

**AURAMEX RESOURCE CORP.**

**CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
(UNAUDITED-PREPARED BY MANAGEMENT)**

**JUNE 30, 2007**

## REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by 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 standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# AURAMEX RESOURCE CORP.

## CONSOLIDATED INTERIM BALANCE SHEETS

(Unaudited – Prepared by Management)

	June 30 2007	December 31 2006
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 103,796	\$ 57,076
Amounts receivable	13,849	7,998
	<u>117,645</u>	<u>65,074</u>
Reclamation Deposits (Note 3)	7,034	7,063
Equipment	4,715	3,035
Interests In Mineral Properties (Note 4)	1,616,474	1,034,584
Other Assets	-	-
	<u>\$ 1,745,868</u>	<u>\$ 1,110,156</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 158,427	\$ 113,743
	<u>158,427</u>	<u>113,743</u>
Due To Related Parties	-	78,645
	<u>158,427</u>	<u>192,388</u>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock (Note 5)	9,121,966	8,324,975
Share Subscriptions Received	13,000	28,500
Contributed Surplus	528,438	528,438
Deficit	<u>(8,075,963)</u>	<u>(7,964,145)</u>
	<u>1,587,441</u>	<u>917,768</u>
	<u>\$ 1,745,868</u>	<u>1,110,156</u>

### Subsequent Events (Note 7)

Approved on Behalf of the Board:

*"Heather Conley"*

*"Judie Whitby"*

Director

Director

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

## AURAMEX RESOURCE CORP.

### CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited – Prepared by Management)

	Three month period ended		Cumulative six month period ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
<b>Expenses</b>				
Audit and related services	\$ 10,220	\$ 5,990	\$ 11,810	\$ 7,580
Accounting	319	247	1,869	5,077
Bank charges and interest	386	517	1,294	1,002
Entertainment and promotion	-	935	396	935
Investor relations	4,500	4,500	9,000	9,000
Legal fees	6,974	9,887	18,009	28,075
Management consulting fees	19,000	18,000	37,000	36,000
Marketing	2,790	-	7,680	570
Office	51	64	2,386	586
Property investigation	59	-	59	40
Shareholders communications	1,875	1,050	2,584	1,538
Telephone	315	494	1,379	756
Transfer agent and filing fees	4,656	5,437	12,394	13,700
Travel	37	764	5,794	779
Worker's Compensation	382	-	382	-
Loss before the following	<b>(51,564)</b>	(47,885)	<b>(112,036)</b>	(105,638)
Interest Income	<b>134</b>	11	<b>218</b>	41
<b>Loss for period</b>	<b>(51,430)</b>	(47,874)	<b>(111,818)</b>	(105,597)
<b>Deficit, beginning of period</b>	<b>(8,024,532)</b>	(7,444,575)	<b>(7,964,145)</b>	(7,386,851)
<b>Deficit, end of period</b>	<b>\$ (8,075,963)</b>	\$ (7,492,448)	<b>(8,075,963)</b>	\$ (7,386,851)
<b>Earnings (loss) per share – basic</b>	<b>\$ (0.002)</b>	\$ (0.003)	<b>(0.005)</b>	\$ (0.0007)
<b>Earnings per share – fully diluted</b>	<b>\$ n/a</b>	\$ n/a	<b>\$ n/a</b>	\$ n/a
<b>Weighted average number of shares used in the calculation of basic earnings(loss) per share</b>	<b>24,860,271</b>	16,816,178	<b>23,591,163</b>	15,651,777
<b>Weighted average number of shares used in the calculation of fully diluted earnings per share</b>	<b>n/a</b>	n/a	<b>n/a</b>	n/a

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

# AURAMEX RESOURCE CORP.

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited – Prepared by Management)

