

LATIN AMERICAN MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2007

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements for the three months ended March 31, 2007 have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)
(unaudited)
Nature of Operations and Going Concern (Note 1)

	March 31	Dec. 31
	2007	2006
ASSETS		
Current		
Cash	\$ 2,170,542	\$ 2,940,146
Accounts receivable	90,282	286,328
Prepaid expenses	<u>61,094</u>	<u>391</u>
	2,321,918	3,226,865
Field & Office Equipment (Note 4)	139,238	136,403
Mineral Properties (Note 3)	<u>849,507</u>	<u>381,420</u>
	\$ 3,310,663	\$ 3,744,688
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities	\$ 506,145	\$ 466,189
Due to related parties (Note 6b and 6d)	<u>13,000</u>	<u>57,000</u>
	519,145	523,189
Non-Controlling Interest	<u>47,071</u>	<u>51,283</u>
	<u>566,217</u>	<u>574,472</u>
Shareholders' Equity		
Share capital (Note 5)	3,735,350	3,578,600
Contributed surplus (Note 5)	1,151,419	1,156,172
Deficit	<u>(2,228,990)</u>	<u>(1,565,136)</u>
	<u>2,744,445</u>	<u>3,170,216</u>
	\$ 3,310,663	\$ 3,744,688

Commitments (Note 8)
Subsequent Events (Note 9)
On behalf of the Board:

"David Wahl"

Director

"Paul Fornazzari"

Director

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

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31

	2007	2006
EXPENSES		
Amortization	\$ 11,058	\$ -
Capital tax	4,459	-
Consulting fees [note 6 (e) and 6 (f)]	97,915	6,596
Corporate administration fees		9,000
Directors' fees [note 6 (b)]	(4,444)	
Office and general	28,683	9,554
License fee	5,182	
Management fees	15,000	
Professional fees [note 6 (c) and (d)]	294,755	42,163
Property investigation	14,861	
Salaries and benefits	24,513	-
Shareholder relations	2,460	859
Stock based compensation (Note 5b)	83,333	-
Transfer and filing fees	6,697	39,238
Travel	48,822	6,139
	<u>633,294</u>	<u>113,549</u>
OTHER ITEMS		
Interest income	15,136	1,532
Foreign exchange loss	(49,906)	(1,600)
	<u>(34,770)</u>	<u>(68)</u>
Loss before non-controlling interest	668,064	113,617
Non-controlling interest	<u>(4,210)</u>	<u>-</u>
Net loss for the period	663,854	113,617
Deficit, beginning of the period	<u>1,565,136</u>	<u>387,750</u>
Deficit, end of the period	\$ 2,228,990	\$ 501,367
Loss per share (basic and diluted)	\$ 0.03	\$ 0.01
Weighted average number of shares outstanding	30,621,000	13,904,044

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

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31

	2007	2006
OPERATIONS:		
Net loss for the quarter	\$ (663,854)	\$ (113,617)
Adjust for non-cash items:		
Amortization	11,058	-
Stock based compensation	83,333	-
Non-controlling interest	<u>(4,210)</u>	<u>-</u>
	(573,673)	(113,617)
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	196,046	(5,520)
Increase in prepaid expenses	(60,703)	-
Increase in advance to related parties	-	(10,479)
Increase (decrease) in accounts payable	39,956	(16,919)
Decrease in due to related parties	<u>(44,000)</u>	<u>(24,665)</u>
	<u>(442,374)</u>	<u>(171,200)</u>
FINANCING:		
Share subscriptions received in advance	-	148,800
Exercise of stock options and warrants	<u>68,750</u>	<u>10,000</u>
INVESTING:		
Acquisition of equipment	(13,893)	-
Acquisition of mineral properties, excluding acquisition for stock	(97,424)	(69,252)
Deferred exploration and development costs	<u>(284,663)</u>	<u>(32,278)</u>
	<u>(395,980)</u>	<u>(101,530)</u>
Decrease in cash	(769,604)	(113,930)
Cash, beginning of the period	<u>2,940,146</u>	<u>486,340</u>
Cash, end of the period	\$ 2,170,542	\$ 372,410
OTHER SUPPLEMENTARY INFORMATION		
Interest expense paid	\$ -	\$ -
Income taxes paid (see note 8 supplemental disclosure)	-	-

