

**RINGBOLT VENTURES LTD.**  
**(An Exploration Stage Company)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MAY 31, 2008**

## **AUDITORS' REPORT**

To the Shareholders of  
Ringbolt Ventures Ltd.

We have audited the consolidated balance sheets of Ringbolt Ventures Ltd. (the "Company") (An Exploration Stage Company) as at May 31, 2008 and 2007 and the statements of operations and deficit and cash flows for the year ended May 31, 2008 and for the period June 13, 2006 (date of incorporation) to May 31, 2007. 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 audits.

We conducted our audits 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2008 and 2007 and the results of its operations and its cash flows for the year ended May 31, 2008 and for the period June 13, 2006 (date of incorporation) to May 31, 2007 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada  
September 23, 2008

"MackKay LLP"  
Chartered Accountants

**RINGBOLT VENTURES LTD.**  
(An Exploration Stage Company)  
**CONSOLIDATED BALANCE SHEETS**

	As at May 31,	
	2008	2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 3,679,021	\$ 134,792
Accounts receivable	27,080	7,531
Prepaid expenses	-	419
	3,706,101	142,742
<b>MINERAL PROPERTIES</b> (Notes 2 and 7)	399,513	137,559
<b>DEFERRED FILING FEES</b> (Note 3)	-	39,246
<b>DEFERRED SHARE ISSUANCE COSTS</b> (Note 3)	-	19,950
	\$ 4,105,614	\$ 339,497
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 108,097	\$ 48,654
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> (Notes 3 and 7)	4,561,780	347,250
<b>CONTRIBUTED SURPLUS</b> (Note 3)	840,888	336,698
<b>DEFICIT</b>	(1,405,151)	(393,105)
	3,997,517	290,843
	\$ 4,105,614	\$ 339,497

**Nature of Operations and Ability to Continue as a Going Concern** (Note 1)

**Subsequent Events** (Note 7)

**Commitments** (Note 2 and 8)

**On behalf of the Board:**

\_\_\_\_\_  
"Jason Walsh" Director

\_\_\_\_\_  
"Derrick Strickland" Director

**RINGBOLT VENTURES LTD.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

	<b>For the Year Ended May 31, 2008</b>	<b>For the period June 13, 2006 (date of incorporation) to May 31, 2007</b>
<b>EXPENSES</b>		
Stock-based compensation (Note 3)	\$ 627,846	\$ 336,698
Management and administration fees	13,800	-
Corporate development fees	15,000	-
Audit and accounting	52,136	18,338
Legal	45,504	-
Consulting fees	9,600	3,000
Director fees	13,000	10,000
Transfer agent and filing fees	9,293	-
Filing fees	23,102	-
Political contribution	53,681	-
Office	48,715	27,821
Bank charges	1,345	747
Travel and promotion	24,918	-
Investor relations	82,774	-
	<b>(1,020,714)</b>	<b>(396,604)</b>
<b>OTHER INCOME</b>		
Foreign exchange loss	(4,866)	-
Interest income	13,534	3,499
	<b>8,668</b>	<b>3,499</b>
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(1,012,046)</b>	<b>(393,105)</b>
<b>DEFICIT - BEGINNING OF PERIOD</b>	<b>(393,105)</b>	<b>-</b>
<b>DEFICIT - END OF PERIOD</b>	<b>\$ (1,405,151)</b>	<b>\$ (393,105)</b>
<b>LOSS PER SHARE - BASIC AND DILUTED</b>	<b>\$ (0.11)</b>	<b>\$ (0.08)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>9,007,533</b>	<b>5,147,106</b>