	Three month period Ended		Cumulative six month period ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
<b>Cash flows from operating activities</b>				
Net income/(loss)	\$ (51,430)	\$ (47,874)	\$ (111,818)	\$ (105,597)
Items not involving cash				
Shares issued for other than cash	-	-	71,095	7,500
Recovery of future income tax				
	<b>(51,430)</b>	(47,874)	<b>(40,723)</b>	(98,097)
Changes in operating assets and liabilities				
Accounts receivable	<b>(2,388)</b>	1,844	<b>(4,267)</b>	(1,777)
Prepaid expenses	<b>937</b>	875	<b>(1,583)</b>	(1,750)
Accounts payable and accrued liabilities	<b>(80,188)</b>	3,338	<b>44,684</b>	(24,210)
	<b>(133,069)</b>	(41,817)	<b>(1,889)</b>	(125,834)
<b>Cash flows from investing activities</b>				
Acquisition costs – Mineral claims	<b>(17,158)</b>	(699)	<b>(99,195)</b>	(16,271)
Exploration expenditure	<b>(95,443)</b>	(109,967)	<b>(482,695)</b>	(205,997)
Reclamation deposit	<b>39</b>	13	<b>28</b>	9
Other	<b>(82)</b>	-	<b>(1,280)</b>	23,763
	<b>(112,644)</b>	(110,653)	<b>(583,142)</b>	(198,446)
<b>Cash flows from financing activities</b>				
Repayment of long term debt	-	(12,840)	<b>(78,645)</b>	(45,634)
Share subscriptions received	<b>13,000</b>	(42,000)	<b>(15,500)</b>	(128,000)
Shareholder loan subscriptions received	-			
Shares issued for cash	<b>37,500</b>	270,000	<b>775,535</b>	570,000
Share issuance costs	-	(17,164)	<b>(49,639)</b>	(68,018)
	<b>50,500</b>	197,996	<b>631,751</b>	328,348
Increase (decrease) in cash	<b>(195,213)</b>	45,526	<b>46,720</b>	4,068
Cash, beginning of period	<b>299,009</b>	74,707	<b>57,076</b>	116,165
<b>Cash, end of period</b>	<b>\$ 103,796</b>	\$ 120,233	<b>\$ 103,796</b>	\$ 120,233
<b>Supplemental Disclosure of Cash Flow Information</b>				
Interest received	\$ 134	\$ 11	\$ 218	\$ 41
Interest paid	\$ -	\$ -	\$ -	\$ -
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>				
Shares issued as consideration for interest in mineral properties	\$ -	\$ -	\$ 71,095	\$ 7,500

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

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

JUNE 30, 2007

### 1. CONTINUING OPERATIONS

The financial statements for the quarter ended June 30, 2007 are prepared on a going-concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company is in the development stage and currently derives no revenues from its operations. The Company has financed its operations principally through debt and equity financing. Substantial external financing will be required by the Company in order to fund its future operations, exploration of interests in mineral properties and meet listing requirements of the TSX Venture Exchange. The ultimate realization of the amounts shown as interests in mineral properties (Note 4) is dependent upon the continuance of rights to tenure of the areas of interest, the results of future exploration, the successful development and exploitation of the areas of interest or alternatively by their sale. The financial statements do not include any adjustments, which might result from the outcome of these uncertainties.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Exploración Auramex S.A. de C.V. (incorporated in Mexico). All significant intercompany transactions and balances have been eliminated upon consolidation.

#### b) Cash and cash equivalents

Cash and cash equivalents consist of cash and short term deposits with maturities of 90 days or less when acquired.

#### c) Equipment

Equipment is recorded at cost. Amortization is recorded annually on the diminishing balance basis over the estimated useful lives of the assets as follows:

Exploration equipment	30%
Computer and office equipment	30%
Computer software	100%

#### d) Interests in Mineral Properties

The Company follows the method of accounting for its interests in mineral properties whereby all costs related to acquisition, exploration and development are capitalized by area of interest. These expenditures are carried forward where rights to tenure of the areas of interest are current, and it is expected the expenditure will be recovered through successful development and exploitation of the area of interest or alternatively by its sale and/or the activities are continuing in the area of interest but have not yet reached a stage of development which permits reasonable assessments of existence or otherwise of economically recoverable reserves. Expenditures which no longer satisfy the above criteria are written off. The carrying value of each of its interests in mineral properties is reviewed on a regular basis.

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

JUNE 30, 2007

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Interests in Mineral Properties (Continued)

On commencement of commercial production, net costs will be charged to operations on the unit-of-production method by property based upon estimated recoverable reserves.

e) Share Issuance Costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are presented as other assets until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to operations if the shares are not issued.

f) Loss Per Share

Loss per share computations are based upon the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per share is not disclosed, as the effect of conversion of outstanding options and warrants is anti-dilutive.

g) Foreign currency transactions

Transactions denominated in Mexican Pesos and in American Dollars have been translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the year-end exchange rate. Exchange gains and losses are included in annual operating results.

h) Financial Instruments

The carrying value of financial instruments, not otherwise disclosed separately in the financial statements, approximate their fair values. These financial instruments include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, loans payable, and amounts due to related parties. Their fair values approximate carrying values, since they are short term in nature and are receivable or payable on demand.

i) Use of Estimates

The preparation of 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, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination or impairment of deferred mineral property costs and reclamation obligations. Financial results as determined by actual events could differ from those estimates.