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

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

1. NATURE OF OPERATIONS AND GOING CONCERN

Latin American Minerals Inc. (“Latin” or the “Company”) was incorporated under the Canada Business Corporations Act on December 9, 2003. Effective April 4, 2006, the Company graduated from a Capital Pool Company (“CPC”) listing to a Tier 2 Mining Issuer on the TSX Venture Exchange (the “TSX-V” or “Exchange”). Its principal business activities are the exploration and development of resource properties. The Company has a 95% owned subsidiary in Argentina known as Latin American Minerals Argentina S.A.

The Company is in the process of exploring and developing its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Certain conditions, described below, currently exist which cast doubt upon the validity of this assumption.

During the three months March 31, 2007, the Company incurred a loss of \$663,854 (2006 - \$113,617) and at March 31 2007, the Company has working capital of \$1,802,773, (December 31, 2006 - \$2,703,676) and an accumulated deficit of \$2,228,990 (December 31, 2006 - \$1,565,136). The Company has incurred losses since inception. The Company’s continuing operations are dependent upon the continued support of related parties and the ability of the Company to raise equity financing. Should the Company not be able to continue to operate as a going concern, adjustments might be necessary to the carrying values of assets and liabilities and the reported results from operations.

The recoverability of amounts shown as mineral properties and deferred charges is dependent upon the discovery of economically recoverable reserves, the Company’s ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of properties. Theses and other uncertainties could adversely affect the future carrying value of mineral properties and deferred charges.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflected the following significant accounting policies:

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company’s subsidiary, Latin American Minerals Argentina S.A.

Latin American Minerals S.A. earns no revenue and can only sustain itself by receiving funds from Latin American Mineral Ltd. In accordance, the Company uses the temporal method of foreign currency translation (2 i) to account for its integrated subsidiary. All material intercompany transactions and balances have been eliminated.

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Mineral Properties

The Company is in the exploration stage and defers all expenditures related to its mineral properties until such time as the property is put into commercial production, sold or abandoned. Under this method, the amounts reported represents costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

If the property is put into commercial production, the expenditures will be depleted based upon the probable and proven reserves available. If the property is sold or abandoned, then the expenditure will be charged to operations. The Company does not accrue the estimated future costs of maintaining in good standing its mineral properties.

In the event that reserves are determined, the carrying values of a mineral property interest, on a property-by-property basis, will be reviewed by management at least annually to determine if they have become impaired. If impairment is deemed to exist, then the mineral property will be written down to its net recoverable value. The ultimate recoverability of the amounts capitalized is dependent upon the identification of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete their development and to realize profitable production and proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment will be based on current conditions. However, it is possible that changes could occur in the near term, which could adversely affect management's estimates and may result in future write-downs of the capitalized property carrying values.

c) Loss per Share

Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is determined using the treasury method. All outstanding options and warrants are anti-dilutive, and therefore have no effect on determination of loss per share.

d) Financial Instruments

The Company's financial instruments consist of receivables, prepaid expenses, payables, and amount due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

e) Use of Estimates and Measurement Uncertainty

Estimates by management represent an integral component of financial statements prepared in conformity with Canadian generally accepted accounting principles. The estimates made in these financial statements reflect management's judgement based on past experiences, present conditions, and expectation of future events. Where estimates were made, the reported amounts for assets, liabilities, revenues and expenses may differ from the amounts that would otherwise be reflected if the ultimate outcome of all uncertainties and future events were known at the time these financial statements were prepared. Significant estimates include the recoverability of mineral properties and deferred charges, the physical and economic lives of equipment, and the variables in calculating the fair value of stock based compensation.

