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**NOTICE TO READER**

I have compiled the balance sheet of Nirek Resources Inc. and the statements of operations and deficit and cash flows for the five month period ended December 31, 2007, from information provided by management, solely for the internal use of management. Such statements are not intended to be relied upon others. Accordingly, readers are cautioned that these statements may not be appropriate for their purposes.

Toronto, Ontario  
December 31, 2007

“Ronald P. Haller”  
RONALD P. HALLER, B.B.M., P.Adm. CMA

# NIREK RESOURCES INC.

## BALANCE SHEETS

(Unaudited)

<b><u>ASSETS</u></b>	December 31, 2007	July 31, 2007
Current:		
Cash	\$203,641	\$10
Accounts receivable	2,001,279	-
	<u>2,204,920</u>	<u>10</u>
 Mining claims and deferred exploration expenditures (Note 2)	 54,570	 -
	<u>\$2,259,490</u>	<u>\$10</u>
 <b><u>LIABILITIES</u></b>		
Current:		
Accounts payable	<u>\$129,160</u>	<u>\$9,706</u>
 <b><u>SHAREHOLDERS' EQUITY</u></b>		
Share Capital (Note 3)		
Authorized:		
Unlimited common shares		
Issued and to be issued:		
16,815,729 common shares	2,365,869	90,869
Deficit	<u>(235,539)</u>	<u>(100,565)</u>
	<u>2,130,330</u>	<u>(9,696)</u>
	<u>\$2,259,490</u>	<u>\$10</u>

# NIREK RESOURCES INC.

## STATEMENT OF OPERATIONS AND DEFICIT FOR THE FIVE MONTH PERIOD ENDED DECEMBER 31, 2007

(Unaudited)

	2007	2006
<b>REVENUE:</b>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENSES:</b>		
Stock exchange fees	83,000	-
Office and general	21,000	-
Public relations	9,606	-
Travel	9,027	-
Transfer agent's fees and expenditures	5,138	1,990
Shareholders' information	3,720	-
Accounting fees	3,000	-
Telephone	483	-
	<u>134,974</u>	<u>1,990</u>
NET LOSS	134,974	1,990
Deficit, beginning of period	<u>100,565</u>	<u>92,288</u>
DEFICIT, END OF PERIOD	<u>\$235,539</u>	<u>\$94,278</u>
NET LOSS PER COMMON SHARE	<u>\$0.01</u>	<u>\$ -</u>

**NIREK RESOURCES INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FIVE MONTH PERIOD ENDED DECEMBER 31, 2007**  
*(Unaudited)*

	2007	2006
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Operations:</b>		
Net loss	\$(134,974)	\$(1,990)
Increase in accounts receivable	(2,001,279)	-
Increase in accounts payable	119,454	1,990
	<u>(2,016,799)</u>	<u>-</u>
<b>FINANCING ACTIVITIES:</b>		
Sale of common shares for cash	2,265,000	-
Value of common shares issued in consideration for mining claims	10,000	-
	<u>2,275,000</u>	<u>-</u>
<b>INVESTING ACTIVITIES:</b>		
Mining claims and deferred exploration expenditures	(54,570)	-
	<u>203,631</u>	<u>10</u>
Increase in cash	203,631	10
Cash, beginning of period	10	-
	<u>\$203,641</u>	<u>\$10</u>
Cash, end of period	<u>\$203,641</u>	<u>\$10</u>

*NIREK RESOURCES INC.*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2007**  
*(Unaudited)*

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern which presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company is in the process of exploring its resource properties and has not yet determined whether the properties contain economically recoverable reserves. The recovery of the amounts shown for resource properties and the related deferred expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mining claims, the ability of the Company to obtain necessary financing to complete the development, upon future profitable production and the support of the Company's trade creditors.

The financial statements do not give effect to any adjustments to the amount of assets and liabilities that might be necessary should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the ordinary course of business.

**Mining Claims and Deferred Exploration Expenditures**

Mining claims are carried at cost until they are brought into production at which time they are depleted on a unit-of-production basis.

Exploration expenditures relating to mining claims are deferred until the properties are brought into production at which time they are amortized on a unit-of-production basis.

The cost of claims abandoned or sold and the deferred exploration costs relating to claims abandoned or sold are charged to operations in the current year.

**Administration Expenses**

Administration expenses are charged to operations in the year incurred.

## **2. MINING CLAIMS AND DEFERRED EXPLORATION EXPENDITURES**

(a) The Company has acquired 100% of the entire Gosselin Gold and Silver Vein in the Shining Tree area of the Larder Lake Mining division, consisting of 40 claims. Current estimated reserves are 5,000 oz. of gold.

