

AVION RESOURCES CORP.

(A Development Stage Company)

Interim Financial Statements
For the three months ended
February 29, 2008

UNAUDITED

AVION RESOURCES CORP.

(A Development Stage Company)

Balance Sheets

As at

	February 29, 2008 (unaudited)	November 30, 2007 (audited)
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ASSETS		
Current		
Cash	\$ 449,693	\$ 956,861
Subscription receivable	259,500	562,000
Amounts receivable	69,111	34,564
Prepaid expenses	65,836	-
	<hr/>	<hr/>
	844,140	1,553,425
Investments (Note 6)	140,001	140,001
Deposits and advances	-	150,000
Interest in mineral properties (Note 7)	1,723,804	234,177
Reclamation bond	3,000	3,000
	<hr/>	<hr/>
	\$ 2,710,945	\$ 2,080,603
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LIABILITIES		
Current		
Accounts payables and accrued liabilities	\$ 509,968	\$ 327,615
	<hr/>	<hr/>
Commitments and contingencies (Notes 2, 7 and 13)		
Subsequent events (Note 15)		
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	9,712,588	9,448,760
Warrants (Note 9)	1,010,418	730,000
Contributed surplus (Note 11)	829,900	829,900
Deficit	(9,351,929)	(9,255,672)
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	2,200,977	1,752,988
	<hr/>	<hr/>
	\$ 2,710,945	\$ 2,080,603
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APPROVED ON BEHALF OF THE BOARD:

"Rene Bharti", Director

"Scott Moore", Director

AVION RESOURCES CORP.

(A Development Stage Company)

Statements of Operations and Deficit

For the three months ended

(unaudited – prepared by management)

	February 29, 2008	February 28, 2007
Expenses		
Consulting and management fees	\$ 35,186	\$ 10,500
Travel expenses	20,410	-
Office expenses	15,746	783
Transfer agent and filing fees	10,625	4,951
Professional fees	5,313	1,919
Shareholder communications and investor relations	1,554	-
	88,834	18,153
(Loss) for the period before the undernoted:	(88,834)	(18,153)
Interest earned	4,337	190
Interest expense	(7,312)	-
General exploration	(4,448)	-
Net (loss) for the period	(96,257)	(17,963)
Deficit, beginning of period	\$ (9,255,672)	\$ (8,419,554)
Deficit, end of period	\$ (9,351,929)	\$ (8,437,517)
Basic and diluted net (loss) per share	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding - basic and diluted	15,282,734	4,164,562

AVION RESOURCES CORP.

(A Development Stage Company)

Statements of Cash Flows

For the three months ended

(unaudited – prepared by management)

	February 29, 2008	February 28, 2007
Cash flows provided by (used in)		
Operating activities		
Net (loss) for the period	\$ (96,257)	\$ (17,963)
Net change in non-cash working capital items	(143,546)	(16,753)
	(239,803)	(34,716)
Financing activities		
Private placements, net of issuance costs	278,746	-
Decrease in subscription receivable	302,500	-
	581,246	-
Investing activities		
Interest in mineral property	(1,224,127)	(2,543)
Change in exploration accounts payable	225,516	-
Decrease in exploration deposits and advances	150,000	-
	(848,611)	(2,543)
Change in cash during the period	(507,168)	(37,259)
Cash, beginning of period	956,861	49,331
Cash, end of period	\$ 449,693	\$ 12,072

SUPPLEMENTARY INFORMATION:

Shares issued for property acquisition (Note 7)	\$ 75,000	\$ -
Warrants granted for property acquisition (Note 7)	\$ 190,500	\$ -
Interest paid	\$ 7,311	\$ -
Income taxes paid	\$ -	\$ -

AVION RESOURCES CORP.

(A Development Stage Company)

Notes to the Financial Statements

For the three months ended February 29, 2008

1. NATURE OF OPERATIONS

These interim financial statements are unaudited and have not been reviewed by the Company's auditors.

