

ZINCO MINING CORPORATION

(formerly International Croesus Ventures Corp.)
(an exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2007

R-G MANAGEMENT
Suite 205 – 16055 Fraser Highway
Surrey, B.C.
V3S 2W9

Telephone: (604) 507-2181

Fax: (604) 507-2187

NOTICE TO READER

We have compiled the balance sheet of Zinco Mining Corporation (*Formerly International Croesus Ventures Corp.*) (an exploration stage company) as at March 31, 2007 and the consolidated statement of operations and deficit and cash flows for the period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

R-G Management

“Peter G. Rook-Green”

Per: Peter G. Rook-Green, C.M.A.

May 28, 2007

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NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of consolidated interim financial statements by an entity's auditor.

ZINCO MINING CORPORATION

(formerly International Croesus Ventures Corp.)

(an exploration stage company)

Consolidated Balance Sheets

	March 31, 2007 <i>(Unaudited)</i>	September 30, 2006 <i>(Audited)</i>
ASSETS		
Current		
Cash and cash equivalents	\$ 456,178	\$ 498,994
Accounts receivable (Note 8)	15,712	4,618
Prepaid expenses	4,109	2,499
Total current assets	475,999	506,111
Equipment and vehicle (Note 4)	15,552	2,181
Mineral interests (Note 5)	1,219,478	1,085,257
Total assets	\$ 1,711,029	\$ 1,593,549
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	102,955	95,662
Total current liabilities	102,955	95,662
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	5,738,880	5,533,068
Contributed surplus (Note 6e)	569,106	319,858
Deficit	(4,699,912)	(4,355,039)
Total shareholders' equity	1,608,074	1,497,887
Total liabilities and shareholders' equity	\$ 1,711,029	\$ 1,593,549

See accompanying notes

On behalf of the Board:

“Alastair J. Sinclair”
Alastair J. Sinclair

“Chris Graf”
Chris Graf

ZINCO MINING CORPORATION

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(an exploration stage company)

Consolidated Statements of Loss and Deficit

For the six and three months ended March 31,

(Unaudited)

Three Months			Six Months	
2007	2006		2007	2006
		Expenses		
\$ 795	\$ 154	Amortization	\$ 1,268	\$ 375
751	948	Bank charges	1,013	1,140
3,000	3,000	Consulting fees	7,000	10,087
4,227	3,698	Foreign exchange loss	4,453	4,270
(32,319)	3,203	General prospecting costs (recovery)	(29,948)	1,828
7,207	5,750	Management fees (Note 8)	13,207	10,250
3,227	773	Office and sundry	4,194	1,131
40,929	14,057	Professional fees (Note 8)	57,227	33,208
600	600	Rent	1,200	1,198
23,154	—	Shareholder communications	23,154	—
195,663	9,971	Stock based compensation	254,100	9,971
373	106	Telephone	742	215
8,087	5,182	Transfer agent and filing fees	9,727	9,280
4,322	3,892	Travel and promotion	6,507	5,993
—	—	Write-down of mineral interests (Note 5)	—	33,213
260,016	51,334		353,844	122,159
(260,016)	(51,334)	Loss before the following	(353,844)	(122,159)
4,239	2,272	Other income – Interest	8,971	4,815
(255,777)	(49,062)	Loss for the period	(344,873)	(117,344)
(4,444,135)	(4,043,627)	Deficit, beginning of period	(4,355,039)	(3,975,345)
\$ (4,699,912)	\$ (4,092,689)	Deficit, end of period	\$ (4,699,912)	\$ (4,092,689)
\$ (0.014)	\$ (0.003)	Basic and diluted loss per share (Note 7)	\$ (0.019)	\$ (0.007)
		Weighted average number of shares		
18,760,607	16,128,737	outstanding (Note 7)	18,627,045	16,680,962

See accompanying notes

ZINCO MINING CORPORATION

(formerly *International Croesus Ventures Corp.*)

(an exploration stage company)

Notes to Consolidated Financial Statements

March 31, 2007 and 2006

(Unaudited)

1. Nature of Operations and Going Concern

Zinco Mining Corporation (*formerly International Croesus Ventures Corp.*) [the “Company”] was incorporated under the laws of British Columbia, Canada on March 14, 1983. The Company received approval to change its name to Zinco Mining Corporation on January 26, 2007.