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

**RINGBOLT VENTURES LTD.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Year Ended May 31, 2008	For the period June 13, 2006 (date of incorporation) to May 31, 2007
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (1,012,046)	\$ (393,105)
Items not affecting cash:		
Stock-based compensation	627,846	336,698
	(384,200)	(56,407)
Changes in non-cash working capital items:		
Accounts receivable	(19,549)	-
Prepays	419	-
Accounts payable and accrued liabilities	59,443	40,704
Cash used in operating activities	(343,887)	(15,703)
<b>INVESTING ACTIVITIES</b>		
Mineral property exploration costs	(242,701)	(102,559)
Mineral property acquisition costs	(19,253)	(25,000)
	(261,954)	(127,559)
<b>FINANCING ACTIVITIES</b>		
Share capital issued for cash	4,320,303	337,250
Share issuance costs	(170,233)	(59,196)
	4,150,070	278,054
<b>NET INCREASE IN CASH</b>	3,554,229	134,792
<b>CASH - BEGINNING OF PERIOD</b>	134,792	-
<b>CASH - END OF PERIOD</b>	\$ 3,679,021	\$ 134,792
Non-cash transactions – Note 6		
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MAY 31, 2008 AND**

**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Nature of Operations and Ability to Continue as a Going Concern**

These consolidated financial statements include the accounts of Ringbolt Ventures Ltd. (the "Company") (incorporated on June 13, 2006) and its 90%-owned subsidiary Bua USA LLC ("Bua") (incorporated on February 25, 2008 pursuant to the Corporations Act - Utah). All inter-company accounts have been eliminated and a minority interest has been recognized for the 10% interest of Bua not owned by the Company.

The Company is an exploration stage public company whose shares trade on the TSX Venture Exchange. The Company is engaged principally in the acquisition, exploration and development of mineral properties. The recovery of the Company's investment in mineral properties and attainment of profitable operations is principally dependent upon financing being arranged by the Company to continue operations, explore and develop the mineral properties and the discovery, development and sale of ore reserves. The outcome of these matters cannot presently be determined because they are contingent on future events.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At May 31, 2008, the Company had not yet achieved profitable operations, has accumulated losses of \$1,405,151 since inception, had a working capital of \$3,598,004 and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Certain comparative amounts are for the period from the date of incorporation (June 13, 2006) to the end of the Company's first year end on May 31, 2007.

**(b) Mineral Properties**

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MAY 31, 2008 AND**

**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**1. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(b) Mineral Properties** (continued)

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of the Company's knowledge, title to all of its properties are in good standing.

**(c) Changes in Accounting Policies**

Effective June 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation, and Section 3865 – Hedges. These new Handbook Sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are initially measured in the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost.

As a result of the adoption of these new standards, the Company has classified its cash as held-for-trading. Receivables and deposits are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities. There was no effect on the financial instruments as at June 1, 2007 as a result of adopting these policies.

***Recent Accounting Pronouncements***

***Assessing Going Concern***

The Accounting Standards Board ("AcSB") amended CICA Handbook Section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MAY 31, 2008 AND**

**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**1. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(c) Changes in Accounting Policies** (continued)

*Financial Instruments*

The AcSB issued CICA Handbook Section 3862, *Financial Instruments – Disclosures*, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3863, *Financial Instruments – Presentation*, and Section 3865, *Hedges*. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The AcSB issued CICA Handbook Section 3863, *Financial Instruments – Presentation*, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

*Capital Disclosures*

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Company will adopt these requirements on June 1, 2008 and is currently considering the impact these will have on the Company's financial statements.

*International Financial Reporting Standards*

In addition to the above accounting pronouncements, the Canadian AcSB in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot reasonably be estimated at this time.

**RINGBOLT VENTURES LTD.**

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**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial Instruments**

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of all other financial instruments approximates their recorded amounts due to the short term to maturity.

**(e) Equipment and Depreciation**

Equipment is recorded at cost. The Company provides for depreciation using the declining balance method at the following annual rates:

Exploration equipment	30%
Office computers	45%
Vehicles	35%

Additions during the period are depreciated at one-half the annual rate. The Company does not presently own any equipment.

**(f) Asset Retirement Obligations**

Asset retirement obligations recognize the liability for legal obligations relating to the retirement of property, plant and equipment and obligations arising from the acquisition, construction, development, or normal operation of those assets. Such costs are recognized at fair value, when a reasonable estimate of fair value can be made, in the period in which the liability is incurred. A corresponding increase to the carrying amount of the related asset where one is identifiable is recorded and amortized over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the period is expensed. The amount of the liability is subject to re-measurement at each reporting period. The estimates are based principally on legal and regulatory requirements. It is possible that the Company's estimate of its ultimate reclamation liabilities could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or changes in cost estimates. Changes in estimates are accounted for prospectively commencing in the period the estimate is revised. As at May 31, 2008 the Company has no recorded reclamation liability.