Avion Resources Corp. (the "Company") is a development stage company as defined by the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline II and is primarily engaged in the acquisition, exploration and development of mineral properties located Africa. All common shares, options and warrants and per share amounts have been restated to give retroactive effect to the 3:1 consolidation that took place on June 21, 2007.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material writedowns of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

The disclosure in these interim financial statements may not conform in all respects to generally accepted accounting principles in Canada for annual financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended February 29, 2008 are not indicative of the results that may be expected for the full year ending November 30, 2008.

2. CONTINUING OPERATIONS

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. Realization values may be substantially different from the carrying values as shown in the financial statements should the Company be unable to continue as a going concern.

The Company's ability to meet its obligations and maintain operations is contingent upon additional financing arrangements and the support of its creditors.

Funding for operations is obtained primarily through public and private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

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AVION RESOURCES CORP.

(A Development Stage Company)

Notes to the Financial Statements

For the three months ended February 29, 2008

3. SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, these financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 3 to the Company's Annual Financial Statements for the period ended November 30, 2007.

New accounting pronouncements:

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on December 1, 2007.

(i) Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in note 4 to these interim consolidated financial statements.

(ii) Financial Instruments - Disclosures and Presentation

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 5 to these interim consolidated financial statements.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended February 29, 2008.

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AVION RESOURCES CORP.

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Notes to the Financial Statements

For the three months ended February 29, 2008

5. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to subscriptions receivable and amounts receivables included in other assets. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in other assets consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2008, the Company had a cash balance of \$449,693 and subscriptions receivable of \$259,500 (November 30, 2007 - \$956,861 and \$562,000) to settle current liabilities of \$509,968 (November 30, 2007 - \$327,615). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt at February 29, 2008. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company considers interest rate risk to be minimal as investments are short term, the Company does not carry interest-bearing debt, and future financing will be primarily secured from private placements.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Africa on a cash call basis using the Ethiopian Birr currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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Notes to the Financial Statements

For the three months ended February 29, 2008

5. FINANCIAL RISK FACTORS (continued)

Sensitivity analysis

The Company has designated its cash as held-for-trading, measured at fair value. Subscriptions and amounts receivable included are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The Company's investment in a private mineral exploration company is measured at cost as the investment does not have a quoted market price in an active market.

As at February 29, 2008, the carrying and fair value amounts of the Company's financial instruments are the same, and there were no changes that occurred that attributed to credit risk.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

The Company's investment in a private company is anticipated to be listed on a recognized stock exchange within the next twelve months. Sensitivity to a plus or minus 100% change in the company's expected share price would affect income (loss) by \$140,000.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Price risk is remote since the Company is not a producing entity.

6. INVESTMENTS

Investments, carried at estimated fair market value, are comprised of the following:

	February 29, 2008	November 30, 2007
	\$	\$
Global Immune Technologies, Inc. - (2,000,000 shares)	1	1
Yellowhead Mining Inc. (100,000 shares)	140,000	140,000
	140,001	140,001

The Company owns 2,000,000 restricted common shares of Global Immune Technologies Inc. (formerly Secureview Systems Inc.). The Company previously wrote down the investment to a value of \$1 to reflect impairment in value. Management estimates that the fair market value of this investment approximates its carrying value.

The Company received 100,000 common shares of Yellowhead Mining Inc. ("Yellowhead") with a value of \$1.40 per share as part proceeds from the sale of its 100% interest in the Harper Creek claims. If after Yellowhead has become listed on a stock market, and the fair market value of the shares held by the Company are below \$140,000, then Yellowhead will pay to the Company the difference in cash. Consequently, the fair value of this investment is estimated to be \$140,000. Yellowhead has not yet become listed on a stock market.

