# LA QUINTA RESOURCES CORPORATION

## FORM 51-901F – FOR THE QUARTER ENDED DECEMBER 31, 2007

### MANAGEMENT DISCUSSION AND ANALYSIS

### 1.1 DESCRIPTION OF BUSINESS

The Board of Directors of LA QUINTA RESOURCES CORPORATION (the "Company", or "La Quinta") is pleased to present to its shareholders a summary of the Company's activities for the year ended December 31, 2007, and any other pertinent events subsequent to that date up to and including May 28, 2008.

The following information should be read in conjunction with the audited financial statements and related notes, which are prepared in accordance with Canadian generally accepted accounting principles.

The Company is a "reporting" company in the provinces of British Columbia, Alberta and Ontario. Its common shares are listed on the TSX Venture Exchange under the trading symbol "LAQ". The Company is in the business of exploring for precious metals. The Company's properties are in Sonora - Mexico and the Maniema – South Kivu Gold Belt in the Democratic Republic of the Congo ("DRC").

### 1.2 OVERALL PERFORMANCE

The Company carried out an IPO in 2005, based on an option to acquire a 60% interest in two gold properties in the Southeastern part of British Columbia, namely the Howell and the Crowsnest properties. Both properties had extensive previous exploration work by major mining companies. Following work on the properties in 2006 and 2007 including diamond drilling and having reviewed these properties in comparison with the other exploration opportunities currently in the Company portfolio, in August 2007 the Company made the decision to allow the leases on the Crowsnest and Howell properties to lapse and to return them to the original vendor.

In the second quarter of 2006 the Company acquired a group of properties covering some 5,000 hectares in the Sonora gold belt, Mexico which has had limited past exploration and holds significant promise of near surface open-pit, heap leachable gold deposits. The Company is actively exploring these properties at this time and has extended the surface area under exploration to over 6,000 hectares.

In the third quarter of 2006, the Company entered into a Memorandum of Understanding ("MOU") to form a Joint Venture to explore and develop 7,010 square kilometers of the Maniema – South Kivu Gold belt in the eastern Congo. The Company may earn up to an 80% interest in the Joint Venture, with the remaining interest being held by Wa Balengela Kasai-Investments Congo sprl ("WBK"), a Congolese company with extensive experience in mining in the Congo. WBK will be of great assistance to the joint venture with government relations, local liaison and local management and expediting of the DRC projects.

The exploration permits optioned to the Joint Venture are a contiguous group of 32 exploration licenses totalling 7,010 square kilometers, abutting and occupying all the ground between Banro Corporation's (TSX:BAA) Lugushwa and Namoya properties and extending some 150 kilometers to the west. The permits have a long history of both formal and informal mining, having been extensively mined, mostly for alluvial gold, by BelgiqueOR from the early 1940's up to the 1970's when formal mining and exploration ceased. At least six sites of previous mining can be easily identified and artisanal mining continues on much of these target areas today.

Following the announcement of the MOU, in October 2006, a Congolese registered company commenced an action in the British Columbia courts over the Congo acquisition claiming to have an existing agreement, or protocol with WBK. La Quinta will be defending the lawsuit as these claims to a prior agreement have since been dismissed in the Courts in Congo. No amount has been recognised on the Company's books with respect to this lawsuit, as its outcome is indeterminable at this time.

As a consequence of this action, the Company requested that WBK clear title in Congo. WBK subsequently applied to the Commercial Court of the DRC to have the earlier protocol between the Congolese registered company and WB Kasai dated 29th September 2005 declared invalid. On the 13th of March, the Commercial Court in Congo found in favour of WBK and against the Congolese registered company and declared that the 2005 Protocol was null and void. WBK has been informed that the Congolese mining Company will appeal this decision.

In accordance with the terms of the MOU, after a long period of due diligence review due to the legal challenge outlined above and subsequent delays in issuing of the final signed permits, which were received by WBK on the 14th of March 2008, then LAQ and WBK finally signed formal Joint Venture and Entry and Option Agreements on the properties on April 23rd 2008.