# **AURAMEX RESOURCE CORP.**

## **NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)**

**JUNE 30, 2007**

### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **3. RECLAMATION DEPOSITS**

As at June 30, 2007 the company had reclamation deposits with the province of British Columbia totalling \$7,034 (2006 - \$7,034) with regard to the Brandywine and Summit/Oldtimer properties. With regard to the \$2,000 plus interest deposit relating to the Summit/Oldtimer property in which the Company no longer has an interest, an application to the Department of Energy & Mines is required in order to recover the deposit.

### **4. INTERESTS IN MINERAL PROPERTIES**

#### **Brandywine Property**

The Company holds a 100% interest, subject to a net smelter returns royalty of 0.5% with minimum annual royalty payments of \$50,000 following commencement of commercial production, in 5 located claims consisting of 51 units located in the Vancouver Mining Division of British Columbia. In consideration thereof, the Company paid \$10,000 and issued 6,667 shares valued at \$30,000. The Company also holds 125 hectares in cell claims at a staking cost of \$66, adjacent to the legacy claims described above.

#### **Magenta Property**

##### **a) Magenta concessions**

The Company, through its Mexican subsidiary, Exploración Auramex S.A. de C.V., acquired by staking, 4,898 hectares located in Culiacan, Sinaloa State, Mexico. The staked ground encompasses the El Fierro exploration concession.

##### **b) El Fierro Concession**

The Company, through its Mexican subsidiary, entered into an option agreement, as amended, to acquire an 85% interest in the El Fierro concession, an exploration concession consisting of 733 hectares located in Culiacan, Sinaloa State, Mexico, by the payment of back taxes of \$8,810, the issuance of 20,000 common shares (issued), and the incurring of exploration expenses of US\$200,000 (approximately \$US150,000 has been spent) over five years commencing January 1, 2003. Auramex Mexico and Azteca have signed a letter of intent to extend the period of the option by one year, to December 2008. The Company will issue 25,000 shares in consideration of the extension, subject to TSX Venture Exchange approval.

# **AURAMEX RESOURCE CORP.**

## **NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)**

**JUNE 30, 2007**

### **4. INTERESTS IN MINERAL PROPERTIES (continued)**

#### c) Gracias a Dios (El Escobal)

The Company, through its Mexican subsidiary, entered into an option agreement to acquire a 100% interest in the Gracias a Dios and Ampliación Gracias a Dios concessions, consisting of 50 hectares within the boundaries of the of the Magenta property in Mexico. Under the agreement the Company has the right to acquire a 100% interest in these concessions by paying \$US100,000 after one year and \$US300,000 after two years and issuing the equivalent in value to \$US50,000 in common shares (503,000 shares issued) of the Company. The Company has also entered into an option agreement to purchase 450 hectares of surface land over these concessions and over part of the Magenta concession. Under this agreement, the Company must pay \$US100,000 in December 2008. The agreements require that both options be exercised, or that neither be exercised.

#### d) Ana Concession.

The Company, through its Mexican subsidiary, has entered into an agreement to acquire the mining concession known as Ana, a 275 hectare property adjacent to its Magenta concession, for payment of back taxes of \$US11,050 (paid), payment to the vendor of \$US2,000, (paid) upon signing of the agreement, and \$US8,000 to the vendor upon completion of the purchase. Due to complex issues regarding title, the purchase may not be approved by the Mines Department in Mexico.

#### **La Perla II Concession**

The La Perla II mining concession, consisting of 300 hectares in northern Sinaloa State, Mexico, was acquired by staking at a cost of \$2,831.