The Company is considered to be in the exploration stage. The Company in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete development and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation.

The ability of the Company to continue as a going concern is dependent on the continued financial support from its directors, public equity financing, or achieving profitable operations in the future which cannot be predicted at this time. These statements do not reflect adjustments to carrying values and classifications of the assets and liabilities that might be necessary should the Company be unable to continue realizing its assets and discharging its liabilities in the normal course of business.

2. Basis of presentation

The interim period financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year except the comparative figures for the balance sheet are for the fiscal year ended September 30, 2006. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. Certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed or omitted. These interim period financial statements should be read together with the audited financial statements and the accompanying notes included in the Company’s latest annual report. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

ZINCO MINING CORPORATION
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Notes to Consolidated Financial Statements
March 31, 2007 and 2006
(Unaudited)

3. Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of Zinco Mining Corporation (formerly *International Croesus Ventures Corp.*) and its wholly-owned subsidiary, Minera Croesus S.A. de C.V. (“Minera”), a company incorporated in Mexico. All significant inter-company balances and transactions have been eliminated.

(b) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles of Canada requires management to make estimates and assumptions that affect the reported amount of assets and liabilities the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses reported during the period. Actual results may differ from those estimates.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with maturities of less than 90 days and are readily convertible to cash.

(d) Equipment and vehicle

These assets are recorded at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates:

Vehicle	30% per annum, declining-balance basis
Exploration equipment	20% per annum, declining-balance basis
Computer equipment	30% per annum, declining-balance basis

(e) Mineral interests

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

3. Significant Accounting Policies, continued

(f) Property option agreement

From time to time, the Company may acquire or dispose of mineral properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral property costs or recoveries when the payments are made or received.

(g) Loss per share

The calculation of basic loss per share is based on net loss divided by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects the assumed conversion of all dilutive securities using the treasury stock method. For the periods presented, the calculation of loss per share on a diluted basis excluded all potential common shares because the effect was anti-dilutive.

(h) Stock-based compensation plan

The Company has a stock option plan as described in note 6. The fair value method is used to determine the expense for stock-based awards granted to employees and non-employees. Under the fair value method, compensation cost is measured at fair value at the date of grant using the Black-Scholes option pricing model with assumptions described in note 6. The compensation cost is expensed over the vesting period with a corresponding credit to contributed surplus. Consideration paid on the exercise of stock options plus the amount of previously recognised expense is credited to share capital when the options are exercised.

(i) Foreign currency translation

The Company's functional currency is the Canadian dollar. Foreign currency transactions and the accounts of its subsidiary, which is considered to be an integrated foreign operation are translated into Canadian dollars using the temporal method. Under this method, assets and liabilities in foreign currencies related to integrated foreign operations are translated into Canadian dollars using current exchange rates at the balance sheet dates for monetary assets and liabilities, historical exchange rates for non-monetary assets and liabilities, and the average monthly exchange rate for revenues and expenses, except for amortization, which is translated at the historical exchange rate of the corresponding non-monetary assets. Exchange gains and losses arising on translation are included in operations in the period incurred.

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3. Significant Accounting Policies, continued

(j) Income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability 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 the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

(k) Asset Retirement Obligations

Asset retirement obligations are recognized when a legal or constructive obligation arises. This liability is recognized at the fair value of the asset retirement obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company may incur a gain or loss. As at March 31, 2007 and September 30, 2006 the Company does not have any asset retirement obligations.

