



Financial Statements of

**YORBEAU RESOURCES INC.**

Years ended December 31, 2008 and 2007



**KPMG LLP**  
**Chartered Accountants**  
600 de Maisonneuve Blvd. West  
Suite 1500  
Tour KPMG  
Montréal, Quebec H3A 03A

Telephone (514) 840-2100  
Fax (514) 840-2187  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Yorbeau Resources Inc. as at December 31, 2008 and 2007 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants

Montréal, Canada

March 6, 2009

# YORBEAU RESOURCES INC.

## Financial Statements

Years ended December 31, 2008 and 2007

### Financial Statements

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# YORBEAU RESOURCES INC.

## Balance Sheets

December 31, 2008 and 2007

	2008	2007
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 702,593	\$ 1,183,501
Taxes receivable (note 4)	756,684	256,738
Prepaid expenses and deposits	90,272	69,606
	<u>1,549,549</u>	<u>1,509,845</u>
Mining and exploration assets (note 5)	12,714,540	11,399,333
	<u>\$ 14,264,089</u>	<u>\$ 12,909,178</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 806,670	\$ 450,649
<b>Shareholders' equity</b>		
Capital stock (note 6)	32,709,772	29,635,629
Contributed surplus (note 7)	1,142,219	964,602
Deficit	<u>(20,394,572)</u>	<u>(18,141,702)</u>
	13,457,419	12,458,529
Commitments (note 12)		
	<u>\$ 14,264,089</u>	<u>\$ 12,909,178</u>

See accompanying notes to financial statements.

On behalf of the Board:

(s) Thomas L. Robyn \_\_\_\_\_ Director

(s) David Crevier \_\_\_\_\_ Director

# YORBEAU RESOURCES INC.

## Statements of Operations, Comprehensive Loss and Deficit

Years ended December 31, 2008 and 2007

	2008	2007
Interest revenue and other	\$ 30,820	\$ 86,427
Expenses:		
Administrative charges	998,578	753,319
Stock-based compensation (note 7)	242,417	299,915
Tax on capital	84,000	74,489
Property maintenance	11,336	11,120
Financial expenses	4,091	14,825
Loss on write-down of exploration assets	768,425	-
	2,108,847	1,153,668
Net loss and comprehensive loss	(2,078,027)	(1,067,241)
Deficit, beginning of year	(18,141,702)	(16,425,632)
Shares issue expense	(174,843)	(648,829)
Deficit, end of year	\$ (20,394,572)	\$ (18,141,702)
Net loss per share, basic and diluted	\$ (0.02)	\$ (0.01)

See accompanying notes to financial statements.

# YORBEAU RESOURCES INC.

## Statements of Cash Flows

Years ended December 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Net loss	\$ (2,078,027)	\$ (1,067,241)
Stock-based compensation	242,417	299,915
Loss on write-down of exploration assets	768,425	-
Changes in non-cash operating working capital:		
Taxes receivable	(499,946)	(91,212)
Prepaid expenses	(20,666)	(22,212)
Accounts payable and accrued liabilities	356,021	(338,866)
	(1,231,776)	(1,219,616)
Cash flows from financing activities:		
Issuance of capital stock	3,009,343	4,726,250
Share issue expenses	(174,843)	(503,210)
	2,834,500	4,223,040
Cash flows from investing activities:		
Mining and exploration assets (net from mining duties and resource tax credits of \$922,322 (2007 - \$291,874))	(2,083,632)	(2,163,226)
(Decrease) increase in cash and cash equivalents	(480,908)	840,198
Cash and cash equivalents, beginning of year	1,183,501	343,303
Cash and cash equivalents, end of year	\$ 702,593	\$ 1,183,501
Cash and cash equivalents are composed of cash and short-term investments, maturing within 90 days and are detailed as follows:		
Cash and deposits - 1.37% (2007 - 2.9%)	\$ 702,593	\$ 1,183,501
Additional information concerning amounts paid during the year:		
Non-cash financing activity:		
Share issue expenses representing cost of compensation warrants	-	145,619

See accompanying notes to financial statements.