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income Taxes

Income taxes are calculated using the liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheets are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using substantively enacted tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect of a change in a tax rate is recognized in income in the period that includes the date of enactment or substantive enactment. The recognition of future benefits is limited to the extent that the realization of such benefits is more likely than not.

g) Long-Lived Assets Impairment

Long-lived assets of the Company are reviewed when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to their fair value.

h) Stock-Based Compensation

The Company has an incentive stock option plan. The Company has adopted the recommendation of CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments” to account for stock based transactions with employees, directors, and outside consultants. Accordingly the fair value of stock options is charged to operations as appropriate, with an offsetting credit to contributed surplus. The fair value of stock options which vest immediately is recorded at the date of grant; the fair value of options that vest in future is recognized on a graded basis over the vesting period. Any consideration received on exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is assessed using the Black-Scholes Options Pricing Model.

i) Foreign Currency Translation

The Company uses the temporal method of foreign currency translation to account for its integrated subsidiary. Balances denominated in foreign currencies are translated into Canadian dollar equivalents as follows:

- i. Monetary assets and liabilities at year-end rates;
- ii. All other assets and liabilities at historical rates;
- iii. Revenue and expense transactions at the average rate of exchange prevailing during the period, except for amortization which is translated at historical rates.

Exchange gain or losses arising on these translations are charged to operations as incurred.

j) Field & Office Equipment

Field and office equipment are amortized on a straight line basis over the estimated useful life of the asset.

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

3. MINERAL PROPERTIES

Summary of Exploration and Development Expenditures

A summary of mineral properties and deferred exploration costs is as follows:

	December 31, 2006	Acquisition Cost	Deferred Exploration	March 31, 2007
La Carolina (i)	\$ 153,464	\$ 29,011	\$ 178,264	\$ 360,739
Cerro Amarillo (ii)	227,956		38,504	266,460
Tendal (iii)		154,413	67,895	222,308
	\$ 381,420	\$ 183,424	\$ 284,663	\$ 849,507

(i) La Carolina

Pursuant to an agreement (the “La Carolina Agreement”) dated November 9, 2005 with Geocom Resources Inc. (“Geocom”), TNR Gold Corp. (“TNR”) and Compania Minera Solitario Argentina S.A. (“Solitario”), known collectively as the Optionors, the Company has the right to earn a 75% interest, subject to a 1% NSR, in the La Carolina Property located in the San Luis Province, Argentina.

Effective April 4, 2006, the La Carolina Agreement received Exchange approval to serve as the Company’s Qualifying Transaction for the purposes of the policies of the TSX-V. As a result, the Company’s classification on the TSX-V has been changed from a Capital Pool Company to a Tier 2 Mining Issuer.

Under the La Carolina Agreement the Company can earn a 75% interest in the La Carolina Property by:

- (a) making exploration expenditures on the La Carolina Property totalling \$1.13 million by the fifth anniversary date of Exchange approval for the Qualifying Transaction, provided that a minimum exploration expenditure of \$56,500 is made by the first anniversary of TSX-V approval; and
- (b) by making cash payments totalling \$146,250 and issuing 125,000 common shares of the Company (the “Shares”) as follows, each divided equally between Geocom and TNR:
 - i) \$29,250 (paid) and 25,000 Shares (issued) upon receipt of TSX-V approval; and
 - ii) an additional \$29,250 (paid) and 25,000 Shares (issued) by the first anniversary of TSX-V approval; and
 - iii) an additional \$28,250 and 25,000 Shares by the second anniversary of TSX-V approval; and
 - iv) an additional \$28,250 and 25,000 Shares by the third anniversary of TSX-V approval; and
 - v) an additional \$28,250 and 25,000 Shares by the fourth anniversary of TSX-V approval.

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(An Exploration Stage Enterprise)
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3. MINERAL PROPERTIES (continued)

Upon satisfaction of the requirements set out in paragraphs (a) and (b) above, the Optionors and the Company have agreed to form a joint venture which shall provide for the Company having a 75% participating interest and the Optionors having a 25% participating interest. Should either party fail to participate in an approved program, then their interest shall be diluted. If one of the joint venture partners is diluted to a 10% interest, then its participating interest will immediately convert to a 1% NSR. The joint venture agreement will provide the Company with the option to purchase the 1% NSR at anytime for \$1.17 million.

Any additional claims staked by the parties within 2 km of the La Carolina Property will automatically become part of the La Carolina Agreement.

(ii) Cerro Amarillo

Pursuant to an agreement dated April 19, 2006 with a local owner, the Company has the option to acquire a 100% interest in the Cerro Amarillo copper-gold porphyry project in the Mendoza Province, Argentina. The Company has the option, over a period of five years, to acquire the mineral concessions outright for \$1.7 million. To maintain its option the Company is required to make escalating payments totalling \$772,000 over the same period (which would terminate if the Company exercises its option to acquire the property outright) and undertake a minimum work commitment of \$117,000 in the first year and \$234,000 in the second year of the agreement. On October 19, 2006 the second payment of \$45,200 was renegotiated by paying \$22,600 on October 24, 2006 and the remaining \$22,600 was paid December 19, 2006. In addition, a royalty amounting to 1% Net Smelter Return capped at \$1.13 million is payable on production.

A finder's fee of 45,000 common shares of the Company was paid in connection with the transaction.

(iii) Tendal

On January 31, 2007 the Company acquired a 100% interest in the Tendal zinc-silver property in La Rioja Province of Argentina for \$52,000 and 200,000 common shares of the Company. The property comprises four concessions covering 24,296 hectares. Subsequently the Company acquired 2 more concessions with an additional 12,192 hectares.

(iv) Paso Yobai

On Feb. 21, 2007 the Company entered in to two option agreements for 70% interests in two mining concessions. The Paso Yobai Project includes the Minera Guira mining concession for which the 70% interest can be earned by payments of \$2.38 million over 3 years plus 100,000 shares of the company and by expending \$565,000 and during the first year.

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

3. MINERAL PROPERTIES (continued)

The Minas Paraguay concession requires cash payments of \$2.265 million over 3 years plus company shares valued at \$56,500 and mining exploration expenditures of \$847,500 over 2 years.

4. FIELD AND OFFICE EQUIPMENT

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Field and Office Equipment	\$ 150,296	\$ 11,058	\$ 139,238	\$ -

5. SHARE CAPITAL

	Number of Shares	Amount
Authorized:		
Unlimited common shares without par value		
Issued and fully paid:		
Balance as at December 31, 2006	30,209,000	\$3,578,600
Acquisition of mineral property Tendal	200,000	86,000
Exercise of stock options	600,000	60,000
Issued from warrant exercised	25,000	10,750
Balance as at March 31, 2007	31,034,000	\$3,733,350

(a) Escrow

At March 31, there are 7,590,000 shares of the Company subject to a TSXV required escrow agreement (the "Escrow Agreement") that may not be transferred, assigned or otherwise dealt with until they are totally released from escrow. On each subsequent April and November 4, an additional 1,518,000 shares can be released from escrow.

LATIN AMERICAN MINERALS INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

5. SHARE CAPITAL (continued)

(b) Incentive Stock Options

The following table summarizes information about stock options outstanding at March 31, 2007:

Number of Stock Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
100,000	\$ 0.66	April 20, 2011	4.05 years
640,000	\$ 0.25	October 18, 2011	4.55 years
<u>1,195,000</u>	\$ 0.40	January 5, 2012	4.95 years
1,935,000			4.77 years

A summary of the changes in the Company's stock options during the period is set out below:

	Number of Shares	Weighted Average Exercise Price
Exercisable at December 31, 2006	1,340,000	\$ 0.21
Exercised during the period	(600,000)	\$ 0.10
Exercisable at March 31, 2007	740,000	\$ 0.25

During the period, the Company issued a total of 1,195,000 incentive stock options; 1,100,000 incentive stock options to directors at an exercise price of \$0.40 per share; 95,000 incentive stock options to employees at an exercise price of \$0.40 per share.

