balance, end of period	-	\$ -	-	\$ -

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2007**  
(Unaudited)

### 8. SHARE CAPITAL (Continued)

#### d) Broker Agent Options (Continued)

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:

	<b>NINE MONTH PERIOD ENDED SEPTEMBER 30 2007</b>	<b>YEAR ENDED DECEMBER 31 2006</b>
Risk free interest rate	-	-
Expected life	-	-
Expected volatility	-	-
Expected dividend yield	-	-
Weighted average of fair value of options granted	\$ -	\$ -

#### e) Share Purchase Warrants

As at September 30, 2007, the following share purchase warrants were outstanding:

<b>NUMBER OUTSTANDING</b>	<b>EXERCISE PRICE</b>	<b>EXPIRY DATE</b>
1,460,000	\$ 0.60	October 17, 2007
2,940,600	\$ 0.70	May 7, 2008

A summary of changes in share purchase warrants for the nine month period ended September 30, 2007 and the year ended December 31, 2006 is presented below:

	<b>NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007</b>		<b>YEAR ENDED DECEMBER 31, 2006</b>	
	<b>NUMBER</b>	<b>WEIGHTED AVERAGE EXERCISE PRICE</b>	<b>NUMBER</b>	<b>WEIGHTED AVERAGE EXERCISE PRICE</b>
Balance, beginning of period	2,767,500	\$ 0.47	-	\$ -
Issued	2,940,600	0.70	2,767,500	0.47
Exercised	(1,202,500)	(0.33)	-	-
Expired	(105,000)	(0.30)	-	-
Balance, end of period	4,400,600	\$ 0.67	2,767,500	\$ 0.47

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007  
(Unaudited)

### 8. SHARE CAPITAL (Continued)

#### e) Share Purchase Warrants (Continued)

During the nine month period ended September 30, 2007, the Company extended the exercise periods of 957,500 share purchase warrants originally expiring May 10, 2007, and 602,500 share purchase warrants originally expiring April 17, 2007, to October 17, 2007.

### 9. RELATED PARTY TRANSACTIONS

During the nine month period ended September 30, 2007, and September 30, 2006 the Company was charged the following amounts by directors and companies with a common director:

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.

	NINE MONTH PERIOD ENDED SEPTEMBER 30	
	2007	2006
Property investigation costs	\$ 101,502	\$ 68,713
Management fees	182,122	50,000
Professional fees	2,000	9,000
Deferred exploration expenditures	18,970	191,311
	<u>\$ 304,594</u>	<u>\$ 319,024</u>

### 10. COMMITMENTS

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

12 Months Ended September 30, 2008	\$ 42,381
12 Months Ended September 30, 2009	44,146
12 Months Ended September 30, 2010	46,265
12 Months Ended September 30, 2011	46,612
2 Months Ended November 30, 2011	7,770

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.

# LA QUINTA RESOURCES CORPORATION

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### 10. COMMITMENTS (Continued)

- c) During the nine month period ended September 30, 2007 the Company entered into a management contract with the President, COO 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 30th, 2009 and can be terminated at any time after June 30<sup>th</sup> 2008, by payment of three monthly payments prior to the contract expiry date.
- d) During April 2007, the Company entered into a six month contract for Corporate Communications and Investor Relations Services at a cost of \$5,000 per month.

### 11. SUBSEQUENT EVENTS

Subsequent to the period end the Company:

- a) Extended the exercise period of 1,560,000 share purchase warrants to purchase 1,560,000 shares of the Company, currently expiring October 17, 2007 for a further period of three months, expiring January 17, 2007. The warrants are exercisable at \$0.60 and were issued pursuant to private placements which closed October 17, 2006 and November 10, 2006. This amendment is subject to regulatory approval.
- b) 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. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the presentation adopted for the current year.