# YORBEAU RESOURCES INC.

Notes to Financial Statements

Years ended December 31, 2008 and 2007

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Yorbeau Resources Inc. ("Yorbeau" or the "Company") is incorporated under the laws of the Province of Québec. The Company owns mining and exploration properties in the Province of Québec.

## 1. Nature of operations and going concern:

The Company is in a development stage and has mineral exploration and development properties in the province of Québec. Substantially, all of the Company's efforts are currently devoted to financing and developing of its Rouyn property.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects, contain ore reserves that are economically recoverable. The ability of the Company to meet its commitments as they become payable, including the acquisitions of mineral properties and the development of projects, is dependent on the ability of the Company to obtain necessary financing. The recoverability of amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development thereof, and upon future profitable production or proceeds from the disposal of properties.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

## 2. Change in accounting policies:

### Effective in 2008:

Effective January 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, *Capital Disclosures*, Section 3862, *Financial Instruments - Disclosures*, and Section 3863, *Financial Instruments - Presentation*.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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## 2. Change in accounting policies (continued):

Effective in 2008 (continued):

Changes in accounting policies in conformity with these new accounting standards are as follows:

Section 1535 establishes disclosure requirements concerning (i) an entity's objectives, policies and processes for managing capital; (ii) the quantitative data about what the entity regards as capital; and (iii) whether the entity has complied with any capital requirements and the consequences of non-compliance with such capital requirements.

Sections 3862 and 3863 consist of a comprehensive series of disclosure requirements and presentation rules applicable to financial instruments. They revise and enhance the disclosure requirements set out in Section 3861, *Financial Instruments - Disclosure and Presentation*, and carry forward unchanged the presentation requirements of Section 3861.

Section 3862 establishes disclosure requirements that enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

The adoption of the new standards impacted the Company's disclosures provided but has not affected the Company's results or financial position.

*Future accounting pronouncements:*

(i) Goodwill and intangible assets:

In February 2008, the CICA issued Handbook Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and amends Section 1000, *Financial Statements Concepts*. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and other intangible assets subsequent to its initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This new standard is applicable to fiscal years beginning on or after October 1, 2008 and the Company will be implementing it as of January 1, 2009.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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## 2. Change in accounting policies (continued):

- (i) Goodwill and intangible assets (continued):

*Future accounting pronouncements (continued):*

The implementation of this new standard should not have a significant impact on the financial position or the results of the Company.

- (ii) International financial reporting standards:

In February 2008, the Accounting Standards Board ("AcSB") announced that accounting standards in Canada are to converge with IFRS and that public companies will be required to present their financial statements, with comparative data, under these standards for fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of these requirements on its financial statements.

## 3. Significant accounting policies:

- (a) Cash and cash equivalents:

Cash and cash equivalents include temporary investments with a maturity date of three months or less from the date of purchase, and are stated at cost, which approximates market value. The major components of cash and cash equivalents are as follows:

	2008	2007
Cash	\$ 702,593	\$ 393,609
Cash - exploration fund	-	789,892
	\$ 702,593	\$ 1,183,501

Exploration fund is restrictive for the purpose of exploration expenses.

- (b) Mining and exploration assets:

Mining assets consist of deferred expenditures and development costs related to property for which economically recoverable reserves exist. Mining assets are, upon commencement of production, depleted over the estimated life of the ore reserve to which they relate or are written off if the property is abandoned or when there is an impairment in value.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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### 3. Significant accounting policies (continued):

(b) Mining and exploration assets (continued)

Exploration assets are carried at cost. Exploration and development expenses relating to a non-producing property are deferred until the property is brought into production or abandoned. If exploration work does not provide positive results or upon abandonment, these costs are charged to earnings. Management reviews the carrying values of assets on a regular basis to determine whether depreciation is required.

Recovery of the cost of mining and exploration assets depends on the discovery of economically recoverable ore reserves (for the exploration assets), the Company's ability to obtain the necessary financing to complete the exploration and development of the properties and future profitable production or the disposal of the properties for proceeds in excess of their carrying value.

(c) Stock option plan:

The Company uses the fair value method based on the Black-Scholes pricing model to record the compensation cost related to the issue of stock options to its participants over the vesting period with a corresponding credit to the contributed surplus.

(d) Income and mining taxes:

The Company uses the asset and liability method of accounting for income taxes.

Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company renounces tax deductions relating to resource expenditures that are financed by the issuance of flow-through shares for the benefit of the subscribers thereof, as permitted by the tax legislation.

Under the asset and liability method used to account for income taxes, future income taxes related to the temporary differences created by this renouncement are recorded in accordance with EIC-146 when the Company renounces these deductions and a corresponding cost of issuing the securities is also recorded.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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### 3. Significant accounting policies (continued):

(e) Resource tax credits and mining rights:

The Company incurs exploration expenses that are eligible for tax credits. The tax credits are recorded based on the estimated amounts to be recovered. The amounts claimed are subject to an audit by the tax authorities.

Tax credits on exploration costs relating to mining and exploration assets are deducted from the related asset.

(f) 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 estimates relate to assessing the realizable values of mining and exploration assets. Consequently, actual results could differ from those estimates.

(g) Financial instruments:

Sections 3855 and 3865 establish standards for recognizing and measuring financial assets, financial liabilities and derivatives. Under these standards, financial instruments are now classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities and measurement in subsequent periods depends on their classification. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are capitalized on initial recognition and presented as an adjustment to the underlying financial instruments. Financial assets and financial liabilities held-for-trading are measured at fair value with changes recognized in income. Available-for-sale financial assets are measured at fair value or at cost, in the case of financial assets that do not have a quoted market price in an active market, and changes in fair value are recorded in comprehensive income.

Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. The Company has classified its cash and short-term investments as held-for-trading. Accounts receivable were classified as loans and receivables. All of the Company's financial liabilities were classified as other financial liabilities.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

## 4. Taxes receivable:

	2008	2007
Sales tax and other	\$ 121,645	\$ 61,163
Resource tax credits	447,652	155,631
Mining duties recovery	187,387	39,944
	<b>\$ 756,684</b>	<b>\$ 256,738</b>

## 5. Mining and exploration assets:

					2008	2007
	Balance, beginning of year	Additions	Mining and resource tax credits	Devaluation	Net book value	Net book value
Mining and exploration assets:						
Rouyn property (net of accumulated depletion of \$2,411,831)	10,638,643	\$ 2,998,219	\$ 922,322	-	\$ 12,714,540	\$ 10,638,643
Beschefer property	760,690	7,735	-	(768,425)	-	760,690
	<b>\$ 11,399,333</b>	<b>\$ 3,005,954</b>	<b>\$ 922,322</b>	<b>(768,425)</b>	<b>\$ 12,714,540</b>	<b>\$ 11,399,333</b>

### (a) Rouyn property:

Yorbeau owns a 100% interest in the Rouyn property which is located in the Rouyn and Beauchastel Townships, Quebec. The Rouyn property is composed of two mining leases, one mining concession and a group of 90 mining claims. Twelve of these mining claims are subject to a \$50,000 per annum royalty payable to Société Minière Alta Inc., a company controlled by a director of Yorbeau.

### (b) Beschefer property:

In 2002, Yorbeau entered into an agreement with Explorers Alliance Corporation ("Explorers"), pursuant to which Yorbeau acquired from Explorers an 80% interest in 149 mining claims in consideration of the issuance to Explorers of 350,000 Class A common shares of Yorbeau. In 2005, Yorbeau abandoned 12 of these claims. The Company also has the option to acquire, at any time, the remaining 20% interest held by Explorers in the property in consideration of either a cash payment of \$500,000 or the issuance to Explorers of 1,800,000 additional Class A common shares of Yorbeau, as determined by Explorers.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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## 5. Mining and exploration assets (continued):

### (b) Beschefer property (continued):

The Beschefer property consists of 257 claims located in the Bapst and Beschefer Townships. Yorbeau owns a 100% interest in 120 of these claims and an 80% interest in the remaining claims.

### (c) Ellison property:

In 2002, Yorbeau entered into an agreement with Agnico-Eagle Mines Limited ("Agnico"), pursuant to which Yorbeau transferred to Agnico all of its interests in the Ellison property in consideration of a cash payment of \$1,000,000, of which \$500,000 was paid on closing and \$500,000 is payable upon commencement of commercial production. Yorbeau also retains a net smelter return royalty on the Ellison property ranging from 1.5% to 2.5%, based on the current gold price as established by the London Bullion Market Association.

## 6. Capital stock:

### Authorized:

An unlimited number of Class A common shares, without nominal value or par value

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	2008	2007
Issued:		
129,979,250 common shares (2007 - 113,177,286)	\$ 32,709,772	\$ 29,635,629
Weighted average number of shares outstanding during the year	122,772,937	107,509,649

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# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

## 6. Capital stock (continued):

Issuance during the year:

	2008	2007
For cash:		
No share (2007 - 12,662,500) pursuant to private placement	\$ -	\$ 4,565,000
600,000 shares (2007 - 1,025,000) pursuant to exercise of options (including cost of options of \$64,800 in 2008 (\$110,750 - 2007))	157,800	272,000
16,201,964 shares (2007 - none) pursuant to rights offering	2,916,343	-
	<b>\$ 3,074,143</b>	<b>\$ 4,837,000</b>

## 7. Stock option plan:

As at December 31, 2008, 7,389,499 Class A common shares were reserved for future issuances under the stock option plan for the benefit of the directors, employees and service providers of the Company.

The number of stock options outstanding fluctuated as follows:

			Weighted average exercise price	
	2008	2007	2008	2007
Balance, beginning of year	6,575,000	5,100,001	\$ 0.21	\$ 0.22
Granted	-	3,500,000	-	0.30
Exercised	(600,000)	(1,025,000)	0.16	0.16
Expired	(750,000)	(1,000,001)	0.16	0.30
Balance, end of year	<b>5,225,000</b>	<b>6,575,000</b>	<b>\$ 0.22</b>	<b>\$ 0.26</b>
Exercisable options, end of year	2,808,333	2,650,000	\$ 0.21	\$ 0.21

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

## 7. Stock option plan (continued):

As at December 31, 2008, the following options were outstanding:

- 700,000 shares at \$0.275 per share until June 21, 2009
- 775,000 shares at \$0.25 per share until August 11, 2010
- 250,000 shares at \$0.35 per share until June 14, 2011
- 3,500,000 shares at \$0.30 per share until October 29, 2012

During the year ended December 31, 2008, the Company did not grant any stock options (3,500,000 in 2007). All options may be exercised on a cumulative basis over a period of five years from the date they are granted, as to one third after one year, an additional one third after two years and the balance after the end of the third year.

The fair value of each option granted was determined using the Black-Scholes option pricing model. At the date of the grant, the fair value of stock options granted in 2007 was \$0.193 per option. The following weighted average assumptions were used in these calculations:

	2008	2007
Risk-free interest rate	-	4.8%
Expected life	-	3 years
Expected volatility	-	75.83%
Expected dividend yield	-	0%

Contributed surplus:

	2008	2007
Balance, beginning of year	\$ 964,602	\$ 629,818
Stock-based compensation	242,417	299,915
Cost of compensation warrants	-	145,619
Cost of options exercised	(64,800)	(110,750)
Balance, end of year	\$ 1,142,219	\$ 964,602

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

## 8. Related party transactions:

Legal services were rendered to Yorbeau in the amount of \$245,050 (2007 - \$319,580) by a legal firm, in which a director and shareholder of Yorbeau is a partner. As at December 31, 2008, the accounts payable include \$56,518 (2007 - \$73,562) payable to this legal firm.

“Administrative charges” in the Statement of Operations, Comprehensive Loss and Deficit include an amount of \$50,000 (2007 - \$50,000) paid as a royalty to Société Minière Alta Inc. (“Alta”), of which a director of Yorbeau is the sole shareholder (note 5 (a)).

In addition, consulting services were charged to Yorbeau in the amount of \$165,633 (2007 - \$25,383) by a company, in which the president and chief executive officer of Yorbeau is the president as well as controlling shareholder. This amount was charged to administrative expenses. As at December 31, 2008, the accounts payable include \$15,494 (2007 - \$12,633) payable to this company.

These transactions are recorded at their exchange value.

## 9. Income taxes:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 30.90% (2007 - 32.02%) as a result of the following:

	2008	2007
Loss before taxes	\$ (1,309,602)	\$ (1,067,241)
Tax recovery at statutory rate	\$ (404,667)	\$ (341,731)
Increase in income taxes resulting from:		
Stock-based compensation non deductible expenses	74,907	97,973
Income tax rates variation	87,760	53,700
Valuation allowance	242,000	190,058
Total income tax expenses	\$ -	\$ -

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

## 9. Income taxes (continued):

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities are presented below:

	2008	2007
Future income tax assets:		
Loss carried forward	\$ 1,357,000	\$ 1,065,000
Mining properties	5,306,000	5,298,000
Financing costs	127,000	124,000
Fixed assets and other	144,000	92,000
Total gross future income tax assets	6,934,000	6,579,000
Less valuation allowance	(3,259,000)	(3,501,000)
Net future income tax assets	3,675,000	3,078,000
Future income tax liabilities:		
Deferred exploration expenditures	(3,675,000)	(3,078,000)
Net future income tax	\$ -	\$ -

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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## 9. Income taxes (continued):

As at December 31, 2008, the Company has exploration expenditures and other costs of approximately \$19,650,000, which are being carried forward for income tax purposes and which may be deducted from future taxable income, and it has tax losses available to reduce future years' income. These losses, for which the tax effect has not been recorded in the financial statements, expire as follows:

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2009	470,000
2010	355,000
2014	575,000
2015	606,000
2026	827,000
2027	959,000
2028	1,235,000
	<hr/>
	\$ 5,027,000

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## 10. Financial instruments and risk management:

The Company's main financial risk exposure and its financial risk management policies are as follows:

(a) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions. Cash equivalents consist of bank deposits.

(b) Interest rate risk:

The cash and cash equivalents bear interest at a variable rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

## 10. Financial instruments and risk management (continued):

(c) Liquidity risk:

Management serves to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at his disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and even though the Company was successful in the past, there is no guarantee that it will succeed in the future.

(d) Fair value:

The fair value of financial instruments is summarized as follows:

	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Held-for-trading				
Cash and cash equivalents	\$ 702,593	\$ 702,593	\$ 1,183,501	\$ 1,183,501
Loans and receivables				
Taxes and other receivables	756,684	756,684	256,738	256,738
Financial liabilities				
Other liabilities				
Accounts payable and accrued liabilities	806,670	806,670	450,649	450,649

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments.

# YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Years ended December 31, 2008 and 2007

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## 11. Capital disclosures:

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

In the management of capital, the Company includes the components of shareholders' equity, cash and cash equivalents as well as short-term investments.

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. The Company does not use long-term debts since it does not generate operating revenues. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last period.

## 12. Commitments:

The Company has a lease commitment for premises.

Minimum lease payments are as follows:

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2009	\$	43,202
2010		44,679
2011		34,340
	\$	122,221

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