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**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Impairment of Long-lived Assets**

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. The Company has no long-lived assets as at May 31, 2008.

**(h) Environmental Costs**

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated.

**(i) Share Capital**

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option and warrant enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

**(j) Basic and diluted loss per Share**

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Existing stock options have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Escrow shares which are contingently returnable are excluded from the weighted average number of shares.

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MAY 31, 2008 AND**

**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Foreign Currency**

The Company's functional currency is the Canadian dollar. Transactions and account balances recorded in foreign currencies and the accounts of integrated foreign subsidiaries have been translated into Canadian dollars using the temporal method. Under this method foreign currency amounts and transactions are translated as follows:

- (i) Monetary assets and liabilities at approximate exchange rates prevailing at the consolidated balance sheet dates;
- (ii) Non-monetary assets and liabilities at approximate historical exchange rates;
- (iii) Deferred costs at approximate average exchange rates in effect during the period in which the costs were incurred; and
- (iv) Gains or losses resulting from changes in exchange rates are included in the determination of income or loss.

**(l) Management's Estimates**

The preparation of financial statements in conformity with Canadian 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**(m) Stock-Based Compensation**

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

**(n) Income Taxes**

The asset and liability method is used for determining future income taxes. Under the asset and liability method, the change in the net future tax asset or liability is included in income. The income tax effects of temporary differences in the time when income and expenses are recognized in accordance with Company accounting practices and the time they are recognized for income tax purposes are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using statutory rates that are expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****2. MINERAL PROPERTIES****Hornby Basin Property – Northwest Territories, Canada**

By option agreement dated July 1, 2006, the Company has an exclusive option to acquire up to an undivided 100% right, title and interest in four mineral claims consisting of approximately 10,330 acres located in the Great Bear Lake area of the Northwest Territories known as the Hornby Basin Property ("HB Claims").

Government regulations provide that the claims may be held by the owner for up to 10 years in total, provided that a minimum expenditure of allowable work of \$2.00 per acre is completed.

Consideration for the original July 1, 2006 option was as follows:

	<b>Option payments</b>		<b>Work commitments</b>		<b>Common shares</b>
On execution of the agreement	\$ 25,000	(paid)	\$ -		100,000 (issued)
On or before August 30, 2006	-		100,000	(spent)	
On or before July 1, 2007	25,000		-		200,000
On or before August 30, 2007	-		200,000		-
On or before July 1, 2008	25,000		-		200,000
On or before August 30, 2008	-		200,000		-
On or before July 1, 2009	25,000		-		500,000
On or before August 30, 2009	-		250,000		-
	<b>\$ 100,000</b>		<b>\$ 750,000</b>		<b>1,000,000</b>

By an amending agreement dated June 30, 2007, terms of the option were amended reducing the required cash payments to \$75,000 from \$100,000, reducing the required common share issuance from 1,000,000 common shares to 500,000 common shares and reducing the required exploration work commitments to \$100,000 from \$750,000.

As at May 31, 2008, the Company has completed an airborne survey of the HB claims and continues to evaluate the merits and timing of further exploration work on the HB claims.

To earn a 100% interest in the HB claims, the June 30, 2007 amended consideration is as follows:

	<b>Option payments</b>		<b>Work commitments</b>		<b>Common shares</b>
On execution of the agreement	\$ 25,000	(paid)	\$ -		100,000 (issued)
On or before August 30, 2006	-		100,000	(spent)	
On or before July 1, 2008	50,000		-		400,000
	<b>\$ 75,000</b>		<b>\$ 100,000</b>		<b>500,000</b>

The HB claims are subject to a 2% Net Smelter Return royalty which Ringbolt can buy down to 1% at a cost of \$1,000,000.

**RINGBOLT VENTURES LTD.**

*(An Exploration Stage Company)*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MAY 31, 2008 AND**

**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**2. MINERAL PROPERTIES (continued)**

**Hornby Basin Property – Northwest Territories, Canada** (continued)

On August 8, 2008, the Company obtained written confirmation from the Optionors accepting the Company's late payment of \$50,000 cash and late delivery of the required 400,000 common shares to the Optionors. In addition, the Optionors acknowledged in writing that the Company has now earned a 100% interest.