(l) Financial instruments

Financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise stated, it is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments. Unless otherwise stated, the book value of the Company's financial assets and liabilities approximates their fair value.

The Company through its subsidiary, Minera, is operating in Mexico, which may give rise to foreign currency risks from fluctuations and the degree of volatility of exchange rates between the Canadian dollar and the Mexican Peso.

4. Equipment and Vehicle

	September 30, 2006		
	Cost	Accumulated Amortization	Net book Value
Vehicle	\$ 14,425	\$ 13,368	\$ 1,057
Computer equipment	10,133	9,009	1,124
	<u>\$ 24,558</u>	<u>\$ 22,377</u>	<u>\$ 2,181</u>

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4. Equipment and Vehicle, continued

	March 31, 2007		
	Cost	Accumulated Amortization	Net book Value
Vehicle	\$ 14,425	\$ 13,443	\$ 982
Exploration equipment	14,639	1,024	13,615
Computer equipment	10,133	9,178	955
	<u>\$ 39,197</u>	<u>\$ 23,645</u>	<u>\$ 15,552</u>

5. Mineral Interests

	Balance December 31, 2005	Additions	Write-offs	Balance September 30, 2006
Almatea, Jalisco State, Mexico				
Deferred exploration costs	\$ 16,795	\$ 242,687	\$ —	\$ 259,482
Cabrel, Jalisco State, Mexico				
Deferred exploration costs	11,833	133,920	—	145,753
Canton, Jalisco State, Mexico				
Acquisition costs	42	—	—	42
Deferred exploration costs	5,817	92,544	—	98,361
	<u>5,859</u>	<u>92,544</u>	<u>—</u>	<u>98,403</u>
El Maple/La Diana, Jalisco State, Mexico				
Acquisition costs	45,978	2,428	—	48,406
Deferred exploration costs	459,598	62,489	—	522,087
	<u>505,576</u>	<u>64,917</u>	<u>—</u>	<u>570,493</u>
El Volantin, Jalisco State, Mexico				
Acquisition costs	—	10,272	—	10,272
Deferred exploration costs	—	854	—	854
	<u>—</u>	<u>11,126</u>	<u>—</u>	<u>11,126</u>
Total	<u>\$ 540,063</u>	<u>\$ 545,194</u>	<u>\$ —</u>	<u>\$ 1,085,257</u>

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5. Mineral Interests, continued

	Balance September 30, 2006	Additions	Write-offs	Balance March 31, 2007
Almatea, Jalisco State, Mexico				
Deferred exploration costs	\$ 259,482	\$ 13,097	\$ —	\$ 272,579
Cabrel, Jalisco State, Mexico				
Deferred exploration costs	145,753	3,652	—	149,405
Canton, Jalisco State, Mexico				
Acquisition costs	42	—	—	42
Deferred exploration costs	98,361	5,389	—	103,750
	98,403	5,389	—	103,792
El Maple/La Diana, Jalisco State, Mexico				
Acquisition costs	48,406	—	—	48,406
Deferred exploration costs	522,087	92,146	—	614,233
	570,493	92,146	—	662,639
El Volantin, Jalisco State, Mexico				
Deferred exploration costs	11,126	19,937	—	31,063
Total	\$ 1,085,257	\$ 134,221	\$ —	\$ 1,219,478

The following is a summary of deferred exploration costs incurred during the current six month period:

	Almatea	Cabrel	Canton	El Volantin	El Maple/La Diana	Total
Acquisition costs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Geological consulting	5,582	1,580	2,317	—	48,216	57,695
Geophysical	—	—	—	—	—	—
Mining taxes	7,515	2,072	3,072	19,937	16,074	48,670
Supplies and Miscellaneous	—	—	—	—	17,675	17,675
Travel	—	—	—	—	10,181	10,181
Total	\$ 13,097	\$ 3,652	\$ 5,389	\$ 19,937	\$ 92,146	\$ 134,221

Mineral properties of Zinco Mining Corporation (*formerly International Croesus Ventures Corp.*) are all concentrated in or near the Cuale district, east of Puerto Vallarta, Mexico. They are comprised of the following:

Almatea, Jalisco State, Mexico: This property lies east of the el Maple property and was acquired by staking. The Company holds a 100% interest in this property. Almatea overlaps the abandoned Cuatro Minas and Amaltea mines, as well as prospective ground near the Aranjuez VMS camp.