Under these agreements, La Quinta may earn up to 80% in the Joint Venture by expending US$10.0 million on exploration over the next five years, producing a feasibility study on a project in the exploration area and over the next three years making cash payments of US$1.5 million and share issuance of eight million shares. A finder's fee of 550,000 shares is payable in stages pro rated to the share issue to WBK. The properties are subject to a 2.5% Net Smelter Royalty. These Agreements which have already received conditional approval, have now been submitted to the Toronto Venture Exchange and are currently being reviewed in Toronto for final approval by the TSXV. On completion of the approval process by the TSXV, LAQ will apply to have the Congolese Company lawsuit against LAQ here in BC dismissed by virtue of the Commercial Court's decision in Congo that no contract exists between the Congolese Company and WBK.

On 13th of April 2007, the Company through its Congolese subsidiary, La Quinta Congo sprl, signed an Agreement to lease the mining and exploration rights on the Kampene Gold Project covering 34 square Kilometers of the Maniema – South Kivu Gold belt in the eastern Congo close to the WBNK properties. The Kampene project is a former gold producer owned since 1982 by Association Minier de Kivu sprl (AMIKI.) which will be explored and developed by LAQ Congo sprl, ("LAQ-C") a JV Company in which LAQ owns 80% and LAQ's Congolese partners, WBK own 20%. The project is subject to a 1.5% NSR and an annual rental of US$100,000, with a buy out provision for US$2 million after 5 years.

In January 2008, the Company formed a new congolese subsidiary La Quinta MSK sprl, ("LAQ-MSK.") It is intended that with the completion of the Joint Venture agreements with WBK on the 7,010 square kilometre Maniema - South Kivu gold belt properties, that this company will form the Joint Venture company that will explore and exploit this area. As part of the JV and Exploration agreement with WBK, it is intended that LAQ - Congo sprl will be merged or consolidated into the JV Company LAQ - MSK and the ongoing exploration and development of the Kampene project will be carried out by the new JV company, with the costs of exploration and development to date being credited to LAQ as part of its expenditure commitments to the JV.

Beyond the exploration and development success at the Company's properties, there are several factors that could impact the Company going forward, either positively, or negatively. These include the state of the world economy and the demand for metals. Any economic declines would cause metal prices to decline that may negatively impact the value of the Company's exploration properties. These factors are beyond the control of the Company.

## 1.3 SELECTED ANNUAL INFORMATION

The following information is selected financial data for the Company for is three most recently completed financial years.

| | **YEARS ENDED DECEMBER 31** | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| Total Assets | $ 2,602,538 | $ 2,194,794 | $ 974,198 |
| Total Liabilities | $ 179,439 | $ 51,545 | $ 61,781 |
| Shareholders' Equity | $ 2,423,099 | $ 2,143,249 | $ 912,417 |

| | **YEARS ENDED DECEMBER 31** | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| Total Revenues | $ - | $ - | $ - |
| Operating expenses | 1,921,459 | 548,832 | 249,195 |
| Stock based compensation | 416,400 | - | 44,300 |
| Other Items | | | |
| Interest income | (29,291) | (15,284) | - |
| Write off of mineral property and deferred development expenditures | 726,126 | - | - |
| Minority interest | (21,234) | - | - |
| Income Taxes - recovery | - | (117,215) | (63,982) |
| Net Loss For The Year | $ 3,013,460 | $ 416,333 | $ 229,513 |
| Loss per share – Basic | $ (0.15) | $ (0.04) | $ (0.05) |
| Cash dividends declared – per share | $ - | $ - | $ - |

## 1.4 RESULTS OF OPERATIONS

The company incurred a $3,013,460 net loss for the year ended December 31, 2007 and has a working capital surplus of $169,253 at December 31, 2007, compared to a net loss of $416,333 in 2006 and a working capital surplus of $916,127 at December 31, 2006.

The Company was more active during fiscal 2007, including a major push into exploration in Congo with the start of the Kampene project and the set up of a head office facility in Kinshasa, in comparison with fiscal 2006, and this is reflected in the increased costs of operation incurred during the year in all expense categories.