**Paradox Basin Property – Utah, U.S.A.**

The Company purchased 90% of the issued and outstanding shares of Bua USA LLC ("Bua") for cash consideration of \$10,000, the director's original cost of the shares, and the commitment to fund 100% of all potash permit and license applications and related costs to acquire prospecting permits and exploration licenses on Bureau of Land Management ("BLM") and the State of Utah lands located in the Paradox Basin within the State of Utah. This acquisition closed March 19, 2008, with an effective date of February 25, 2008, and was a non arm's length transaction as one of the Company's directors was the owner of the acquired 90% share ownership of Bua. During the period from March 19, 2008 to May 31, 2008, Bua has applied for 23 prospecting permits and an additional 9 prospecting permits (granted subsequent) with the State of Utah totaling 54,342 acres. All of the applied for prospecting permits are in the pending approval status. As of May 31, 2008, the Company has advanced \$217,258 to Bua to fund permit and license application and related exploration costs. The other 10% of Bua's issued shares is owned by a senior officer of Bua.

**Holbrook Property – Arizona, U.S.A.**

In May 2008, the Company acquired a 100% interest in 15 prospecting permits located in Arizona. All the permits have been approved. These permits are renewable on an annual basis but in no event renewable beyond June 12, 2013. In June 2008, the Company posted a \$15,000 US blanket reclamation and damage bond with the State of Arizona.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****2. MINERAL PROPERTIES (continued)****Mineral Acquisition and Exploration Costs**

As at May 31, 2008, the Company had incurred mineral property acquisition and deferred exploration costs as follows:

	<b>As at May 31, 2008</b>		
	<b>Acquisition Note 2 (a)</b>	<b>Deferred Exploration Note 2 (a)</b>	<b>Total</b>
Hornby Basin – Northwest Territories, Canada	\$ 35,000	\$ 112,554	\$ 147,554
Paradox Basin – Utah, USA	-	170,965	170,965
Holbrook Property – Arizona, USA	19,253	61,741	80,994
	<b>\$ 54,253</b>	<b>\$ 325,193</b>	<b>\$ 399,513</b>

	<b>As at May 31, 2007</b>		
	<b>Acquisition Note 2 (b)</b>	<b>Deferred Exploration Note 2 (b)</b>	<b>Total</b>
Hornby Basin – Northwest Territories, Canada	\$ 35,000	\$ 102,559	\$ 137,559

Refer to Notes 2(a) and 2(b) for the detailed mineral property costs incurred during the year ended May 31, 2008 and during the period June 13, 2006 (date of incorporation) to May 31, 2007.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****2. MINERAL PROPERTIES (continued)*****Mineral Acquisition and Exploration Costs*** (continued)**(a) Mineral Property Costs for the Year Ended May 31, 2008**

	<b>Hornby Basin</b>	<b>Holbrook Property</b>	<b>Paradox Basin</b>	<b>Total</b>
<b>Property acquisition costs</b>				
Balance, beginning of the year	\$ 35,000	\$ -	\$ -	\$ 35,000
Cash	-	19,253	-	19,253
Shares (including obligation to issue shares)	-	-	-	-
Balance, end of the year	35,000	19,253	-	54,253
<b>Deferred exploration costs</b>				
Balance, beginning of the year	102,559	-	-	102,559
<b>Incurred during the year:</b>				
Camp supplies	5,695	-	-	5,695
Consulting	4,300	11,724	14,112	30,136
Exploration	-	44,094	103,824	147,917
Geological	-	2,007	8,027	10,034
Permit applications	-	1,505	39,859	41,364
Professional services	-	2,411	5,143	7,555
Total expenditures during the year	9,995	61,741	170,965	242,701
Total expenditures, end of the year	112,554	61,741	170,965	345,260
Balance, end of the year	\$ 147,554	\$ 80,994	\$ 170,965	\$ 399,513

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**2. MINERAL PROPERTIES** (continued)***Mineral Acquisition and Exploration Costs*** (continued)**(b) Mineral Property Costs for the Period June 13, 2006 (date of incorporation) to May 31, 2007**

	<b>Hornby Basin</b>
Property acquisition costs	
Balance, beginning of the period	\$ -
Cash	25,000
Shares (including obligation to issue shares)	10,000
Balance, end of the period	35,000
Deferred exploration costs	
Balance, beginning of the period	-
Incurred during the period:	
Geological	15,157
Geophysics	87,402
Total expenditures during the period	102,559
Total expenditures, end of the period	102,559
Balance, end of the period	\$ 137,559

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****3. SHARE CAPITAL & CONTRIBUTED SURPLUS****(a) Authorized**

100,000,000 common shares without par value.

**(b) Issued and Outstanding Share Capital**

	Number of Shares	Amount	Contributed Surplus
<b>Balance – June 13, 2006 (date of incorporation)</b>	-	\$ -	\$ -
Issued for Cash – escrow shares	4,943,750	134,375	-
Issued for Cash – private placement	1,541,250	202,875	-
Issued for property	100,000	10,000	-
Stock-based compensation	-	-	336,698
<b>Balance – May 31, 2007</b>	<b>6,585,000</b>	<b>347,250</b>	<b>336,698</b>
Issued for Cash – IPO October 2007	2,190,000	547,500	-
Issued for Cash – Private Placement March 2008	2,000,000	1,000,000	-
Issued for Cash – Private Placement April 2008	5,184,000	2,592,000	-
Issued for Cash – exercise of Options	524,000	131,000	-
Issued for Cash – exercise of Agents Warrants	94,058	23,515	-
Issued for Finders Fees on private placements	555,000	277,500	-
Share issue cost – shares	-	(277,500)	-
Issued for Agent's Commission on IPO	14,473	3,618	-
Agent's warrants issued on IPO	-	(21,667)	21,667
Share issue costs, including cash finders fees	-	(206,759)	-
Stock based compensation expense	-	-	627,846
Transfer from Contributed Surplus on Exercise of Warrants	-	9,306	(9,306)
Transfer from Contributed Surplus on Exercise of Options	-	51,842	(51,842)
Transfer from Contributed Surplus on release of Escrow Shares	-	84,175	(84,175)
Shares issued during year	10,561,531	4,214,530	504,190
<b>Balance, May 31, 2008</b>	<b>17,146,531</b>	<b>\$4,561,780</b>	<b>\$ 840,888</b>

**RINGBOLT VENTURES LTD.**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)**

**(b) Issued and Outstanding Share Capital (continued)**

During the year ended May 31, 2008, the Company issued the following shares:

(i) The Company's Prospectus was receipted by the British Columbia Securities Commission and became a reporting issuer on October 2, 2007 offering 2,190,000 common shares at \$0.25 per share as an initial public offering ("IPO"). Pursuant to an Agency Agreement with Wolverton Securities Ltd. (the "Agent"), the Agent received a commission of 8% of the gross proceeds of the offering and was paid a corporate finance fee of \$25,000 plus GST and expenses. The Agent was granted a warrant to acquire 219,000 common shares at \$0.25 per share for a period of twelve months from the date that the Company's shares were listed on the TSX Venture Exchange, October 2, 2007.

(ii) In early April 2008, the Company issued 2,000,000 common shares at \$0.50 per share by way of a non-brokered private placement Unit Offering for gross proceeds of \$1,000,000. The Unit Offering was comprised of 2,000,000 common shares at \$0.50 per share and 1,000,000 warrants entitling the holder of each warrant to purchase one share at \$0.75 at any time up to April 4, 2009.

Finders' fees were paid to certain finders in cash. A finders' fee was paid to Fort House Inc. in the amount of \$20,000 and to Fast Marine Group in the amount of \$17,500.

(iii) In late April 2008, the Company issued 5,184,000 common shares at \$0.50 per share by way of a non-brokered private placement Unit Offering for gross proceeds of \$2,592,000. The Unit Offering was comprised of 5,184,000 common shares at \$0.50 per share and 2,592,000 warrants entitling the holder of each warrant to purchase one share at \$0.75 at any time up to April 28, 2009.

Finders' fees were paid to certain finders in shares and in cash. A finders' fee was paid to Fast Marine Group in the amount of \$30,000.

(iv) Included in share issue costs for the year ended May 31, 2008 are previously deferred filing fees of \$39,246 and previously deferred share issuance costs of \$19,950 from fiscal 2007.

Subsequent to May 31, 2008, the Company issued:

(a) 400,000 common shares in August 2008, at an ascribed amount of \$0.35 per share, as part of the consideration paid for the Option payment on the Hornby Basin mineral property.

(b) 48,500 common shares in June 2008, in consideration of receiving \$12,125 in proceeds from the exercise of stock options.

(c) 50,000 common shares in June 2008, in consideration of receiving \$12,500 in proceeds from the exercise of agents' warrants.

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**3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)**

**(b) Issued and Outstanding Share Capital (continued)**

During the period June 13, 2006 (date of incorporation) to May 31, 2007:

- (i) On May 16, 2007, issued 6,000,000 common shares at a price of \$0.01 per share and 943,750 common shares at a price of \$0.10 per share for total proceeds of \$134,375. The 6,000,000 common shares were cancelled effective May 31, 2007 and 4,000,000 common shares were issued at \$0.01. These common shares were held in escrow and were released pro-rata to the shareholders with 10% of the escrow securities being released upon the date the common shares were listed for trading, October 2, 2007, on the TSX Venture Exchange, 1/6 of remainder were released after 6 months, 1/5 of remainder were released after 12 months, 1/4 of remainder were released after 18 months, 1/3 of remainder were released after 24 months, 1/2 of remainder were released after 30 months and the remaining were released after 36 months from listing.

The fair value of the 4,000,000 escrow shares issued to the founders of the Company at \$0.01 were determined to be \$355,698, by calculating the estimated present value discounted over the escrow release period at a risk-free interest rate of 4.65%. As a result, \$315,698, being the difference between the fair value and the cash received, has been recorded as a stock-based compensation and credited to contributed surplus in the period.

- (ii) Issued 487,500 common shares at a price of \$0.20 per share for total proceeds of \$97,500. These common shares were restricted from resale for a period of four months from the date the common shares were listed for trading on the TSX Venture Exchange. The shares were released from any restrictions as follows: 20%, upon the date the common shares were listed for trading on the TSX Venture Exchange, October 2, 2007, and 20% each month thereafter.
- (iii) Issued 1,053,750 common shares at a price of \$0.10 per share for total proceeds of \$105,375. These shares will be restricted from resale for a period of four months from the date the common shares are listed for trading on the TSX Venture Exchange. The shares shall be released from any restrictions as follows: 20%, upon the date the common shares are listed for trading on the TSX Venture Exchange, October 2, 2007, and 20% each month thereafter.
- (iv) Issued 100,000 common shares valued at \$0.10 per share under the property option agreement (note 3).

**(c) Stock Purchase Options**

The Company has established a share purchase option plan whereby the board of directors may, from time to time; grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding share capital. These options may be granted for a maximum term of five (5) years from date of grant.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(c) Stock Purchase Options (continued)**

A summary of the Company's option transactions for the year ended May 31, 2008 and for the period June 13, 2006 (date of incorporation) to May 31, 2007 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, June 13, 2006 (date of incorporation)	Nil	\$ -	-
Granted	658,499	0.25	2
Exercised	-		-
Balance, May 31, 2007	658,499	0.25	2
Granted	1,425,000	0.69	2
Exercised	(524,000)	0.25	2
Balance outstanding, May 31, 2008	1,559,499	0.65	2
Balance exercisable, May 31, 2008	1,559,499	\$ 0.65	2

All of the 658,499 options granted prior to May 31, 2007, vested on October 2, 2007, the listing date the Company's common shares commenced trading on the TSX Venture Exchange.

All of the 1,425,000 options granted during the year ended May 31, 2008 vested on the grant dates.

As at May 31, 2008, there are 1,559,499 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Price	Expiry Date
134,499	\$0.25	October 2, 2009
750,000	\$0.50	February 29, 2010
200,000	\$0.65	April 16, 2010
475,000	\$1.00	May 15, 2010
1,559,499		

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(c) Stock Purchase Options (continued)**

During the year ended May 31, 2008, the Company issued the following additional stock options:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
750,000	\$0.50	February 29, 2010
200,000	\$0.65	April 16, 2010
475,000	\$1.00	May 15, 2010
<b>1,425,000</b>		

The fair value is measured at the grant date and charged immediately to earnings (cliff-vested) with a corresponding increase in contributed surplus. Consideration paid to the Company on exercise of all options is credited to share capital.