#### **Bear River Properties**

The Bear River property consists of 107 mineral claims covering 32,000 hectares located in the Skeena Mining Division, mostly within 30 kilometres of Stewart, British Columbia. Two mineral tenures totalling 235 hectares are 100% owned by the Company, having been acquired by staking at a cost of \$39. The rest of the property is held under option agreements entered into September 21, 2005, February 1, 2006 (two agreements), September 15, 2006, and February 21, 2007. Under the first agreement the Company has the right to acquire a 100% interest in 30 mineral tenures totalling 9203 hectares by paying \$11,000 (paid), issuing 200,000 common shares over a two year period (100,000 issued), and incurring property expenditures of \$25,000 by March 3, 2006 and \$50,000 in each of 2006 and 2007 (\$224,800 expended). Under the second agreement, the Company has the right to acquire a 100% interest in 18 mineral tenures totalling 4,097 hectares by paying \$6,000 (paid) and issuing 60,000 shares over a two year period (30,000 issued). Under the third agreement, the Company has the right to acquire a 100% interest in 23 mineral tenures totalling 7,326 hectares by paying \$1,000 (paid) and issuing 140,000 shares over a two year period (70,000 issued). Under the fourth agreement the Company has the right to acquire a 100% interest in 26 mineral tenures totalling 6,351 hectares by paying \$3,500 (paid) and issuing 25,000 shares over a period of one and a half years (10,000 issued). Under the fifth agreement, the Company has the right to acquire a 100% interest in nine mineral claims totalling 4,791 hectares by paying \$3,400 (paid) and issuing 150,000 shares over a period of two years

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

**JUNE 30, 2007**

### 4. INTERESTS IN MINERAL PROPERTIES (Continued)

(50,000 issued). Each option agreement provides that after the Company has earned its interest, the Optionor is entitled to receive a 1% Net Smelter Returns royalty. The Net Smelter Returns royalty under all five agreements can be purchased by the Company for a total of \$4,000,000.

	2007 ACQUISITION AND DEFERRED EXPLORATION COSTS					
	BRANDYWINE PROPERTY	MAGENTA PROPERTY	LAS PERLAS CONCESSIONS	GRACIAS A DIOS (ESCOBAL)	BEAR RIVER PROPERTY	TOTAL
Acquisition Costs						
Balance, beginning of year	\$ 40,066	\$ 55,484	\$ 4,559	\$ 15,591	\$ 51,391	\$ 167,091
Additions	-	17,158	-	61,594	20,443	99,195
Balance, end of period	40,066	72,642	4,559	77,185	71,834	266,286
Deferred Exploration						
Balance, beginning of year	28,716	605,189	8,723	-	224,865	867,493
Geological, mapping and field expenses	788	76,987	16	318,820	80,755	477,366
Permits, taxes and assessment fees	-	4,340	888	63	38	5,329
Balance, end of period	29,504	686,516	9,627	318,883	302,658	1,350,188
Total	\$ 69,570	\$ 759,158	\$ 14,186	\$ 396,068	\$ 377,482	\$ 1,616,474

### 5. CAPITAL STOCK

a) Authorized

Unlimited number of common shares without par value

b) Issued

	NUMBER OF SHARES	AMOUNT
Balance, December 31, 2006	18,819,749	\$ 8,324,975
Shares issued for cash – private placements	3,500,000	500,000
Shares issued for cash – warrants exercised	1,950,000	265,300
Shares issued for cash – options exercised	69,500	9,035
Shares issued on acquisition of mineral property	588,000	71,095
Share issuance costs		(49,639)
Balance, June 30, 2007	24,927,249	\$ 9,121,966

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

JUNE 30, 2007

### 5. CAPITAL STOCK (Continued)

On January 16, 2007, the Company completed a non-brokered private placement of 2,500,000 units at a price of \$0.12 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional share at a price of \$0.15 per share for a period of two years from date of closing. Finders' fees of \$23,040 were paid in connection with the placement.

On March 12, 2007, the Company completed a non-brokered private placement of 1,000,000 units at a price of \$0.20 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.25 per share up to March 15, 2009. The Company paid finders' fees of \$10,000 in connection with this transaction.

On January 11, 2007, the Company granted 100,000 stock options to a consultant to purchase common shares at a price of \$0.15 per share until January 11, 2012.