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Notes to the Financial Statements

For the three months ended February 29, 2008

7. INTEREST IN MINERAL PROPERTIES

DESCRIPTION	Dundonald	Ethiopia	Other	TOTAL
<u>Acquisition costs</u>				
Balance, November 30, 2007	3,500	2,974	-	6,474
Acquisition and property costs	405,683	631,785	1,600	1,039,068
Balance, February 29, 2008	409,183	634,759	1,600	1,045,542
<u>Exploration expenditures</u>				
Balance, November 30, 2007	98,249	93,923	35,531	227,703
Drilling	128,206	-	-	128,206
Assaying	2,088	-	-	2,088
Geology and geophysics	5,000	176	-	5,176
Consulting fees	47,422	154,062	12,509	213,993
Travel and transportation	4,446	73,741	3,480	81,667
Field and office support	3,094	14,922	1,413	19,429
Balance, February 29, 2008	288,505	336,824	52,933	678,262
<u>TOTAL DEFERRED COSTS</u>				
February 29, 2008	697,688	971,583	54,533	1,723,804

Dundonald Property, Timmins, Ontario

In November 2007, the Company entered into negotiations to acquire a 75% interest in the Dundonald property in Timmins, Ontario. The agreement was finalized in January 2008. In order to acquire this interest, the Company assumed an interest in an existing agreement for a cash payment of \$250,000 (not paid at February 29, 2008) and awarding a 2% NSR in favour of the assigning company. The 2% NSR is to be paid solely from the Company's interest in the property. The agreement assumed requires the following option payments and exploration expenditures be made:

Option payments:

- Make a cash payment of \$75,000 and issue 214,285 common shares with a deemed value of \$75,000 upon regulatory approval of the agreement (paid and issued);
- Make a cash payment of \$250,000 and issue common shares with a market value of \$250,000 on or before the first anniversary of receiving regulatory approval; and
- Make a cash payment of \$500,000 and issue common shares with a market value of \$500,000 on or before each of the second, third and fourth anniversaries of receiving regulatory approval.

Exploration expenditures:

- \$500,000 in expenditures prior to the first anniversary of receipt of regulatory approval; and
- an additional \$4,000,000 in expenditures prior to the fourth anniversary of receipt of regulatory approval.

The agreement assumed also provides the optioning party with a back in right to retain a 51% interest in the property, as well as an option to sell its remaining 25% interest to the Company for \$5,000,000, under certain conditions.

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Notes to the Financial Statements

For the three months ended February 29, 2008

7. INTEREST IN MINERAL PROPERTIES (continued)

Ethiopia, Africa

In November 2007, the Company entered into negotiations with Aberdeen International Inc. ("Aberdeen") to acquire Aberdeen's rights, titles, interest and obligations, including a 2% NSR obligation, pursuant to an agreement between Aberdeen and Ethio-Gibe Canada Mining PLC ("Ethio-Gibe"). In order to acquire these rights and interest, the Company will make the following payments to Aberdeen, in either cash or shares of the Company as mutually agreed upon:

- \$250,000 upon receipt of regulatory approval (paid);
- an additional \$750,000 on or before June 30, 2008; and
- an additional \$1,000,000 on or before December 31, 2008

As well, the Company has granted to Aberdeen a 1.5% Royalty and issued Aberdeen 1,500,000 share purchase warrants exercisable at \$0.48 for 18 months. The fair value of these warrants was estimated at \$190,500 using the Black Scholes option pricing model with the following assumptions: expected dividend yield – 0%; expected volatility – 99%; risk-free interest rate – 3.2%; expected life – 18 months. Aberdeen holds more than 10% of the issued and outstanding shares of the company and certain directors and/or officers of the Company are also directors and/or officers of Aberdeen.

The agreement with Ethio-Gibe provides an option to obtain 100% of the exclusive rights granted by the Ministry of Mineral Energy of Ethiopia to Ethio-Gibe on certain Gold–Copper–Zinc exploration concessions in Ethiopia, subject to a 2% net smelter return royalty ("NSR") to be held by Ethio-Gibe. The agreement provided Aberdeen with an option to purchase 50% of the NSR for \$1,000,000 in cash or in shares of the Company.

Under the terms of the agreement, the following consideration is to be provided to Ethio-Gibe:

- payment of \$200,000 in cash and issuance of 500,000 shares of the Company on or before April 25, 2007; (paid)
- payment of \$250,000 and issuance of 250,000 shares of the Company on or before each of December 31, 2007, December 31, 2008 and December 31, 2009;
- payment of \$500,000 on each of December 31, 2010 and December 31, 2011, payable in cash or shares of the Company at the Company's option; and
- expend a minimum of \$2,000,000 on property exploration.

