Northern Mining Explorations Ltd.

Interim Financial Statements

March 31, 2007

MESSAGE TO THE SHAREHOLDERS

The first quarter ended March 31, 2007 has been one of the most productive that NORTHERN MINING (“MDN”) has known in many years, as witnessed by the fact that the price of its shares increased from $0.68 to $1.68 in less than three months. That progression resulted in the exercise of 2.8 million warrants and cash inflows of more than $2M for the Company.

Strategic alliance

Entering into a strategic alliance with GBS Gold International (“GBS Gold”), a gold producer, has unquestionably been a key event of the first quarter in 2007. This strategic partnership will allow MDN to implement its business strategy, which aims to ensure the necessary funding of an exploration effort unprecedented in the history of the Company and provide it with new acquisition opportunities.

In order to consolidate this strategic alliance, GBS Gold acquired 8 million MDN units on April 5, 2007, each of which being composed of one share priced at $1.20 and one warrant priced at $1.60. Thus MDN initially received $9.6 million. GBS will thereafter have the option to acquire 8 million additional shares through the exercise of the warrants, for a total of 16 million MDN shares at an average price of $1.40. The warrants are exercisable at any time for 18 months, up until October 5, 2008.

In fact, GBS Gold now holds 9.83% of MDN’s shares and, through the exercise of its warrants, is in a position to acquire an additional interest of 8.06%, based on the current number of issued and outstanding shares.

Tulawaka Gold Mine

The Tulawaka gold mine (Tanzania) produced 39,657 ounces of gold during the first quarter of 2007, which is consistent with the 2007 budgetary forecasts. The gold production of the Tulawaka mine is now 304,019 ounces since the beginning of operations in March 2005. In light of these excellent results, the Tulawaka mine again distributed an amount of US$10 million to the participants, MDN (30%) and Pangea Goldfields (70%); MDN’s share was entirely applied for repayment of the debt. Following this distribution, the Tulawaka mine retains a provision of US$18.2 million, particularly for the development of the underground mine.

In this first quarter, MDN’s shareholders learned that the Tulawaka mine produced 139,655 ounces of gold during fiscal year 2006, which represents a 12% increase over the budget. A total of 146,493 ounces of gold were sold on the spot market at an average price of US$606 per ounce for a gross income of US$88 million, resulting in an operating profit of US$32.9 million, compared with an anticipated profit of US$9.7 million.

Shortly after the publication of these figures, MDN's shareholders were provided with approximately forty drilling results (press release dated January 31, 2007) carried out below the Tulawaka open pit mine at depths varying between 114 and 282 metres below surface. The best results were values of 57.2 g/t over 4 metres, 138.6 g/t over 4.3 m, 90,2 g/t over 3 m and 10.1 g/t over 7.2 m. These results allowed us to confirm both the continuity and the grade of the main body mineralization and define new mineralized lenses in its peripheral zones.

MDN's shareholders were also informed that the Tulawaka mine was expected to produce 210,000 ounces of gold during fiscal year 2007. Assuming an average sale price of US$600 per ounce, anticipated gross revenue should exceed US$126 million. At US$650 per ounce, gross revenue would be US$136.5 million.

With respect to the development of the underground mine, the construction work for the access ramp should begin during the second quarter. This work, the cost of which is estimated at approximately US$16 million, will be located in the western part of the open pit while mineral extraction will continue in the eastern part.

Exploration around Tulawaka

During the first quarter, MDN announced an investment of approximately US$4.3 million for its 2007 exploration activities, which may be raised at any time based on the results.

In fact, the Company launched a significant exploration program, including detailed geophysical surveys, surface sampling as well as a minimum of 25,000 metres of reverse-circulation drilling on gold targets which have been previously confirmed by a first drilling program. The January 25, 2007 press release (see www.xnord.com) well details the targets of our exploration effort.

In addition to its 30% participation interest in the Tulawaka mine, MDN controls 20 exploration permits covering more than 700 km^2 in a 50 km radius around the mine.

Subsequent events

MDN's board of directors was pleased to welcome a new member, Mr. Gil Playford, president and chief executive officer of GBS Gold. Mr. Playford has more than 35 years of experience in business management, particularly in the metals sector. He has held executive position with many corporations, including Union Carbide, LionOre Mining International Ltd., Terra Gold Mining Ltd. and GrafTech International Ltd.

MDN's board of directors also accepted the resignation of Messrs. David Fennell and Anthony P. Walsh as directors of the Company.

MDN is more than ever in an excellent financial shape and remains confident that it will achieve its growth objectives.

Paul-A. Girard, President and Chief executive officer
NORTHERN MINING Explorations Ltd.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Northern Mining Explorations Ltd. is now a gold producer. However, the Company remains very active in exploring for gold and base metal deposits, particularly in Québec (Canada), Tanzania and Eritrea (East Africa). Its objective is to acquire and develop mining assets in order to secure a high return on investment to its shareholders.

SUMMARY OF OPERATING RESULTS

For the three months ended March 31		2007		2006
(In thousands of dollars, except per-share amounts)				
Revenue	**$**	**448**	$	628
Administrative expenses	**$**	**1,016**	$	1,026
Gold price royalty	**$**	**1,416**	$	816
Foreign exchange loss (gain)	**$**	**12**	$	(28)
Net loss	**$**	**1,994**	$	1,188
Basic and fully diluted net loss per share	**$**	**0.028**	$	0.019
Weighted-average number of shares outstanding (in thousands)		**70,626**		62,172

Results

Revenue for the period ended March 31, 2007 totalled $447,506 compared with $627,895 for the same period in 2006. Revenue is comprised mainly of interest on the loan receivable from Pangea Minerals Ltd. Administration expenses amounted to $1,015,676 compared with $1,025,747 in 2006. The administrative expenses include, among others, interest in the amount of $656,887 ($721,311 in 2006) on the long-term debt, including $90,423 ($90,423 in 2006) of deferred financing cost amortization and a 3% management fee of $139,518 ($87,533 in 2006) for the Tulawaka mine. Furthermore, in virtue of an agreement, the Company had to pay a royalty of $1,415,948 on the ounces of gold sold ($816,421 in 2006).

Net loss

For the first quarter, the Company recorded a net loss of $1,993,805 or 0.028 $ per share compared with $1,187,751 or $0.019 per share in 2006. The net loss per share is based on a weighted-average number of 70,626,238 common shares outstanding as at March 31, 2007, compared with a weighted-average number of 62,172,426 common shares outstanding as at March 31, 2006.

Financial position		*March 31,* **2007**		*December 31,* 2006
(In thousands of dollars)				
Cash and cash equivalents	**$**	**2,902**	$	647
Term deposit	**$**	**2,000**	$	2,350
Loan and interest receivable	**$**	**17,567**	$	20,818
Mining properties and deferred exploration costs	**$**	**11,043**	$	10,631
Total assets	**$**	**34,226**	$	35,320
Long-term debt	**$**	**17,185**	$	18,870
Capital stock	**$**	**48,468**	$	45,489
Shareholders’ equity	**$**	**16,736**	$	16,085

LIQUIDITY AND FINANCIAL POSITION

Cash, cash equivalents and term deposits

As at March 31, 2007, the Company's cash position, consisting of cash and term deposits, amount to $4,901,827 compared with $2,997,018 as at December 31, 2006.

Loan and interest receivable		*March 31,* **2007**
(In thousands of dollars)		
Balance as at December 31, 2006	$	**20,818**
Capitalized interest		**418**
Foreign exchange loss		**(205)**
Reimbursement		**(3,464)**
Balance as at March 31, 2007	$	**17,567**

The loan receivable from Pangea Minerals Ltd., operator of the Tulawaka mine, amounted to $17,567,012 as at March 31, 2007, compared with $20,817,537 as at December 31, 2006 (see note 3 to the financial statements).