#### c) Warrants

At June 30, 2007, the following share purchase warrants are outstanding:

<u>NUMBER OF WARRANTS</u>	<u>EXERCISE PRICE</u>	<u>EXPIRY DATE</u>
925,000	\$ 0.12	January 4, 2008
310,000	\$ 0.12	January 24, 2008
565,000	\$ 0.12	February 14, 2008
860,000	\$ 0.12	April 6, 2008
880,000	\$ 0.15	May 2, 2008
710,000	\$ 0.15	August 15, 2008
500,000	\$ 0.15	November 8, 2008
2,500,000	\$ 0.15	January 16, 2009
<u>1,000,000</u>	\$ 0.25	March 12, 2009
<u>8,250,000</u>		

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

JUNE 30, 2007

### 5. CAPITAL STOCK (Continued)

d) Stock Options

The Company's stock option plan provides for the grant of incentive stock options on up to 3,648,500 common shares to employees, consultants, officers and directors of the company. Options are granted for a term of up to five years from the date of grant. Stock options granted generally vest over a period of eighteen months.

The changes in stock options are as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2006	2,344,000	0.14
Granted	100,000	0.15
Exercised	<u>(69,500)</u>	0.13
Balance, June 30, 2007	<u>2,374,500</u>	\$ 0.14

The following table summarizes information about the stock options outstanding at June 30, 2007

EXERCISE PRICE	OPTIONS OUTSTANDING		OPTIONS EXERCISABLE		EXERCISE PRICE
	NUMBER OF SHARES	REMAINING CONTRACTUAL LIFE (YEARS)	NUMBER OF SHARES	EXERCISE PRICE	
\$ 0.15	825,000	1.33	825,000	\$ 0.15	
0.13	380,000	1.48	380,000	0.13	
0.13	50,000	2.15	50,000	0.13	
0.13	150,000	2.23	150,000	0.13	
0.20	100,000	2.85	100,000	0.20	
0.13	769,500	3.72	559,750	0.13	
0.15	<u>100,000</u>	4.53	<u>25,000</u>	0.13	
	<u>2,374,500</u>		<u>2,089,750</u>		

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

JUNE 30, 2007

### 6. RELATED PARTY TRANSACTIONS

- a) The following table discloses the related party transactions for the six months ended June 30, 2007 and 2006 as follows:

RELATED PARTY	TYPE OF TRANSACTION	TERMS AND CONDITIONS	2007	2006
Director and Officer	Management Consulting Fees	Normal Commercial	\$ 15,000	\$ 15,000
Director	Legal fees in connection with private placements	Normal Commercial	\$ 16,247	\$ 29,018
	Legal fees for mineral property acquisitions	Normal Commercial	\$ 5,288	\$ -
	Legal fees	Normal Commercial	\$ 17,029	\$ 19,006
	Legal fees and expenses from prior years	Normal Commercial	\$ 50,850	\$ 44,524
Director	Geological Consulting	Normal Commercial	\$ 48,156	\$ 41,308
Director and Officer	Consulting fees	Normal commercial	\$ 22,000	\$ 21,000
	Expense reimbursement	Cost reimbursement	\$ 7,036	\$ 13,193
Company Related to a Director	Investor relations	Normal commercial	\$ 9,000	\$ 9,000
	Expense reimbursement	Cost reimbursement	\$ -	\$ 1,256

### 7. SIGNIFICANT AND SUBSEQUENT EVENTS

- a) On July 17, 2007 the Company completed a non-brokered private placement of 2,000,000 units at a price of \$0.13 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional common share at a price of \$0.15 for a period of two years, expiring July 17, 2009. Finders' fees of \$20,345 were paid in connection with this placement.
- b) On June 21, 2007, the Company, through its Mexican subsidiary, entered into an agreement to purchase the concession known as Ana, a 275 hectare property adjacent to Gracias a Dios (El Escobal) and within the boundaries of the Magenta Concession. The terms of the purchase agreement are payment of the back taxes of \$US11,050 (paid), payment to the vendor of \$US2,000 on signing (paid), and payment of \$US8,000 to the vendor upon completion of the purchase. Due to complex title issues there can be no assurance that the acquisition will be approved by the Mines Department in Mexico.
- c) On July 31, 2007, the Company announced a non-brokered private placement of up to 2,500,000 units at a price of \$0.13 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional common share at a price of \$0.15 for a period of two years from the date of closing. The Company also announced a private placement of up to 2,000,000 units at a price of \$0.15 per unit. Each unit consists of one flow-through common share and one share purchase warrant to acquire one additional common share at a price of \$0.20 for a period of two years from the date of closing.