The Company will be required to make the following payments in order to acquire the claims;

- a) \$5,000 payable on October 10, 2007 and 30,000 common shares to be issued.
- b) \$5,000 payable on November 28, 2007.
- c) \$5,000 payable on December 28, 2007.
- d) \$12,500 on August 28, 2008 and the issue of 30,000 common shares.
- e) \$12,500 on August 28, 2009 and the issue of 30,000 common shares.

The claims are subject to a net smelter royalty of 1.5%.

(b) The Company holds an option to acquire 50% interest in the Kirana Property, consisting of eight patented mining claims, located in the northeast corner of Teck Township and the northwest corner of Lebel Township in the District of Timiskaming, in the Larder Lake Mining Division.

The Company will be required to make the following payments in order to acquire a 50% interest in the claims;

- a) \$5,000 paid on October 10, 2007 and 50,000 common shares issued.
- b) \$5,000 paid on November 28, 2007 and 50,000 common shares issued.
- c) \$10,000 on September 11, 2008 and the issue of 100,000 common shares.
- d) \$10,000 on September 11, 2009 and the issue of 100,000 common shares.
- e) \$100,000 on September 11, 2010 and the issue of 500,000 common shares.
- f) On September 11, 2011 and annually thereafter a payment of \$25,000 if the Company is not in production. Should the Company go into production at a later date, the Company will be reimbursed.

The claims are subject to a net smelter royalty of 3%.

The main gold showing is along the Kirana Fault, now believed to be an extension of the Lake Shore Mine North Fault. This property also boasts a strong indication of molybdenum. The estimated reserves are 25,000 oz. of gold.

The two groups of claims are estimated to have a fair market value of \$24,000,000.

(c) The Company has signed a letter of intent (LOI) to acquire the Indian Lake gold property in the Shining Tree area, Tyrrell Township, Ontario. The LOI has a earn-in option to earn 100% interest over a 3 year period. The Indian Lake property has a preliminary resource evaluation which indicates a resource of approximately 135,000 oz. of gold at a grade of approximately 2.3 gram per tone within a 1 g/t envelope.

(d) The Company has signed a letter of intent (LOI) to acquire 12 leased mining claim units located in Eby and Otto Townships in the Lavelen Lake Mining Division of Ontario.

### 3. COMMON SHARES

	Number of Shares	Amount
Balance, July 31, 2007	908,685	\$90,869
1 – 10 consolidation	(817,816)	-
Sale of common shares for cash	15,999,860	2,015,000
Value of common shares issued in consideration for mining claims	100,000	10,000
Common shares to be issued for cash	625,000	250,000
Balance, December 31, 2007	<u>16,815,729</u>	<u>\$2,365,869</u>

Options are outstanding to directors to purchase a total of 750,000 common shares at a price of \$0.75 per share, expiring August 23, 2009.

The Company intends to issue special gold bullion bar warrants to shareholders of the Company. For every ten thousand (10,000) shares of the Company owned by the holder at the record date of November 30, 2007, the holder will receive 1 warrant of the Company. The warrant will allow the holder to purchase a 1 ounce gold bullion bar at an exercise price of \$500 payable to the Company to be redeemed by the holder at a designated bank on or before March 31, 2010.

For every ten thousand (10,000) shares of the Company owned by the holder at the record date of December 31, 2007, the holder will receive 1 warrant of the Company. The warrant will allow the holder to purchase a 1 ounce gold bullion bar at an exercise price of \$500 payable to the Company to be redeemed by the holder at a designated bank on or before March 31, 2010.

For every ten thousand (10,000) shares of the Company owned by the holder at the recorded date of January 31, 2008, the holder will receive 1 warrant of the Company. The warrant will allow the holder to purchase a 1 ounce gold bullion bar at an exercise price of \$550 payable to the Company or to be redeemed by the holder at a designated bank on or before March 31, 2010.

For every ten thousand (10,000) shares of the Company owned by the holder at the record date of February 29, 2008, the holder will receive 1 warrant of the Company. The warrant will allow the holder to purchase a 1 ounce gold bullion bar at an exercise price of \$600 payable to the Company or to be redeemed by the holder at a designated bank on or before March 31, 2010.

For every then thousand (10,000) shares of the Company owned by the holder at the record date of March 31, 2008, the holder will receive 1 warrant of the Company. The warrant will allow the holder to purchase a 1 ounce gold bullion bar at an exercise price of \$650 payable to the Company or to be redeemed by the holder at a designated bank on or before March 31, 2010.

In any event, for every ten thousand (10,000) shares of the Company owned, a holder will only receive 1 warrant of the Company, regardless of the record date, provided he was a holder on one of the record dates.