The Company recognized \$627,846 (\$336,698 - for the period June 13, 2006 (date of incorporation) to May 31, 2007) of stock-based compensation expense for stock options granted during the periods.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-valuation model with the following assumptions:

	<b>For the year ended May 31, 2008</b>	<b>For the period June 13, 2006 (date of incorporation) to May 31, 2007</b>
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	100%	100%
Risk-free interest rate	2.72% to 3.05%	4.57%
Expected life of options	2 years	2 years

Using the above assumptions, the average fair value of the options granted is \$0.39 per option. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective price assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(d) Share Purchase Warrants**

During the year, as part of the two private placements in April 2008, the Company issued share purchase warrants which may be summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, May 31, 2007	-	\$ -	-
Issued	3,874,500	0.75	1
Exercised	-		-
Expired/Cancelled	-		-
Balance outstanding, May 31, 2008	3,874,500	0.75	1
Balance exercisable, May 31, 2008	3,874,500	\$ 0.75	1

As at May 31, 2008, there are 3,874,500 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each half warrant held as follows:

Number	Price	Expiry Date
1,057,500	\$0.75	April 4, 2009
2,817,000	\$0.75	April 28, 2009
3,874,500		

**(e) Agents Share Purchase Warrants**

As part of the Company's IPO financing in October 2007, the Company issued Share Purchase Warrants to the two Agents entitling the Agents to purchase up to 219,000 common shares of the Company at any time up to October 2, 2008 at an exercise price of \$0.75 per common share.

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(e) Agents Share Purchase Warrants (continued)**

A summary of the Agents' Share Purchase Warrants is as follows:

	Number of Agent Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, May 31, 2007	-	\$ -	-
Issued	219,000	0.25	1
Exercised	(94,058)		1
Expired/Cancelled	-		-
Balance outstanding, May 31, 2008	124,942	0.25	1
Balance exercisable, May 31, 2008	124,942	\$ 0.25	1

As at May 31, 2008, there are 124,942 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number	Price	Expiry Date
124,942	\$0.75	October 2, 2009

The fair value is measured at the grant date and charged immediately to earnings (cliff-vested) with a corresponding increase in contributed surplus. Consideration paid to the Company on exercise of all warrants is credited to share capital.

The Company recognized \$21,667 (\$Nil – for the period June 13, 2006 (date of incorporation) to May 31, 2007) of stock-based compensation expense for agents' warrants granted during the period.

The fair value of each agents' warrant is estimated on the date of grant using the Black-Scholes option-valuation model with the following assumptions:

	For the year ended May 31, 2008	For the period June 13, 2006 (date of incorporation) to May 31, 2007
Expected dividend yield	0.00%	
Expected stock price volatility	100%	
Risk-free interest rate	4.19%	
Expected life of options	1 year	

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****3. SHARE CAPITAL & CONTRIBUTED SURPLUS (continued)****(e) Agents Share Purchase Warrants (continued)**

Using the above assumptions, the fair value of the agents' warrants granted is \$0.10 per option. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective price assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's agents' warrants.

**(f) Escrow Shares**

At May 31, 2008, there were 3,707,812 common shares (2007 – 4,943,750) held in escrow by the Company's transfer agent. The release of these shares is subject to regulatory approval.