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5. Mineral Interests, continued

Cabrel, Jalisco State, Mexico: The Cabrel property is located southeast of Puerto Vallarta, Mexico, and was acquired by staking. The Company holds a 100% interest in this property.

Canton, Jalisco State, Mexico: The Canton property lies between the El Maple and Almatea properties and was staked to join the properties in a contiguous unit. The Company holds a 100% interest in this property.

El Maple/La Diana, Cuale district, Mexico: This property is located south of Puerto Vallarta, and consists of the El Maple Fraccion I, El Maple and La Diana claims. All of the claims were acquired by staking, and the Company holds a 100% interest in this property. Naricero, Refugio, San Nicolas and San Juan are some of the more significant past-producing VMS deposits on the Property.

El Volantin, Jalisco State, Mexico: This property extends from the Cabrel property on the south to the El Maple and Almatea properties on the north, with the result that all of the Company's holdings in the Cuale-Bramador areas form a contiguous block of ground.

During 2005, The Company abandoned the Madunfo property, Mexico and all deferred costs of the property were written off, the Company also incurred a small amount of Mexican surface taxes on the El Gordo property which were also written off. This property was abandoned and written off in a prior year.

6. Share Capital

The following is a description of the authorized and issued share capital:

(a) Authorized: Unlimited common shares without par value

(b) Issued:

	Shares	Amount
Balance, December 31, 2005	16,828,737	\$ 4,924,908
Issued for cash pursuant to the exercise of options at \$0.32 per share	338,000	108,160
Issued for cash pursuant to a private placement at \$0.50 per unit	1,000,000	500,000
Balance, September 30, 2006	18,166,737	5,533,068
Issued for cash pursuant to the exercise of options at \$0.32 per share	18,000	5,760
Issued for cash pursuant to the exercise of stock options at \$0.62 per share, including \$4,852 contributed surplus attributed to stock-based compensation recognized in previous periods	10,000	11,052
Issued for cash pursuant to the exercise of share purchase warrants at \$0.63 per share	300,000	189,000
Balance, March 31, 2007	18,494,737	\$ 5,738,880

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6. Share Capital, continued

(c) Escrow Shares

During the current period, a total of 56,250 common shares were released from escrow, leaving the balance of shares in escrow at 337,500. The release of the balance of these shares is staged over a period of six years ending on December 18, 2009.

(d) Stock options

The Company has established a stock option plan the purpose of which is to attract, retain and motivate directors, officers, employees and persons engaged to provide ongoing management and consulting services (“service providers”) by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of shares which may be issued under the plan is fixed at 2,621,500. This number is subject to adjustment resulting from changes in the share capital of the Company. Such adjustments are subject to approval by the TSX Venture Exchange and by the shareholders of the Company. The number of shares reserved for issuance to any one person may not exceed 5% of the issued and outstanding shares at the date of such grant. All options granted under the plan shall be subject to a vesting restriction such that one quarter of the option shall vest on the date of grant, and one quarter each six month period thereafter until fully vested.

The Option price of the shares which are the subject of any Option shall in no circumstances be less than the market price of the shares at the date of the grant of the Option.