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AVION RESOURCES CORP.

(A Development Stage Company)

Notes to the Financial Statements

For the three months ended February 29, 2008

8. CAPITAL STOCK

a) Authorized - unlimited number of common shares

b) Issued

Common shares	Number of Shares	Amount
Balance, November 30, 2006	4,164,562	8,779,090
Private placement – non-flow through	9,999,996	2,199,999
Issue of warrants - warrant valuation	-	(730,000)
Flow through share tax effect	-	(71,564)
Cost of issue	-	(728,765)
Balance, November 30, 2007	14,164,558	\$ 9,448,760
Private placement – non-flow through (i)	1,111,111	300,000
Issue of warrants - warrant valuation	-	(89,918)
Shares issued for property acquisition (Note 7)	214,285	75,000
Cost of issue	-	(21,254)
Balance, February 29, 2008	15,489,954	\$ 9,712,588

- (i) In December 2007, the Company completed a private placement financing of 1,111,111 units priced at \$0.27 per unit for gross proceeds of \$300,000. Each unit is comprised of one common share and one common share purchase warrant. Each purchase warrant will be exercisable at a price of \$0.36 per share until December 19, 2009. The fair value of these warrants was estimated at \$89,918 using the Black Scholes option pricing model with the following assumptions: expected dividend yield – 0%; expected volatility – 128%; risk-free interest rate – 3.8%; expected life – 2 years.

9. WARRANTS

	2008		2007	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of period	10,512,571	\$ 0.57	1,047,152	\$ 0.90
Granted	2,611,111	0.43	9,999,996	0.29
Exercised	-	-	-	-
Expired or cancelled	-	-	(534,577)	1.23
Balance, end of period	13,123,682	\$ 0.33	10,512,571	\$ 0.57

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AVION RESOURCES CORP.

(A Development Stage Company)

Notes to the Financial Statements

For the three months ended February 29, 2008

9. WARRANTS (continued)

A summary of the outstanding warrants as of February 29, 2008 are as follows:

Expiry Date	Exercise Price (\$)	Warrants Outstanding	Value (\$)
June 20, 2008	0.63	202,020	-
July 25, 2008	0.53	310,555	-
October 12, 2009	0.29	9,999,996	730,000
December 19, 2009	0.36	1,111,111	89,918
July 31, 2009	0.48	1,500,000	190,500
		<u>13,123,682</u>	<u>1,010,418</u>

10. STOCK OPTIONS

In January 2008, 1,450,000 stock options were granted in connection with a private placement in October 2007. The fair value of these stock options of \$490,100, recorded in 2007 as a cost of issue of the private placement, was estimated using the Black-Scholes option pricing model and the following assumptions: expected dividend yield - 0%; expected life - 5 years; expected volatility - 82%; a risk-free interest rate - 3.8%.

	February 29, 2008		November 30, 2007	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of period	-	\$ -	40,556	\$ 1.35
Granted	1,450,000	0.50	-	-
Exercised	-	-	-	-
Expired or cancelled	-	-	(40,556)	1.35
Balance, end of period	<u>1,450,000</u>	<u>\$ 0.50</u>	<u>-</u>	<u>\$ -</u>

11. CONTRIBUTED SURPLUS

	February 29, 2008	November 30, 2007
Balance, beginning of period	\$ 829,900	\$ 339,800
Stock options granted and/or vested during the period	-	490,100
Balance, end of period	<u>\$ 829,900</u>	<u>\$ 829,900</u>

Continued...

AVION RESOURCES CORP.

(A Development Stage Company)

Notes to the Financial Statements

For the three months ended February 29, 2008

12. RELATED PARTY TRANSACTIONS

The Company was charged \$30,000 for the quarter ended February 29, 2008 (2007: \$10,500) for administrative and consulting fees by directors or by companies controlled by directors of the Company.

The Company shares its premises with other companies that have common directors and officers, and the Company reimburses the related companies for their proportional share of the expenses. Included in accounts payable and accrued liabilities at February 29, 2008 is \$11,324 (2006: \$nil) owing to such companies.