**4. FUTURE INCOME TAX**

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax provision is as follows:

	<b>For the year ended May 31, 2008</b>	<b>For the period June 13, 2006 (date of incorporation) to May 31, 2007</b>
Loss for the period before income taxes	\$ (1,012,046)	\$ (393,105)
Statutory tax rate	34.00%	34.12%
Expected income tax recovery	(343,054)	(134,127)
Stock-based compensation	198,244	115,043
Effect of change in tax rate	890	1,837
Difference in tax rates in other jurisdictions	11,234	-
Change in valuation allowance	132,686	17,247
	\$ -	\$ -

**RINGBOLT VENTURES LTD.***(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MAY 31, 2008 AND****FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007****4. FUTURE INCOME TAX (continued)**

The significant components of the Company's net future income tax assets and liabilities are as follows:

	<b>As at May 31, 2008</b>	<b>As at May 31, 2007</b>
Future income tax assets		
Share issue costs	\$ 47,044	\$ (1,237)
Cumulative eligible capital	203	233
Mineral properties	-	-
Non-capital losses carried forward	130,189	18,251
Valuation allowance	(177,436)	(17,147)
<b>Net future income tax assets</b>	<b>\$ -</b>	<b>\$ -</b>

The Company recorded a valuation allowance against its future income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry-forward periods to utilize all the future tax assets.

The Company has Canadian non-capital loss carry-forwards of \$418,345 (2007 - \$58,875) that may be available for tax purposes. The non-capital losses available to be carried forward expire in the following years and amounts:

2027	\$ 58,875
2028	\$ 359,470

Subject to certain restrictions, the Company also has resource expenditures of approximately \$147,554 (2007 - \$137,559) available to reduce taxable income in future years.

**5. RELATED PARTY TRANSACTIONS**

- (a) During the year ended May 31, 2008, director fees of \$13,000 (for the period June 13, 2006 (date of incorporation) to May 31, 2007 - \$10,000) were paid to a director of the Company.
- (b) During the year ended May 31, 2008, management fees of \$7,000 (for the period June 13, 2006 (date of incorporation) to May 31, 2007 - \$Nil) were paid to a company controlled by a director of the Company.
- (c) During the year ended May 31, 2008, consulting fees of \$3,500 (for the period June 13, 2006 (date of incorporation) to May 31, 2007 - \$Nil) were paid to a company controlled by a director of the Company.
- (d) During the year ended May 31, 2008, administration fees of \$32,000 (for the period June 13, 2006 (date of incorporation) to May 31, 2007 - \$24,000) were paid to a company controlled by a director of the Company.
- (e) Included in accounts payable is \$16,272 due to companies controlled by directors of the Company. Included in the accounts receivable is \$9,000 due from companies controlled by directors of the Company.

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**FOR THE PERIOD JUNE 13, 2006 (DATE OF INCORPORATION) TO MAY 31, 2007**

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**5. RELATED PARTY TRANSACTIONS** (continued)

The above transactions, occurring in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

- (f) During the year, as part of the share purchase of Bua (see Note 2), the Company paid \$10,000 to a company controlled by a director of the Company, this transaction was recorded at the Director's adjusted cost base of the shares.

Amounts due to or from related parties are unsecured, do not bear interest and are classified as a current asset or liability due to their nature and expected time of repayment, accordingly the fair value cannot be practicably determined.

**6. NON-CASH TRANSACTIONS**

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statement of cash flows:

During the year ended May 31, 2008, the Company issued the following:

- (a) 219,000 agent's warrants at the fair value of \$21,667 as a cost of completing a security offering;
- (b) 555,000 common shares as Finders Fees at the fair value of \$277,500 as a cost of completing the private placement in April 2008.

During the period June 13, 2006 (date of incorporation) to May 31, 2007, the Company issued 100,000 common shares pursuant to a mineral property option agreement at \$0.10 per share;

**7. SUBSEQUENT EVENTS**

Subsequent to May 31, 2008:

- (i) On August 28, 2008, the Company obtained written confirmation from the Optionors accepting the Company's late payment of the required \$50,000 to the Optionors and late delivery of the required 400,000 common shares to the Optionors. In addition, the Optionors acknowledged in writing that the Company has now earned a 100% interest.
- (ii) In July 2008, the Company applied for and was subsequently granted, nine leases on 6,277 acres located in Utah, part of the Paradox Basin Property. Lease acquisition costs were \$94,154 US.

**8. COMMITMENTS**

Subsequent to May 31, 2008, on August 1, 2008, the Company entered into a six-month consulting agreement with a Utah company specializing in government relations for a monthly fee of \$10,000 US. The agreement is renewable upon the mutual consent of both parties and can be terminated by either party upon 30 days written notice.

**9. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform to current year's presentation.