The most significant increases in costs during the year ended December 31, 2007 over those incurred for the comparative period were as follows:

- Consulting fees increased to $223,362 from $6,858 as a result of the Company hiring temporary office administrative staff and using a number of consultants working in Congo.
- Management fees increased to $257,781 from $71,050 as new contracts were entered into during the year increasing the management fees, and the new President and CEO was appointed.
- Office and miscellaneous expenses increased to $147,686 from $23,631 as a result of general increased corporate activity.
- Professional fees increased to $184,261 from $130,709 as a result of significant legal expenses being incurred in relation to a property acquisition in Mexico and increased audit fees given the increasing complexity of the Company.
- Property Investigation costs increased to $145,877 from $100,709 as the Company incurred significantly increased due diligence costs during 2007, particularly in Congo. Not all of these properties were eventually acquired by the Company.
- Rent increased to $96,121 from $23,839 as a result of the Company being in the new office space for a full year as part of a five year lease allowing for the future expansion of the Company.
- Shareholder communications costs increased to $243,119 from $90,350 as a result of increased investor relations activity and the contracting of staff to perform investor relations activities.
- Telephone expenses increased to $64,370 from $15,610 as a result of increased corporate activity.
- Travel and entertainment increased significantly to $268,903 from $45,824 as a result of increased travel costs particularly associated with the property holdings in Mexico and the Congo.
- Interest received increased to $29,291 from $15,284 for 2006 as the Company derived significant cash balances from the financings undertaken during the year.
- Because of the change in focus of the Company away from Canadian exploration, the Company did not raise money through “flow through” financings during 2007. As a consequence, the Company did not record any renunciation of future income taxes during the year, in comparison to 2006, when the recovery totalled $117,215

1.5 SUMMARY OF QUARTERLY RESULTS

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | MARCH 31 2007 | | JUNE 2007 | | SEPTEMBER 2007 | | DECEMBER 31 2007 |
| Total revenues | $ | - | $ | - | $ | - | $ | - |
| Net income (loss) for the period | $ | (347,610) | $ | (414,506) | $ | (1,552,675) | $ | (698,669) |
| Basic net income (loss) per share | $ | (0.02) | $ | (0.02) | $ | (0.07) | $ | (0.03) |

| | QUARTER ENDED | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | MARCH 31 2006 | | JUNE 2006 | | SEPTEMBER 2006 | | DECEMBER 31 2006 |
| Total revenues | $ | - | $ | - | $ | - | | - |
| Net income (loss) for the period | $ | 43,805 | $ | (85,777) | $ | (175,740) | | (198,581) |
| Basic net income (loss) per share | $ | 0.01 | $ | (0.01) | $ | (0.01) | $ | (0.01) |

1.6 DESCRIPTION OF OPERATIONS

The focus on the public listing meant little exploration was conducted in 2005 and the first half of 2006. Subsequently, the Company completed a significant exploration program on the Crowsnest and Howell Properties located in south-eastern British Columbia in 2006 and the early part of 2007. Subsequent to this, the Company acquired its exploration properties in both Mexico and Congo, where the Company has in excess of 7,048 square kilometers of highly prospective exploration ground and as a consequence management made a decision to allow the leases on the Howell and Crowsnest properties to lapse in August 2007.
Total Expenditures on the Howell and the Crowsnest properties was $726,126 and this has been written down in the 2007 accounts.

On June 23, 2006, the Company acquired an option to earn a 100% interest in the La Virgen/Sanson property (formerly Orofino) near Hermosillo, Sonora, Mexico. The La Virgen/Sanson property totals some 5,000 HA and has at least six major surface gold occurrences. These areas have been worked for high grade gold in the past and the vendors of the property have heap leached about 60,000 tonnes of broken mineralized material that was reported to have contained up to 7.0 g/t gold, giving a clear indication of the potential of the project area.

A modest exploration program of $424,143 US was completed during the 2007 year. Work has included surface mapping, sampling, bulldozer trenching and soil geochemistry and a program of target generation around existing and new gold occurrences. This program has generated a number of interesting anomalies of significant size and also has led the Company to extend the geochemical survey to cover more of the existing claims and to extend the claims to the north by staking. Work on the projects continues with additional geochemical and regional sampling work; however, the Company is actively looking to joint venture these projects in order to concentrate all of its assets on the much larger project in Congo.