The Company and Aberdeen International Inc. share common directors and officers. See also Note 7.

All of the above transactions are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

13. COMMITMENTS

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to \$175,000 be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts are approximately \$150,000 due within one year.

14. SEGMENTED INFORMATION

	Current Assets	Interests in Mineral Properties	Other Long Term Assets	TOTAL ASSETS
<u>February 29, 2008</u>				
Canada	784,140	697,687	143,001	1,624,828
Africa	60,000	1,026,117	-	1,086,117
	844,140	1,723,804	143,001	2,710,945
<u>November 30, 2007</u>				
Canada	1,553,425	101,749	293,001	1,948,175
Africa	-	132,428	-	132,428
	1,553,425	234,177	293,001	2,080,603

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AVION RESOURCES CORP.

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Notes to the Financial Statements

For the three months ended February 29, 2008

15. SUBSEQUENT EVENTS

Acquisition of Mali Projects

In March 2008, the Company executed a binding share purchase agreement (the "Agreement") for the acquisition of an 80% interest in the Tabakoto and Segala gold projects located in Mali, West Africa, the "Mali Projects". The Tabakoto project was previously a producing gold mine and has all mining infrastructure and processing facilities in place. As consideration, the Company will pay US\$20,000,000 for the purchase of an 80% interest. The vendor will also retain 1% net smelter return royalty and loan interest. The Company will have the option to buy out the net smelter return royalty for US\$2,000,000 during the five years following the date of closing.

Pursuant to the Agreement, the Company has agreed to a US\$1,000,000 break fee if the transaction does not close before May 2008. To post the break fee, the Company has borrowed US\$1,000,000 from Aberdeen International Inc., a company that has common directors and officers. This loan matures on September 30, 2008, will incur a 10% per annum interest rate, and shall be secured against the assets of the Company. As consideration for the loan, the Company has agreed to issue 250,000 share purchase warrants to Aberdeen, where each warrant will entitle Aberdeen to acquire one common share of the Company at a price of \$0.38 for a period of two years from the date of issue. This warrant issue is subject to regulatory approval.

In addition to the consideration to be paid under the Agreement, Avion has agreed to pay a US\$1,000,000 million finder's fee to an arm's length third party and grant this private company a 2% net smelter royalty on the Mali Projects, subject to receipt of regulatory approval. Avion has an option to buy out this net smelter royalty at a price of US\$4,000,000 during the five years following the date of Closing.

Private placement financing

In April 2008, the Company announced a private placement financing whereby a syndicate of underwriters has agreed to purchase 60,000,000 Subscription Receipts at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$30,000,000 in connection with the Company's planned acquisition of the Mali Projects. Each Subscription Receipt will entitle the holder to acquire, for no additional consideration, one unit of the Company at the Escrow Release Time, which will be immediately prior to closing of the acquisition. Each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of 24 months after the Closing Date, which is expected to be on or about May 7, 2008. The Company agrees to use its best efforts to extend the term of the warrants for an additional 12 months by i) graduating to "Tier 1" status on the TSX Venture Exchange, and ii) obtaining all necessary approvals to do so.

Provided the Escrow Release Time has occurred, each Subscription Receipt will automatically convert into the underlying securities on the earlier of i) the third business day after the date of issuance of a receipt from the Ontario Securities Commission for the Final Prospectus, and ii) 4:30 pm EST on the date that is four months and one day after the Closing date. The Company will use its best efforts to file a prospectus. If a receipt for the prospectus has not been issued prior to 4:30 pm EST on July 15, 2008, each Subscription Receipt will thereafter entitle the holder to receive, on the conversion thereof, 1.05 Unit Shares, in lieu of the one common share and one-half of one warrant.

In the event that the closing of the acquisition does not occur on or before 4:30 pm EST on the first business day which is not less than 60 days after the Closing Date, any funds in escrow plus accrued interest shall be returned pro rate to each holder of the Subscription Receipts and the Subscription Receipts shall be cancelled.