Mining properties and deferred exploration costs

During the first quarter ended March 31, 2007, the Company disbursed $295,794 for deferred exploration costs. Of this amount, $241,172 were spent on the Simba, Baraka and Kunga properties in Tanzania. Deferred exploration costs on mining properties amounted to $9,745,547 as at March 31, 2007, compared with $9,449,753 as at December 31, 2006.

Long-term debt		*March 31,* **2007**
(In thousands of dollars)		
Balance as at December 31, 2006	$	**18,870**
Capitalized interest		**567**
Capitalized gold price royalty		**1,416**
Foreign exchange gain		**(204)**
Reimbursement		**(3,464)**
Balance as at March 31, 2007	$	**17,185**

As at March 31, 2007, the non-recourse loan relating to the Tulawaka mine amounted to $17,185,014 compared with $18,870,040 as at December 31, 2006 (see note 5 to the financial statements). The Company has agreed to pay a royalty when the price of gold, extracted from the Tulawaka mine, exceeds US$400 per ounce at the time of sale.

Assets, shareholders' equity and cash

Total assets amounted to $34,226,312 as at March 31, 2007 compared with $35,320,482 as at December 31, 2006. The difference is mainly attributable to the $1,904,809 increase in liquid assets (cash and term deposits) pursuant to the exercise of warrants, to the $2,549,606 reduction in the loan receivable and to the $412,508 net increase in mineral properties and deferred exploration costs.

Shareholders' equity amounted to $16,736,422 as at March 31, 2007 compared with $16,084,687 as at December 31, 2006.

The Company's short and long-term liquidities are available for the payment of administrative expenses and for the financing of exploration activities.

Capital stock

As at March 31, 2007, the number of common shares outstanding totalled 73,622,688 compared with 69,708,771 as at December 31, 2006.

Liquidity needs for the current year

Gold production started in March 2005 at the Tulawaka mine. Following commercial production at the mine, the cash available will be applied first as interest and repayment of the loan receivable, in accordance with the agreement. The Company will also receive a 30% share of all excess cash generated. The Company will use this money to reimburse its long-term debt and accrued interest payable. For the current year, that is from January 1 to December 31, 2007, the Company's needs in cash are estimated at $5,940,000 and include fixed costs and exploration expenses in Tanzania and Québec. An amount of approximately $3,580,000 was cashed by the Company pursuant to the acceleration plan for the exercise of warrants, which ended April 10, 2007.

RISKS AND UNCERTAINTIES

The main mining asset of the Company, which is its share in the Tulawaka mine in Tanzania, is now in production since mid-March 2005. All the remainder of the Company's resource properties are at the exploration stage. The long-term value of the Company's operations will be partially related to costs and to the success of its subsequent exploration and development programmes, which may also be affected by a number of other factors. These include the particular attributes of any mineral deposits, including the quantity and quality of the ore, the development cost of extractive operations, financing costs, the market value of gold, as well as the competitive nature of the industry.

Substantial expenditures are required for exploration programmes and the development of reserves. In the absence of cash flows from operations, the Company relies on capital markets to fund its exploration and development activities. Capital market conditions and other unforeseeable events may affect the Company's ability to finance and develop its projects.

Commodity prices

Factors that influence the market value of gold, base metals and any other mineral discovered are outside the Company's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Risks not covered by insurance

The Company may become subject to claims arising from natural phenomena, pollution or other risks against which it cannot or chooses not to insure itself due to the high cost of premiums or for other reasons. Payment of such claims would decrease and could eliminate funds available for exploration and mining activities. Furthermore, as the Company carries on business in foreign countries, it is subject to governmental decisions and policies.

DIVIDEND POLICY

The Company has not declared nor paid any dividends on its common shares since incorporation. Any decision to pay dividends to holders of common shares of the Company will be taken by the Board of Directors based on its assessment of the Company's financial position, taking into account the financial requirements for future growth and other factors that the Board may deem pertinent under the circumstances.

OUTLOOK

It goes without saying that our successes in 2006 largely determine our priorities in 2007, which will be focused on unprecedented exploration efforts in Tanzania.

Up-to-date information on the Company's affairs may be consulted on SEDAR at www.sedar.com.

Montréal, Canada
April 24, 2007

FINANCIAL HIGHLIGHTS

The following tables present a summary of the main financial elements for the last three years and the last eight quarters:

FOR THE LAST THREE YEARS

	2007	2006	2005
Total revenue	**$ 447,506**	$ 2,300,159	$ 2,493,210
Net loss	**$ 1,993,805**	$ 7,662,630	$ 3,680,190
Net loss per share	**$ 0.028**	$ 0.112	$ 0.064
Exploration expenses	**$ 295,794**	$ 2,719,127	$ 1,953,255
Total assets	**$ 34,226,312**	$ 35,320,482	$ 41,029,729
Shareholders' equity			
Total	**$ 16,736,422**	$ 16,084,687	$ 17,758,499
Per share	**$ 0.23**	$ 0.23	$ 0.29

FOR THE LAST EIGHT QUARTERS

	2007
	1st Quarter
Total revenue	$ 447,506
Net loss	$ 1,993,805
Net loss per share	$ 0.028

				2006
	1st Quarter	*2nd Quarter*	*3rd Quarter*	*4th Quarter*
Total revenue	$ 627,895	$ 611,600	$ 558,436	$ 502,228
Net loss	$ 1,187,751	$ 2,667,524	$ 1,699,088	$ 2,108,267
Net loss per share	$ 0,019	$ 0,039	$ 0,025	$ 0,029

			2005
	2nd Quarter	*3rd Quarter*	*4th Quarter*
Total revenue	$ 635,768	$ 659,725	$ 642,604
Net loss	$ 126,972	$ 1,204,100	$ 2,314,466
Net loss per share	$ 0,002	$ 0,020	$ 0.040

Northern Mining Explorations Ltd.

Interim Financial Statements

March 31, 2007

Consolidated Statements of Operations *(Unaudited)*

	Three months ended March 31, 2007	2006
Revenue		
Interest	**$ 447,506**	$ 626,095
Other income	**-**	1,800
	447,506	627,895
Administrative expenses		
Professional fees	**44,192**	43,987
Salaries and fringe benefits	**61,260**	61,295
Transfer fees	**24,396**	22,650
Travelling expenses	**43,448**	33,954
Rent	**8,244**	7,552
Office expenses	**4,450**	4,534
Promotion expenses	**5,497**	9,864
Reports to shareholders	**3,141**	6,491
Insurance, taxes and permits	**6,939**	6,931
Telecommunications	**5,649**	3,528
Management fees	**139,518**	87,533
Interest on long-term debt, including amortization of deferred financing costs	**656,887**	721,311
Penalties and bank charges	**9,030**	13,071
Depreciation on fixed assets	**3,025**	3,046
	1,015,676	1,025,747
Loss before the following items	**568,170**	397,852
Other expenses (revenue)		
Gold price royalty	**1,415,948**	816,421
Foreign exchange loss (gain)	**12,077**	(28,072)
	1,428,025	788,349
Loss before non-controlling interest	**1,996,195**	1,186,201
Non-controlling interest	**2,390**	(1,550)
Net loss	**$ 1,993,805**	$ 1,187,751
Basic and fully diluted net loss per share	**$ 0.028**	$ 0.019
Weighted-average number of outstanding shares (in thousands)	**70,626**	62,172

Consolidated Statements of Deficit *(Unaudited)*

	Three months ended March 31, 2007	2006
Balance at beginning of period	**$ 32,479,460**	$ 24,042,622
Net loss	**1,993,805**	1,187,751
Share issue expenses	**2,816**	626,554
Balance at end of period	**$ 34,476,081**	$ 25,856,927

Consolidated Statements of Contributed Surplus for Stock-Based Awards *(Unaudited)*

	Three months ended March 31, 2007	2006
Balance at beginning of period	**$ 3,035,287**	$ 2,703,994
Awards during the period	**-**	66,625
Exercise of warrants	**85,987**	-
Exercise of options	**244,438**	-
Balance at end of period	**$ 2,704,862**	$ 2,770,619

Consolidated Balance Sheets

	March 31, 2007 *Unaudited*	December 31, 2006 *Audited*
Current assets		
Cash and cash equivalents (note 2)	**$ 2,901,827**	$ 647,018
Term deposit, rate of 4%	**2,000,000**	2,350,000
Accounts receivable	**12,693**	83,321
Prepaid expenses	**27,745**	27,017
	4,942,265	3,107,356
Loan and interest receivable (note 3)	**17,567,012**	20,817,537
Fixed assets, at cost less accumulated depreciation	**40,933**	41,572
Deferred financing costs, unamortized portion	**632,941**	723,364
Mining properties	**1,297,614**	1,180,900
Deferred exploration costs (note 4)	**9,745,547**	9,449,753
Total assets	**$ 34,226,312**	$ 35,320,482
Current liabilities		
Accounts payable and accrued liabilities	**$ 251,344**	$ 309,833
Current portion of long-term debt	**7,502,049**	6,820,330
	7,753,393	7,130,163
Long-term debt (note 5)	**9,682,965**	12,049,710
Non-controlling interest	**53,532**	55,922
Shareholders' equity		
Capital stock (note 6)	**48,467,641**	45,488,860
Contributed surplus for stock-based awards	**2,704,862**	3,035,287
Other contributed surplus	**40,000**	40,000
Deficit	**(34,476,081)**	(32,479,460)
	16,736,422	16,084,687
Total liabilities and shareholders' equity	**$ 34,226,312**	$ 35,320,482

Consolidated Statements of Cash Flows *(Unaudited)*

	Three months ended March 31, **2007**	**2006**
Operating activities		
Net loss	**$ (1,993,805)**	$ (1,187,751)
Items not affecting cash		
Interest income capitalized to the loan receivable	**(417,765)**	(596,793)
Interest expense capitalized to the long-term debt	**566,464**	630,888
Amortization of deferred financing costs	**90,423**	90,423
Depreciation on fixed assets	**3,025**	3,046
Gold price royalty capitalized to the long-term debt	**1,415,948**	816,421
Unrealized foreign exchange loss (gain)	**852**	(16,091)
Non-controlling interest	**(2,390)**	1,550
	(337,248)	(258,307)
Changes in non-cash working capital items	**11,411**	11,878
	(325,837)	(246,429)
Financing activities		
Issuance of capital stock	**2,549,606**	5,913,501
Share issue expenses	**(2,816)**	(559,929)
	2,546,790	5,353,572
Investing activities		
Term deposit	**350,000**	(4,500,000)
Additions to fixed assets	**(2,386)**	-
Additions to mining properties	**(17,964)**	-
Deferred explorations costs	**(295,794)**	(485,718)
	33,856	(4,985,718)
Net increase in cash and cash equivalents	**2,254,809**	121,425
Cash and cash equivalents at beginning of period	**647,018**	435,577
Cash and cash equivalents at end of period	**$ 2,901,827**	$ 557,002

Supplemental information (note 7)

Notes to Consolidated Financial Statements *(Unaudited)*

March 31, 2007

Information as at December 31, 2006 is audited.

The interim financial statements should be read in conjunction with Northern Mining Explorations Ltd's annual financial statements for the year ended December 31, 2006.

1. Significant accounting policies

The interim financial statements have been prepared following the same basis of presentation and accounting policies used in the annual financial statements for the year ended December 31, 2006, except for the following changes.

Accounting changes
The Canadian Institute of Chartered Accountants (CICA) revised Section 1506, "Accounting changes", which now requires that: (a) a voluntary change in accounting principles can be made if, and only if, the changes result in more reliable and relevant information, (b) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change, and (c) for changes in estimates, the nature and amount of the change should be disclosed. Effective, January 1, 2007 the Company has adopted the new recommendations which had no impact on the Company's interim consolidated financial statements.

Financial instruments
The CICA issued new accounting standards in relation with financial instruments : a) Section 1530 "Comprehensive Income", which introduces a new requirement to temporarily present certain gains and losses outside net income, b) Section 3855 "Financial instruments – recognition and measurement" which prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts, and which also specifies how financial instrument gains and losses are to be presented, c) Section 3865 "Hedges", which describes how and when hedge accounting can be used. Now, the Company considers the cash equivalents and the term deposit as financial assets held for trading and recorded theses assets at fair value which approximates their carrying value due to their short-term maturities. Regarding the deferred financing costs related to long-term debt transaction costs, the Company will determined during the next quarter which accounting policy that will be adopted, either: recognizing theses costs in net income or adding them to the related debt.

2. Cash and cash equivalents

	March 31, **2007**	*December 31,* 2006
Cash	**$ 598,865**	$ 146,257
Cash held for exploration work	**27,962**	761
Term deposits, rates of 2.85% and 2.9%	**1,800,000**	-
Term deposit, rate of 2.4%, held for exploration work	**475,000**	500,000
	$ 2,901,827	$ 647,018

The term deposits have a maturity date of less than three months from the date of acquisition.

3. Loan and interest receivable

The loan receivable from Pangea Minerals Ltd. ("PML"), in relation to the Tulawaka mine bears interest at the rate of 8% and, according to the agreement, is refundable in US dollars by nineteen quarterly instalments starting the first quarter after the commercial production of the mine has started. The agreement also states that the amounts of the instalments are to be determined by PML and are repayable at their will. Thus, no short-term portion of the loan is presented even though the first quarter after commercial production of the property is June 2005. This loan was partly financed by means of the long-term debt (note 5).

4. Deferred exploration costs

The table below shows the additions to deferred exploration costs:

	December 31, 2006 Opening balance	Additions	*March 31,* **2007** Closing balance
Tulawaka	$ 1,661,228	$ 6,904	**$ 1,668,132**
Simba, Baraka and Kunga	3,085,193	241,172	**3,326,365**
Msasa	217,311	19,956	**237,267**
Eritrean	1,316,538	26,450	**1,342,988**
Lac Shortt and Lespérance	1,524,374	-	**1,524,374**
Le Tac	635,614	-	**635,614**
Clairy	441,856	-	**441,856**
Other properties	567,639	1,312	**568,951**
	$ 9,449,753	$ 295,794	**$ 9,745,547**

5. Long-term debt

	March 31, **2007**	*December 31,* 2006
Term loan for a maximum amount of US$18,000,000, at LIBOR (5.21% as at march 31, 2007) plus 6.5%, repayable by quarterly instalments varying from 1% to 12.3% calculated on the total amount of the term loan, maturing in March 2009, guaranteed on a non-recourse basis by the interest held in the Tulawaka project	**$ 17,185,014**	$ 18,370,870
Deferral facility for a maximum amount of US$5,000,000, representing unpaid amounts according to the above-mentioned loan agreement, at LIBOR plus 9%, maturing on December 31, 2008, guaranteed on a non-recourse basis by the interest held in the Tulawaka project	**-**	499,170
	17,185,014	18,870,040
Current portion	**7,502,049**	6,820,330
	$ 9,682,965	$ 12,049,710

5. Long-term debt (cont'd)

The estimated portion of long-term debt payable in each of the next eight quarters is as follows:

June 30, 2007	$ 1,813,960		June 30, 2008	$ 2,411,598
September 30, 2007	$ 1,853,942		September 30, 2008	$ 2,470,521
December 31, 2007	$ 1,896,030		December 31, 2008	$ 2,529,442
March 31, 2008	$ 1,938,117		March 31, 2009	$ 2,271,404

6. Capital stock

The Company is authorized to issue an unlimited number of common shares of no par value. Changes in the outstanding capital stock are as follows:

	March 31, **2007**		*December 31,* 2006	
	Number	Value	Number	Value
Balance at beginning of period	**69,708,771**	**$ 45,488,860**	61,243,547	$ 39,057,127
Issued in consideration of mining properties	**125,000**	**98,750**	10,000	7,000
Cash				
Private placements	**-**	**-**	7,884,668	5,913,501
Flow-through shares	**-**	**-**	555,556	500,000
Exercise of warrants	**2,828,917**	**2,035,106**	-	-
Exercise of stock options	**960,000**	**514,500**	15,000	6,750
Amounts from contributed surplus				
Exercise of warrants	**-**	**85,987**	-	-
Exercise of stock options	**-**	**244,438**	-	4,482
	3,913,917	**2,978,781**	8,465,224	6,431,733
Balance at end of period	**73,622,688**	**$ 48,467,641**	69,708,771	$ 45,488,860

6. **Capital stock** (cont'd)

Warrants

The table below presents a summary of the warrants:

	March 31, **2007**			*December 31,* 2006		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Outstanding at beginning of period	**30,397,087**	**$**	**0.92**	27,112,250	$	0.91
Granted	**109,207**	**$**	**1.00**	4,454,837	$	0.97
Exercised	**(2,828,917)**	**$**	**0.72**	-	$	-
Cancelled	**-**	**$**	**-**	(1,170,000)	$	1.00
Outstanding at end of period	**27,677,377**	**$**	**0.94**	30,397,087	$	0.92

The table below presents supplemental information about the outstanding warrants at the end of the period:

Exercise prices		Number	Maturity
$	0.50	2,000,000	2007-04-30
$	0.77	294,086	2007-08-16
$	1.00	22,901,541	2009-01-14
$	0.75	1,664,500	2010-07-29
$	0.75	517,250	2010-08-29
$	0.75	300,000	2010-12-05

6. Capital stock (cont'd)

Stock option plan

Under the stock option plan, the Company may grant up to a maximum of 8,000,000 stock options to employees, officers, directors and independent service providers to acquire capital stock.

Under the provisions of the Plan, the terms and price of the stock options are established by the directors.

The table below presents a summary of the stock option plan:

	March 31, **2007**			*December 31,* 2006		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Options at beginning of period	**7,198,630**	**$**	**0.71**	7,348,630	$	0.71
Granted	**-**	**$**	**-**	300,000	$	0.49
Cancelled	**-**	**$**	**-**	(435,000)	$	0.47
Exercised	**(960,000)**	**$**	**0.54**	(15,000)	$	0.45
Options at end of period	**6,238,630**	**$**	**0.74**	7,198,630	$	0.71
Exercisable options at end of period	**6,238,630**	**$**	**0.74**	7,198,630	$	0.71

As at March 31, 2007, there were 6,238,630 stock options outstanding at exercise prices ranging from $0.45 to $1.17 with a weighted average remaining contractual life of 5.67 years.

The table below presents supplemental information about the stock option plan at the end of the period:

Range of exercise prices	Number	Weighted average remaining life *years*		Weighted average exercise price
$0.45 – $0.50	2,175,000	8.08	$	0.47
$0.64 – $0.73	623,630	4.18	$	0.69
$0.80 – $0.84	1,100,000	3.93	$	0.81
$0.90 – $0.98	1,850,000	5.28	$	0.92
$1.10 – $1.17	490,000	2.28	$	1.12

7. Cash flows

Supplemental information on non-cash transactions:

	Three months ended March 31,	
	2007	2006
Unrealized foreign exchange loss (gain) allocated to loan receivable	**$ 204,490**	$ (112,484)
Reduction of long-term debt applied in reduction of loan receivable	**$ 3,463,800**	$ 1,050,390
Unrealized foreign exchange loss (gain) allocated to long-term debt	**$ (203,638)**	$ 96,393
Warrants issued in consideration of share issue expenses	**$ -**	$ 66,625

8. Subsequent event

On April 5, 2007, the Company realized a private placement with GBS Gold International Inc. ("GBS") pursuant to which the Company issued 8,000,000 units for a total amount of $9,600,000 ($1.20 per unit). Each unit consists of one common share of the Company and one warrant permitting GBS to purchase one additional common share of the Company at a price of $1.60 per share until October 5, 2008. The broker has received a finder's fee of 400,000 units.