The fair value of these options amounts to \$320,260; the options vest over 24 months in equal tranches commencing July 7, 2007 and are being expensed over that period and credited to contributed surplus within shareholders' equity. For the quarter ended March 31, 2007, \$83,333 was expensed. The weighted average fair value of the options granted is \$0.27 per option.

The fair value of options granted during the period have been estimated using an option-pricing model. Assumptions used in the pricing model are as follows: risk-free interest rate of 3.5%, dividend yield of 0%, volatility of 100%, and expected life of 3.25 years.

Subsequent to the quarter end the Company issued 125,000 in stock options to an officer of the Company that vest over the subsequent 18 months in 31,250 increments in four equal tranches commencing May 2007.

LATIN AMERICAN MINERALS INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

5. SHARE CAPITAL (continued)

(c) Share Purchase Warrants

The following table summarizes information about share purchase warrants outstanding at March 31, 2007:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
625,000	\$ 0.59	April 6, 2008	1.58 years
7,597,000	\$ 0.35	November 20, 2007	0.64 years
1,340,200	\$ 0.25	May 21, 2008	1.14 years
177,800	\$ 0.25	June 2, 2008	1.17 years
9,765,000			0.72 years

A summary of the changes in the share purchase warrants during the period is set out below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance as at December 31, 2006	9,765,000	\$ 0.33
Exercised during the period	25,000	\$ 0.35
Balance as at March 31, 2007	9,740,000	\$ 0.33

With the issuance of 25,000 shares related to the exercise of warrants, \$2,000 originally credited to contributed surplus was transferred to share capital.

6. RELATED PARTY TRANSACTIONS

- (a) \$15,000 (2006-nil) in management fees to directors of the Company. At March 31, 2007, a total of \$10,000 (2006 - \$nil) remained unpaid and was included in due to related parties.
- (b) \$3,000 (2006-nil) in director fees to directors of the Company. At March 31, 2007 a total of \$3,000 (2006 - \$nil) remained unpaid and was included in due to related parties.
- (c) \$200,600 (2006-nil) in legal fees to a law firm of which a partner is a director of the Company. At March 31, 2007, a total of \$159,658 (2006 - \$nil) remained unpaid and is included in accounts payable for legal services.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2007

6. RELATED PARTY TRANSACTIONS (continued)

- (d) \$42,310 (2006-nil) in accounting fees to an accounting firm of which a partner was a director of the Company. At March 31, 2007, a total of \$26,750 (2006 – \$nil) remained unpaid and is included in accounts payable for accounting services.
- (e) \$37,500 (2006-nil) in consulting fees and \$40,562 in expenses paid to a director of the Company. At March 31, 2007, a total of \$52,948 (2006 - \$nil) remained unpaid and is included in accounts payable.
- (f) \$18,535 (2006-nil) in consulting fees and \$11,789 in expenses paid to a officer of the company. At March 31 2007 a total of \$19,645 remained unpaid and is included in accounts payable (2006-\$nil).

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

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transaction for the period was the Company incurring \$200,000 in mineral property acquisition costs through the issuance of common shares.

8. COMMITMENTS

As at March 31, 2007 the Company had no significant outstanding commitments

9. SUBSEQUENT EVENTS

- a) On May 7, 2007 the Company entered in to an agreement for a brokered private placement for gross proceeds of \$10,000,000 amended later to proceeds of \$12,000,000 from the issuance of 12,000,000 units consisting of 1 common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase 1 common share at price of \$1.25 until a date that is one year from the date of closing of the transaction. It is anticipated the closing date will be May 31, 2007.
- b) Subsequent to the period, 380,000 warrants were exercised for proceeds of \$147,400