During 2007, the Company completed an independent 43-101 report on the 7,010 square kilometre 32 claim area and also completed an independent geological report on the Kampene Project. During the year the Company established offices in Kinshasa and Kindu, the regional capital for Maniema Province and commenced work on the Kampene project with a program of trenches and soil sampling, plus a program of satellite and structural interpretation. At the same time it worked to support WBK in its efforts to obtain the signed permits from the Congolese Government Mining Agency, (CAMI) and WBK was successful in this regard, finally receiving its permits in March 2008. Total expenditures on Kampene during this period were $288,555 to the end of 2007 and Expenditures by the Company on the WBK properties in Congo totalled $1,019,723 including costs to establish offices, purchase vehicles and equipment, staffing and legal costs and project evaluation and acquisition costs.

## 1.7 LIQUIDITY AND CAPITAL RESOURCES

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties inherent in the resource exploration and extraction industry. This activity is capital intensive at all stages and subject to the fluctuations in commodity prices, market sentiment, currencies, inflation and other risks. The Company currently has no sources of revenue, and relies primarily on equity financings to fund its exploration, development and administrative activities. Material increases or decreases in liquidity will be substantially determined by the success or failure of its exploration and development activities, as well as its continued ability to raise capital. The Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future, other than normal expected operating and administrative costs.

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.

The Company’s current working capital commitments include $40,000 per month for management and consulting fees. Additional general and administrative costs are budgeted at approximately $22,000 per month. Total general and administrative costs for the balance of 2008 are budgeted to be $1,800,000.00. This amount is less than that incurred during the year ended December 31, 2007 in which total administrative and office expenditures were approximately $1,919,000, as with the increased number of properties in the Company’s portfolio and work commencing in DRC, the Company has had to increase staffing and other costs in order to properly manage its affairs.

The Company’s current property payments and budgeted work commitments for fiscal 2008 are summarized as follows:

| | Mexico | DRC |
|---|---|---|
| | | |
| Property Payments | US$122,500 | US$325,000 |
| Budgeted exploration costs | US$350,000 | US$2,750,000 |
| **Total net cash requirements** | **US$472,500** | **US$3,075,000** |

Given the working capital as at December 31, 2007 of $169,253, the Company will need to arrange additional funding exercises most likely through the sale of stock via non brokered Private Placements. Additional funding may be required, however, in order to maintain and expand its property interests and continue with a sensible and measured program of exploration on the current properties and new properties considered by management to be worthy.

## 1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

## 1.9 RELATED PARTY TRANSACTIONS

a) At December 31, 2007 the Company was owed $4,173 (2006 -$nil) by a Company with Common directors.

b) At December 31, 2007, the Company owed $40,709 (2006 - $nil) to Wa Balengela Kasai Investments Congo sprl. a 20% shareholder of La Quinta Congo Sprl.

c) Included in accounts payable is $17,934 (2006 - $27,885) due to directors and director-controlled companies.

d) During the years ended December 31, 2007 and 2006 the Company included in the financial statements are the following amounts charged or accrued to directors and companies with a common director:

| | YEAR ENDED DECEMBER 31 | |
|---|---|---|
| | **2007** | 2006 |
| Balance Sheet | | |
| Mineral Property Acquisition costs | **$ 22,710** | $ - |
| Deferred exploration expenditures | **331,768** | 394,191 |
| Share issuance costs – Warrant extensions | **15,248** | - |

| | YEAR ENDED DECEMBER 31 | |
|---|---|---|
| | **2007** | 2006 |
| Income Statement | | |
| Consulting fees | **157,366** | - |
| Property investigation costs | **143,733** | 100,708 |
| Management fees | **257,781** | 71,050 |
| 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.

The Company has entered into a management contract with an officer and Director of the Company for management services and is required to pay up to $10,000 per month under the terms of the contract. The contract expires January 31, 2009.

The Company has entered into a management contract with an officer and Director of the Company for management services and is required to pay up to $15,000 per month under the terms of the contract. The contract expires January 31, 2009.

The Company has entered into a management contract with an 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 January 31, 2009.

Stock based compensation was charged in the amount of $218,579 (2006 - $nil) in relation to options granted to directors. The option grants were valued using the Black Sholes valuation model.

Also as a result of extending the expiry date of certain share purchase warrants an amount of $536,200 was charged as share issuance costs to reflect the fair value warrants extended. Of this amount $15,248 related to warrants held by a director.. The fair value was calculated using the Black Scholes valuation model

Subsequent to the Year End, the Company entered into a Joint Venture Agreement with Wa Balengela Kasai - Congo sprl, a company owned in part by a Director of the Company and also a member of the Board of Advisors of the Company. As part of this JV Agreement, the Company is required to expend US$10.0 million on exploration over the next five years, produce a feasibility study on a project in the exploration area and over the next three years making cash payments of US$1.5 million and share issuance of eight million shares. The properties are subject to a 2.5% Net Smelter Royalty.

There are no other related party contracts.

1.10 FINANCIAL INSTRUMENTS

As at December 31, 2007 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. The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

1.11 FOURTH QUARTER

| | THREE MONTHS ENDED DECEMBER 31 | |
|---|---|---|
| | **2007** | 2006 |
| **Expenses** | | |
| Amortization | **$ 13,449** | $ 3,640 |
| Bank charges and interest | **2,734** | 631 |
| Consulting | **80,207** | (3,942) |
| Foreign exchange loss | **(18,642)** | - |
| Management fees | **75,659** | 21,050 |
| Office and miscellaneous | **74,100** | 14,758 |
| Professional fees | **59,679** | 76,722 |
| Property investigation | **44,375** | 31,996 |
| Rent | **26,940** | (1,916) |
| Salaries | **67,444** | - |
| Shareholder communications | **93,967** | 35,486 |
| Stock based compensation | **70,500** | - |
| Telephone | **18,163** | 8,427 |
| Transfer and regulatory fees | **3,836** | 10,563 |
| Travel and entertainment | **90,225** | 25,821 |
| | **702,636** | 223,236 |
| **Loss Before The Following Item** | **(702,636)** | (223,236) |
| Interest income | **3,967** | 15,284 |
| **Loss Before Income Taxes** | **(698,669)** | (207,952) |
| **Income Tax Recovery** | **-** | 15,142 |
| **Loss For The Period** | **$ (698,669)** | $ (192,810) |
| **Basic And Diluted Loss Per Share** | **$ (0.03)** | $ (0.01) |
| **Weighted Average Number Of Shares Outstanding** | **21,961,046** | 14,007,356 |

The loss for the quarter ended December 31, 2007 was $698,669 compared to $192,810 for the prior comparative period. The main reasons for the increase in the loss were an increase in consulting fees to $80,207 (2006 – credit of $3,942), property examination costs to $44,375 from $31,996 (2006) an increase in travel expenses to $90,225 from $25,821, salaries increased to $67,444 from $nil and an increase in telecommunications costs to $18,163 from $8,427. These increases were predominantly the result of the Company actively pursuing properties to explore and develop in the DRC. The Company also incurred increased overhead expenses as management fees increased to $75,659 from $21,050, rent increased to $26,940 (2006 – credit of $1,916) and the Company also issued stock options to directors and employees resulting in stock based compensation increasing to $70,500 from $nil. As a result of increased investor relations activity and Corporate financing activity Shareholder communications costs increased to $93,967 from $35,486. Office and administrative expenses increased to $71,545 compared to $14,759 as a result of the Company being more active compared to the prior year.

## 1.12 CRITICAL ESTIMATES

The Company annually reviews the carrying value of its properties, which are currently unproven, by reference to the timing of exploration and development work, the work programs and the results achieved on the project. Where impairment occurs a charge to earnings would be made.

It should be noted that the recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to bring the reserves into production, and upon future profitable production or proceeds from the disposition of properties. The amount shown represents net costs to date, less amounts depleted or written off and amounts realized from option payments received, and does not necessarily represent present or future values.

## 1.13 ACCOUNTING POLICIES

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").

Financial Instruments

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 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 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.

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.

## 1.14 SUBSEQUENT EVENTS

Subsequent to the year end on May 15, 2008, the Company entered into a renewable six month contract for investor relations services. In consideration for services to be provided, the Company will pay $2,500 per month, and issue 175,000 incentive stock options, exercisable at a price of $0.30 for a period of 2 years.

Additional information is available on SEDAR at www.sedar.com. And at the Company's web site at www.laquintaresources.com

1.15 ADDITIONAL INFORMATION FOR VENTURE ISSUER’S WITHOUT SIGNIFICANT REVENUE

EXPENDITURES MADE IN THE QUARTER ON MINERAL PROPERTIES

**Maniema – South Kivu Gold Belt, Congo**

| | **THREE MONTHS ENDED DECEMBER 31,** | |
|---|---|---|
| | 2007 | 2006 |
| Acquisition Costs | | |
| Opening balance | $ 84,120 | $ 84,120 |
| Option payments | - | - |
| Closing balance | $ 84,120 | $ 84,120 |
| | - | |
| Exploration Costs | - | |
| Opening balance | $ 294,307 | $ 285,627 |
| Assays | 36,248 | |
| Engineering costs | - | 487 |
| Field and camp costs | 108,448 | 1,588 |
| Permits | 6,131 | - |
| Travel | 343,529 | - |
| Transport | 23,121 | - |
| Wages | 123,819 | - |
| Closing Balance | $ 935,603 | $ 287,702 |

1.15 ADDITIONAL INFORMATION FOR VENTURE ISSUER’S WITHOUT SIGNIFICANT REVENUE (Con’t)

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

| | **THREE MONTHS ENDED DECEMBER 31,** | |
|---|---|---|
| | 2007 | 2006 |
| Acquisition Costs | | |
| Opening balance | $ 232,179 | $ 51,040 |
| Option payments | - | 38,098 |
| Closing balance | $ 232,179 | $ 89,138 |
| | | |
| Exploration Costs | | |
| Opening balance | $ 358,449 | $ 17,276 |
| Assays | 7,424 | - |
| Engineering | 51,430 | 6,060 |
| Field and camp costs | 33,513 | - |
| Reports and maps | 5,964 | 2,657 |
| Transport | 1,323 | - |
| Travel | 1,597 | 2,047 |
| Closing balance | $ 459,700 | $ 28,040 |

**Kampene – South Kivu Province, Congo**

| | **THREE MONTHS ENDED DECEMBER 31,** | |
|---|---|---|
| | 2007 | 2006 |
| Acquisition Costs | | |
| Opening balance | $ 22,710 | $ - |
| Option payments | - | - |
| Finders fees | - | - |
| Closing balance | $ 22,710 | $ - |
| | - | |
| Exploration Costs | - | |
| Opening balance | $ 249,663 | $ - |
| Assays | 59,891 | - |
| Engineering costs | (43,709) | - |
| Lease payments | - | - |
| Closing Balance | $ 265,845 | $ - |

1.15 ADDITIONAL INFORMATION FOR VENTURE ISSUER'S WITHOUT SIGNIFICANT REVENUE (Con't)

## Howell Property, British Columbia

| | THREE MONTHS ENDED DECEMBER 31, 2007 | 2006 |
|---|---|---|
| Acquisition Costs | | |
| Opening balance | $ - | $ 31,098 |
| Option payments | - | 422 |
| Closing balance | - | 31,520 |
| | | |
| Exploration Costs | | |
| Opening balance | - | 260,570 |
| Administration | - | 4,040 |
| Assay costs | - | 2,111 |
| Drilling costs | - | 53,956 |
| Engineering | - | 62,045 |
| Exploration advances | - | (100,000) |
| Field and camp costs | - | 178,280 |
| Geophysical costs | - | 137 |
| Reports Maps fees and licenses | - | 446 |
| Travel | - | 10,002 |
| Closing balance | $ - | $ 31,098 |

## Crowsnest Property, British Columbia

| | THREE MONTHS ENDED DECEMBER 31, 2007 | 2006 |
|---|---|---|
| Acquisition Costs | | |
| Opening balance | $ - | $ 51,040 |
| Option payments | - | 3,359 |
| Closing balance | $ - | $ 54,399 |
| | | |
| Exploration Costs | | |
| Opening balance | $ - | $ 116,073 |
| Administration | - | 1,854 |
| Assay costs | - | 10,001 |
| Engineering | - | 23,198 |
| Exploration advances | - | (45,267) |
| Field and camp costs | - | 35,725 |
| Reports Maps fees and licenses | - | (3,185) |
| Travel | - | 9,853 |
| Closing balance | $ - | $ 148,252 |

## 1.16 SCHEDULE OF SHARE CAPITAL

| | As of the date of this Management Discussion and Analysis |
|---|---|
| Common Shares outstanding | 27,923,546 |
| Options outstanding | 1,975,000 |
| Warrants outstanding | 3,450,250 |
| Fully diluted share capital | 33,348,796 |

Additional information regarding the Company is available on SEDAR at www.sedar.com.