A summary of the status of the Company’s stock option plan as of March 31, 2007 and September 30, 2006, and changes during the periods ending on those dates is presented below:

	March 31, 2007		September 30, 2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	1,278,000	\$0.62	1,096,000	\$0.52
Granted	900,000	\$0.75	550,000	\$0.63
Cancelled	—	—	(30,000)	\$0.62
Exercised	(28,000)	\$0.43	(338,000)	\$0.32
Outstanding at end of period	2,150,000	\$0.68	1,278,000	\$0.62
Exercisable at end of period	1,200,000	\$0.65	878,000	\$0.62

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6. Share Capital, continued

(d) Stock options, continued

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (yr)	Weighted Average Exercise Price
\$0.62 - \$0.75	2,150,000	3.92	\$0.68

During the March 31, 2007 quarter, 900,000 stock options were granted to an officer and director of the company, which are exercisable at \$0.75 with an expiry date of March 22, 2012. To September 30, 2006, there were 50,000 stock options granted and exercisable at \$0.68 per share with an expiry date of February 13, 2011; and 500,000 granted at \$0.62 with an expiry date of August 16, 2011. The weighted average fair value of options granted during the September 30, 2006 year was \$0.49.

The fair values of the stock options granted during were estimated using the Black-Scholes option pricing model with the following assumptions and results:

	Mar 31, 2007	Dec 31, 2006
Risk-free interest rate	4%	4.17%
Dividend yield	0%	0%
Expected volatility	118%	109%
Expected term	5 Years	5 years

(e) Contributed surplus

The following table sets forth the continuity of contributed surplus for the period ended March 31, 2007:

Balance, December 31, 2005	\$ 211,196
Stock-based compensation expense during the period	108,662
Balance, September 30, 2006	319,858
Stock-based compensation expense during the period	254,100
Reallocation to share capital of the estimated fair value of 10,000 stock options recognized in prior periods that were exercised during the six-months ended March 31, 2007	(4,852)
	<u>\$ 569,106</u>

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6. Share Capital, continued

(f) Share Purchase Warrants, continued

A summary of share purchase warrants outstanding at March 31, 2007, and September 30, 2006 is as follows:

	March 31, 2007		September 30, 2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	2,150,000	\$0.62	1,150,000	\$0.62
Expired	(200,000)	0.63	—	—
Exercised (Note 6(g))	(300,000)	0.63	—	—
Granted	—	—	1,000,000	0.62
Outstanding at end of period	1,650,000	\$0.62	2,150,000	\$0.62
Exercisable at end of period	1,650,000	\$0.62	2,150,000	\$0.62

Each share purchase warrant entitles the holder to acquire one common share of the Company. The expiry dates of the 1,650,000 share purchase warrants outstanding at March 31, 2007 is as follows: 650,000 on November 9, 2007 and 1,000,000 on September 13, 2008.

7. Basic and Diluted Loss per share

The basic and diluted loss per share is calculated based on the following at March 31:

	2007	2006
Weighted average number of common shares outstanding	18,327,045	16,128,737

The calculation of loss per share is based on net loss divided by the weighted-average number of common shares outstanding during the period. The effect of options and warrants under the stock option plan is not presented as it would have an anti-dilutive effect on the loss per share.

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8. Related Party Transactions

- (a) The Company incurred the following expenses to its directors or corporations controlled by its directors:

	2007	2006
Consulting fees	\$ 1,000	\$ —
Geological fees	49,458	14,588
Legal fees	10,173	5,634
Management fees	13,207	10,250
	<u>\$ 73,838</u>	<u>\$ 30,472</u>

- (b) Accounts payable and accrued liabilities includes \$39,694 (2006 - \$6,174) due to directors and/or officers of the Company
- (c) Accounts receivable include \$5,300 (2006 - \$924) due from a director of the Company for expense advances.

These transactions have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and which the management believes reflect prevailing market rates.

9. Segmented Information

The Company's mineral interests are owned through the Mexican subsidiary; all other assets are held in Canada.

10. Supplemental Disclosure with Respect to Cash Flows

Significant non-cash transactions for the period ended March 31, 2007 included incurring mineral property expenditures of \$36,745 through accounts payable.

There were no significant non-cash transactions for the period ended March 31, 2006.

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation.