COGITORE RESOURCES INC.

(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

(EXPRESSED IN CANADIAN DOLLARS)

Management's Responsibility for Financial Reporting

The accompanying financial statements of Cogitore Resources Inc. were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 2 to the financial statements.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Gérald Riverin
Chief Executive Officer

(signed)
Orest Zajcew
Chief Financial Officer

April 23, 2008
Toronto, Canada

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April 23, 2008

Auditors' Report

To the Shareholders of
Cogitore Resources Inc.

We have audited the balance sheets of **Cogitore Resources Inc.** as at December 31, 2007 and 2006 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our 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 financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

COGITORE RESOURCES INC.
(A Development Stage Company)
Balance Sheets
(Expressed in Canadian Dollars)

As at December 31	2007	2006
Assets		
Current		
Cash and cash equivalents	**$ 5,456,692**	$ 2,089,178
Sundry receivables and prepaid expenses	**189,194**	184,518
Quebec refundable tax credit and mining duty refunds	**1,158,063**	1,554,536
	6,803,949	3,828,232
Exploration properties and deferred exploration expenditures (Note 3)	**10,820,375**	7,544,960
Property and Equipment (Note 4)	**255,304**	2,711
	$ 17,879,628	$ 11,375,903
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 641,032**	$ 333,224
Future income tax liability (Note 9)	**2,354,000**	1,875,313
	2,995,032	2,208,537
Shareholders' Equity		
Capital stock (Note 5)	**14,539,123**	9,820,591
Warrants (Note 7)	**1,022,481**	468,093
Contributed surplus	**1,827,706**	1,091,513
Deficit	**(2,504,714)**	(2,212,831)
	14,884,596	9,167,366
	$ 17,879,628	$ 11,375,903

Nature of Operations and Going Concern (Note 1)
Commitments (Note 10)

APPROVED ON BEHALF OF THE BOARD:

"Gérald Riverin", Director

"Stephen Lidsky", Director

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

COGITORE RESOURCES INC.
(A Development Stage Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31	2007	2006	Cumulative from date of inception to December 31, 2007
Expenses			
Administrative (Note 11)	**$ 347,382**	$ 372,177	$ 1,072,648
Stock-based compensation (Note 6)	**201,128**	246,099	1,001,387
Professional fees	**200,929**	111,357	599,743
Amortization	**6,161**	1,024	7,782
Write-off of exploration costs (Note 3)	**-**	42,567	475,759
	755,600	773,224	3,157,319
Other income			
Interest income	**(150,704)**	(39,053)	(189,913)
Net loss before the following	**(604,896)**	(734,171)	(2,967,406)
Future tax recovery (Note 9)	**313,013**	171,000	484,013
Net loss and comprehensive loss for the year	**$ (291,883)**	$ (563,171)	$(2,483,393)
Loss per share - basic and diluted	**$ (0.01)**	$ (0.03)	
Weighted average number of common shares	**28,527,451**	20,525,290	

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

COGITORE RESOURCES INC.
(A Development Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

For the years ended December 31	2007	2006	Cumulative from date of inception to December 31, 2007
Capital Stock			
Balance at beginning of year	**$ 9,820,591**	$ 7,888,240	$ 200,000
Initial public offering	-	-	300,000
Private placements	**6,610,402**	2,730,000	17,472,753
Warrants valuation	**(1,022,481)**	-	(1,929,773)
Properties acquisition	**293,500**	106,500	1,677,500
Exercise of warrants - cash	**-**	413,885	443,885
Exercise of warrants - valuation	**-**	136,745	147,945
Flow-through tax effect	**(791,700)**	(1,379,647)	(2,838,013)
Cost of issue	**(371,189)**	(75,132)	(935,174)
Balance at end of year	**$14,539,123**	$ 9,820,591	$14,539,123
Warrants			
Balance at beginning of year	**$ 468,093**	$ 896,092	$ -
Issued	**1,022,481**	-	1,929,773
Exercised	**-**	(136,745)	(147,945)
Expired	**(468,093)**	(291,254)	(759,347)
Balance at end of year	**$ 1,022,481**	$ 468,093	$ 1,022,481
Contributed surplus			
Balance at beginning of year	**$ 1,091,513**	$ 554,160	$ -
Stock-based compensation	**268,100**	246,099	1,068,359
Expired warrants	**468,093**	291,254	759,347
Balance at end of year	**$ 1,827,706**	$ 1,091,513	$ 1,827,706
Deficit			
Balance at beginning of year	**$(2,212,831)**	$(1,649,660)	$ (21,321)
Net loss	**(291,883)**	(563,171)	(2,483,393)
Balance at end of year	**$(2,504,714)**	$(2,212,831)	$(2,504,714)

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

COGITORE RESOURCES INC.

(A Development Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31	2007	2006	Cumulative from date of inception to December 31, 2007
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net loss for the year	**$ (291,883)**	$ (563,171)	$ (2,483,393)
Adjustments for:			
Amortization	**6,161**	1,024	7,782
Write-off of exploration costs	**-**	42,567	475,759
Stock-based compensation (Note 6)	**201,128**	246,099	1,001,387
Future tax recovery (Note 9)	**(313,013)**	(171,000)	(484,013)
Changes in non-cash working capital items			
Increase in sundry receivables and prepaid expenses	**(4,676)**	(29,490)	(110,790)
Decrease (increase) in Quebec refundable tax credit and mining duty refund	**396,473**	(471,299)	(1,158,063)
Increase in accounts payable and accrued liabilities	**(72,192)**	102,631	194,007
	(78,002)	(842,639)	(2,557,324)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property and equipment	**(258,754)**	-	(263,086)
Exploration properties and deferred exploration expenditures	**(2,534,943)**	(2,946,045)	(9,171,663)
	(2,793,697)	(2,946,045)	(9,434,749)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Proceeds from issuance of shares, net of costs	**6,239,213**	3,068,753	17,281,465
Change in cash and cash equivalents	**3,367,514**	(719,931)	5,289,392
Cash and cash equivalents, beginning of year	**2,089,178**	2,809,109	167,300
Cash and cash equivalents, end of year	**$ 5,456,692**	$ 2,089,178	$ 5,456,692
Cash and cash equivalents consist of:			
Cash	**$ 5,446,692**	$ 2,089,178	$ 5,446,692
Short-term investment	**10,000**	-	10,000
	$ 5,456,692	$ 2,089,178	$ 5,456,692
SUPPLEMENTAL CASH FLOW INFORMATION			
Shares issued on acquisition of property	**$ 293,500**	$ 106,500	$ 1,677,500
Stock-based compensation capitalized to exploration properties	**$ 66,972**	$ -	$ 66,972
Flow-through taxes paid	**$ 40,150**	$ 65,797	$ 119,147

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cogitore Resources Inc. (formerly Woodruff Capital Management Inc.) (the "Company" or "Cogitore") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Ontario Business Corporations Act on December 13, 2002. The Company is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals. As defined by the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 11, the Company is considered to be a development stage enterprise as it has yet to generate significant revenue from operations. The Company was a private entity until it completed an initial public offering during the first quarter of fiscal 2004. The Company is classified as a Tier 2 - Mining issuer, and its common shares commenced trading on the Toronto Venture Exchange on March 4, 2004.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume 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. The Company has an accumulated deficit of $2,504,714 and net current assets of $6,162,917 as at December 31, 2007. The Company’s ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and its ability to obtain financing. There is no assurance that these initiatives will be successful and, as a result, there is substantial doubt regarding the use of the going concern assumption. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada and include the following significant accounting policies:

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term investments with original maturity of three months or less and which are readily convertible into cash.

(b) Use of 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(c) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is recorded on the declining balance basis at the following annual rates:

Computer equipment	30%
Office equipment	20%
Site building	4%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Exploration properties and deferred exploration expenditures

Amounts incurred in respect of exploration properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time the costs are depleted on a unit-of-production method based on proven and probable reserves. If a property is subsequently determined not to be economically viable, the property and related deferred costs are written down to fair value. Other general exploration expenses are charged to operations as incurred. The cost of exploration properties abandoned or sold and their related deferred exploration costs are charged to operations in the corresponding year.

The Company reviews its exploration properties on a regular basis to determine if events or changes in circumstances indicate that its carrying value may not be recoverable, in which case carrying value is written down to fair value. The recoverability of costs incurred on the exploration properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for, and amount of, any write down.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

(e) Asset retirement obligations

Future costs to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are recognized and recorded as a liability at fair value at the date the liability is incurred. The liability is accreted over time to the estimated amount ultimately payable through periodic charges to earnings. In addition, future site restoration costs are capitalized as part of the carrying value of the related resource properties at its initial discounted value and amortized over the resource properties' useful life based on a units-of-production method. At December 31, 2007 and 2006, the Company has not incurred or committed to any asset retirement obligations and reclamation costs related to the development of its resource properties.

(f) Flow-through financing

The Company has financed a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issuance of such shares have been credited to capital stock; the related exploration costs have been charged to exploration properties and deferred exploration expenditures. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciations reduce capital stock and a future tax liability is recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Loss per share

Basic per share amounts are calculated using the weighted average number of common shares outstanding during the period. The treasury method is used to determine the dilutive effect of stock options and other dilutive instruments. Stock options and warrants outstanding were not included in the computation of diluted loss per share as their inclusion would have been anti-dilutive. Therefore, diluted loss per share and basic loss per share are the same for both 2007 and 2006.

(h) Stock-based compensation

The Company has a stock option plan that is described in Note 6. The fair value of any stock options granted to directors, officers, consultants and employees is recorded as an expense or capitalized to exploration properties over the vesting period with a corresponding increase recorded to contributed surplus. The fair value of the stock-based compensation is determined using the Black-Scholes option pricing model and management's assumptions as disclosed in Note 6. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to capital stock.

(i) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

(j) Accounting changes

In July 2006, the Accounting Standards Board ("AcSB") issued a replacement of The Canadian Institute of Chartered Accountants' Handbook ("CICA Handbook") Section 1506, Accounting Changes ("Section 1506"). The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retroactively unless doing so is impracticable, requires prior period errors to be corrected retroactively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The adoption of Section 1506, effective January 1, 2007, had no impact on these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Change in accounting policy

In January 2005, the CICA issued Handbook Sections 3855, “Financial Instruments – Recognition and Measurement”; 1530, “Comprehensive Income”; 3861, “Financial Instruments - Disclosure and Presentation" and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006. The Company has adopted these new standards effective January 1, 2007.

(a) Financial instruments - recognition and measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

(b) Comprehensive income (loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Financial instruments - disclosure and presentation

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated as part of other comprehensive income.

(d) Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 “Hedging Relationships”, and the hedging guidance in Section 1650 “Foreign Currency Translation” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Change in accounting policy (Continued)

(e) Impact upon adoption of Sections 1530, 3855, 3861 and 3865

Under adoption of these new standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Sundry receivables 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 adoption of these Handbook Sections had no impact on opening deficit.

(l) Accounting policy choice for transaction costs

On June 1, 2007, the Emerging Issues Committee of the CICA issued Abstract No. 166, Accounting Policy Choice for Transaction Costs (EIC-166). This EIC addresses the accounting policy choice of expensing or adding to the carrying amount transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for- trading, but permits a different policy choice for financial instruments that are not similar. The Company has adopted EIC-166 effective September 30, 2007 and requires retroactive application to all transaction costs accounted for in accordance with CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement. The Company has evaluated the impact of EIC-166 and determined that no adjustments are currently required.

(m) Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on January 1, 2008.

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 new 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Future accounting changes (Continued)

International Financial Reporting Standards (“IFRS”)

In January 2006, the CICA’s Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability ("PAEs"). The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. The use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. A calendar year end public company will be required to have prepared, in time for its first quarter 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010.

Going Concern

Handbook Section 1400, "General Standards of Financial Statement Presentation". This Section was amended so as to include the criteria for determining and presenting the Company's ability to continue as a going concern.

Goodwill and Intangible Assets

The CICA has issued a new standard which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

(n) Comparative figures

The comparative figures have been reclassified, where necessary, to conform to the presentation adopted for 2007.

3. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

2007	Balance January 1	Additions	Write-off	Balance December 31
Estrades Project (a)	2,502,801	453,054	-	2,955,855
Inmet Projects (b)	3,669,466	1,049,261	-	4,718,727
Scott Lake Project (c)	1,248,293	1,339,499	-	2,587,792
Long Lake Project (d)	123,373	-	-	123,373
Normetal West Project (e)	-	330,472	-	330,472
Caribou Project (f)	-	103,129	-	103,129
Other Projects	1,027	-	-	1,027
Total	7,544,960	3,275,415	-	10,820,375

2006	Balance January 1	Additions	Write-off	Balance December 31
Estrades Project (a)	1,889,887	612,914	-	2,502,801
Inmet Projects (b)	2,428,136	1,283,897	(42,567)	3,669,466
Scott Lake Project (c)	167,852	1,080,441	-	1,248,293
Long Lake Project (d)	-	123,373	-	123,373
Other Projects	1,027	-	-	1,027
Total	4,486,902	3,100,625	(42,567)	7,544,960

(a) Estrades Project

On June 14, 2005, the Company completed the transaction to purchase 70% of the Estrades Mine in Northern Quebec from Atlas Precious Metals Inc. ("Atlas"). As consideration, the Company paid Atlas the amount of US$500,000 (CDN$613,483) in staged payments from June 14, 2005 to September 30, 2005 and 1,000,000 common shares (valued at $700,000). Further staged payments of US$2,900,000 in cash or shares (at the Company's option) are due over a five-year period and have been secured by hypothec in favour of the vendor on the Estrades Mine property.

On June 30, 2005, the Company signed an agreement to purchase the remaining 30% of the Estrades Mine from Orvilliers Resources Inc. ("Orvilliers"). As consideration for the sale of Orvilliers's 30% holding in the Estrades Mine Property, Cogitore issued 500,000 common shares (valued at $350,000) from its treasury to Orvilliers.

On June 15, 2007, the Company issued 216,216 shares (valued at $160,000 (US$150,000)) to Atlas as per the purchase agreement.

3. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

(b) Inmet Projects

The Company entered into an agreement with Inmet Mining Corporation dated September 3, 2004 to acquire a 50% interest in respect of up to nine exploration properties located in the provinces of Quebec, Ontario and Newfoundland. In addition, Inmet agreed to transfer its interest in certain equipment located in Rouyn-Noranda, Quebec to the Company together with all information and data regarding the properties. As consideration for the transfer of the equipment, information and data assets, the Company issued 400,000 common shares of the Company with a value of $200,000.

To earn the right to exercise its option on one or more properties, the Company reimbursed Inmet for expenditures Inmet had made on the properties between December 2003 and August 2004, and was required to complete additional exploration expenditures of $1.8 million within 12 months of the close of the agreement. In March, 2005 the Company announced that it had completed its obligations under the "Phase One Expenditures." The Company now has until August 31, 2009 to incur at least $3 million in "Phase Two Expenditures" to complete its earn-in of its 50% interest in any property optioned from Inmet.

Lemoine
Of the nine properties which form part of the option, the Company expended most of the Phase One Program expenditures on Inmet's Lemoine property. The Lemoine property is located 25 km south of Chibougamau, Quebec.

In May 2006, the Company acquired from Lounor Exploration Inc. ("Lounor", formerly Loubel Exploration Inc.) its 40% Joint Venture ("JV") interest in the Lemoine property. Also, the Company earned in on its option to own half of Inmet Mining Corporation's ("Inmet") 60% interest. These two transactions bring the Company's JV interest in the Lemoine property to 70%. The remaining 30% JV interest will be held by Inmet. In consideration for the acquisition of the Lounor interest, the Company made a cash payment of $75,000 to Lounor, cancelled all outstanding cash calls pursuant to the terms of the joint venture, issued to Lounor 50,000 common shares of the Company valued at $33,500, and returned to Lounor 175,000 post-consolidation common shares of Lounor valued at $48,080 purchased by the Company in compliance with a 2001 option and joint venture agreement between Inmet and Lounor to which the Company became a party in April 2004. Lounor will not retain any royalty or any right whatsoever on the Lemoine property.

3. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

(c) Scott Lake Project

On July 26, 2005, the Company purchased the Scott Lake base metal sulphide property from Thundermin Resources Inc. ("Thundermin"), in consideration of staged payments totaling $285,000 and the issuance of 300,000 treasury shares to Thundermin over a two-year period, should the Company continue exploration. Upon reaching commercial production on any mineral deposit discovered on the property, the Company will make a final payment to Thundermin ranging from $1,000,000 to $4,000,000, depending on the size of deposit discovered, and issue to Thundermin 1,000,000 treasury shares of Cogitore. In 2005, the Company made a payment of $35,000 and issued 50,000 shares (valued at $27,500) to Thundermin. On May 25, 2006, the Company made a further payment of $100,000 cash and issued 100,000 shares (valued at $73,000). A further staged payment of $150,000 and 150,000 shares (valued at $105,000) was also made on May 25, 2007. In addition, the Company was required to incur expenditures of at least $500,000 on this property by May 25, 2008.

As of December 31, 2007, the Company owns a 100% interest in the Scott Lake project, subject only to provisional payments upon attaining production.

(d) Long Lake Project

On March 1, 2006, the Company signed an option agreement with Cornerstone Capital Resources Inc. ("Cornerstone") for Cornerstone's Long Lake property in Newfoundland.

The agreement grants Cogitore the right to earn a 51% interest in the property by spending $1.5 million on exploration over four years. The first year's $125,000 expenditure is a firm commitment and includes costs associated with the completion of a diamond drilling program designed to test a combined base metal in till geochemical anomaly and conductive airborne geophysical anomaly. The agreement also calls for Cogitore to make cash payments totaling $100,000 over four years including $10,000 (paid) on signing the agreement. Cornerstone will be the operator during the earn in period.

The schedule of required cumulative expenditures for Cogitore to earn a 51% interest is as follows:

- $125,000 by the first anniversary of signing the formal agreement
- $250,000 by the second anniversary
- $500,000 by the third anniversary
- $1,500,000 by the fourth anniversary

On Cogitore earning a 51% interest, a Joint Venture will be formed whereby both parties will have the right to maintain their respective interests by funding their respective share of exploration costs. Either party may dilute its interest, based on exploration expenditures, or if a party's interest falls to 15% or less, its interest will convert to a 2% Net Smelter Return ("NSR").

Due to extraordinary delays in completing the approved first year program, all financial and other commitments related to the agreement and subsequent to March 2007 have been postponed indefinitely until the first year program is completed. The agreement continues to be in good standing.

3. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

(e) Normetal West Project

In February 2007, the Company acquired a 100% interest in a major property position west of, and on strike with the past producing Normetal Mine. There are no third party interests. The Company's new "Normetal West" property is located in Ontario.

(f) Caribou Project

On September 17, 2007, the Company signed an option agreement with IAMGOLD Corporation ("IAMGOLD") to acquire control of its Caribou Project located immediately to the west of the Company's Estrades properties. The agreement allows Cogitore to earn 70% of IAMGOLD's interest by spending $2,000,000 in exploration over five years and issuing 100,000 common shares of the Company, including 50,000 shares on signing (issued and valued at $28,500). IAMGOLD's interest in the Caribou property is currently at 86% and steadily increasing as a third party's residual interest is getting diluted. After earning the interest, a 70-30 joint venture will be formed between the Company and IAMGOLD. The agreement also calls for firm expenditure commitments of $200,000 for each of the first two years of the agreement, and for production royalty payments to IAMGOLD if it elects not to participate in a future joint venture.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Carrying Amount 2007
Computer equipment	$ 4,181	$ 2,053	$ 2,128
Office equipment	2,714	605	2,109
Site building	256,191	5,124	251,067
	$ 263,086	$ 7,782	$ 255,304

	Cost	Accumulated Amortization	Net Carrying Amount 2006
Computer equipment	$ 3,271	$ 1,336	$ 1,935
Office equipment	1,061	285	776
	$ 4,332	$ 1,621	$ 2,711

5. CAPITAL STOCK

Authorized
Unlimited common shares

Issued - 31,898,521 common shares

	Shares	Amount
Balance, December 31, 2005	19,633,103	7,888,240
Flow-through tax effect (i)	-	(1,379,647)
Purchase of Scott Lake Property (Note 3(c))	100,000	73,000
Purchase of Lemoine Property (Note 3(b))	50,000	33,500
Private Placement - flow through common shares (ii)	2,000,000	2,100,000
Exercise of warrants - cash	405,770	413,885
Exercise of warrants	-	136,745
Private Placement - flow through common shares (iii)	600,000	630,000
Cost of issue	-	(75,132)
Balance, December 31, 2006	22,788,873	9,820,591
Private Placements - flow through common shares (iv)(v)	5,800,000	4,600,000
Private Placements (iv)(v)	2,893,432	2,010,402
Warrants valuation	-	(1,022,481)
Purchase of Scott Lake Property (Note 3(c))	150,000	105,000
Purchase of Estrades Property (Note 3(a))	216,216	160,000
Purchase of Caribou Property (Note 3(f))	50,000	28,500
Cost of issue	-	(371,189)
Flow-through tax effect (vi)	-	(791,700)
Balance, December 31, 2007	31,898,521	$ 14,539,123

(i) In 2006, the Company filed renouncement documents with the tax authorities pertaining to the flow-through shares it had issued in 2005. As a result of this renunciation, capital stock decreased and long-term future income tax liabilities increased by $1,379,647.

(ii) On September 15, 2006, the Company completed a private placement of 2,000,000 flow-through shares at $1.05 per common share to raise $2,100,000. The common shares were subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

(iii) On November 10, 2006, the Company completed a private placement of 600,000 flow-through shares at $1.05 per share to raise $630,000. No commissions were paid by the Company as part of this offering. The common shares were subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

5. CAPITAL STOCK (Continued)

(iv) On April 23, 2007, the Company completed the non-brokered portion of its private placement of 2,500,000 Flow-Through Units to raise $2,000,000 and 1,314,860 Units to raise $920,402 for aggregate proceeds of $2,920,402.

On April 25, 2007, the Company completed the brokered portion of its private placement of 2,500,000 Flow-Through Units to raise $2,000,000 and 1,428,572 Units to raise $1,000,000 for aggregate gross proceeds of $3,000,000.

Total aggregate gross proceeds for the private placements were $5,920,402.

The Flow-Through Units were priced at $0.80 and the Units were priced at $0.70. Each Flow-Through Unit consisted of one Flow-Through Common Share and one half Common Share Purchase Warrant. Each whole Common Share Purchase Warrant that is part of the Flow-Through Unit will entitle the holder to purchase one additional Common Share at a price of $1.05 for a period of two years after the closing of the private placement. Each Unit consisted of one Common Share and one half Common Share Purchase Warrant. Each whole Common Share Purchase Warrant that is part of the Unit will entitle the holder to purchase one additional Common Share at a price of $0.90 for a period of two years after the closing of the private placement.

The renunciation of $4,000,000 in early 2008 will create a future income tax liability of approximately $1,160,000.

For the non-brokered portion of its private placement, the Company protected offers received from registered investment dealers. As consideration for their services, these investment dealers were paid a 6% commission for an aggregate total of $76,224.

For the brokered portion of its private placement, a registered investment dealer received a 6% commission totaling approximately $180,000, 250,000 Flow-Through Broker Warrants and 142,857 Broker Warrants, which equal 10% of the number of Flow-Through Units and Units, respectively, sold pursuant to its portion of the private placement. The Broker Warrants will be exercisable into Flow-Through Broker Units and Broker Units, respectively, at the issue price at any time prior to the date that is 24 months from the closing date of the private placement. Each Flow-Through Broker Unit and Broker Unit will consist of one common share and one half of one Common Share Purchase Warrant. The exercise price of each whole Common Share Purchase Warrant will be $1.05 and $0.90, respectively.

Other costs of issue associated directly with the private placements amounted to $107,615.

The fair value of the 3,871,714 warrants and 392,857 broker warrants have been estimated using the Black-Scholes option pricing model to be $914,245 and $108,236 respectively. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 85.7%; estimated risk-free interest rate - 4.15%; and an expected average life of 2 years.

The Common Shares issued at closing, and the Common Shares issued upon exercise of the Common Share Purchase Warrants, are subject to resale restrictions pursuant to applicable securities laws requirements.

5. CAPITAL STOCK (Continued)

(v) On October 19, 2007, the Company raised $690,000 by way of a non-brokered private placement of flow-through common shares and common shares. $600,000 of the placement was raised through the issuance of flow-through common shares, and $90,000 was raised through the issuance of common shares. The flow-through common shares were priced at $0.75 per flow-through common share and the common shares were priced at $0.60 per common share. No commissions were paid by the Company as part of this offering.

The renunciation of $600,000 in early 2008 will create a future income tax liability of approximately $174,000.

Other costs of issue associated directly with the private placements amounted to $7,350.

The flow-through common shares and common shares issued at closing are subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

(vi) In 2007, the Company filed renouncement documents with the tax authorities pertaining to the flow-through shares it had issued in 2006 (Notes 5(ii) and (iii)). As a result of this renunciation, capital stock decreased and long-term future income tax liability increased by $791,700.

6. STOCK OPTIONS

The Company adopted an incentive stock option plan ("the Plan"), dated December 13, 2002, which provides that the directors of the Company may, from time to time, grant to directors, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase common shares, provided that the number of common shares reserved for issuance under the Plan not exceed ten percent of the issued and outstanding common shares. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent of the issued and outstanding common shares in any twelve-month period. The Plan provides that the terms of the option and the option price shall be fixed by the directors of the Company. Stock options granted under the Plan may not be for a period longer than five years and the exercise price must be paid in full upon exercise of the option.

A summary of the Company's option activity is as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2005	1,536,665	$ 0.49
Granted	387,000	0.89
Balance, December 31, 2006	1,923,665	0.57
Granted	620,000	0.60
Balance, December 31, 2007	2,543,665	$ 0.58

6. STOCK OPTIONS (Continued)

The Company determines the fair value of the employee stock options using the Black-Scholes option pricing model. The estimated fair value of the options is expensed or capitalized to the exploration properties over their respective vesting periods. The fair value of stock options was determined using the following weighted average assumptions:

	2007	2006
Risk-free interest rate	4.18%	3.99%
Expected life	5 years	5 years
Expected volatility	110.8%	89.4%
Expected dividend yield	0%	0%

The fair value of these options was $268,100 (2006 - $246,099), of which $66,972 (2006 - $nil) capitalized to deferred exploration expenditures. The weighted average fair value of these options was $0.43 (2006 - $0.64) per share. At December 31, 2007, all stock options had fully vested.

As at December 31, 2007, the Company had the following stock options outstanding and exercisable:

	Outstanding Options			Exercisable Options	
Range of Exercise Price	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options	Weighted average exercise price
$0.10 to $0.20	466,665	1.18	$ 0.15	466,665	$ 0.15
$0.50 to $0.59	520,000	4.73	0.56	520,000	0.56
$0.60 to $0.70	1,070,000	2.45	0.64	1,070,000	0.64
$0.80 to $0.95	487,000	3.82	0.87	487,000	0.87
	2,543,665	2.95	$ 0.58	2,543,665	$ 0.58

7. WARRANTS

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2005	5,222,725	$ 0.80
Exercised	(405,770)	1.02 /
Expired	(1,089,583)	0.99
Balance, December 31, 2006	3,727,372	1.03
Granted (Note 5(iv))	4,264,571	0.98
Expired	(3,727,372)	1.03
Balance, December 31, 2007	4,264,571	$ 0.98

As at December 31, 2007, the Company had the following warrants outstanding:

FAIR VALUE	NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
$ 287,297	1,250,000	$1.05	April 23, 2009
167,438	657,428	0.90	April 23, 2009
281,474	1,250,000	1.05	April 25, 2009
178,036	714,286	0.90	April 25, 2009
66,971	250,000	0.80	April 25, 2009 (*)
41,265	142,857	0.70	April 25, 2009 (*)
$ 1,022,481	4,264,571		

(*) Broker warrants

8. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amounts, which are the amount of consideration established and agreed to by the related parties.

During the year, the Company paid $14,114 (2006 - $11,597) to a company owned by a director of the Company for the sharing of office space and related expenses.

9. INCOME TAXES

(a) Major items causing the Company's income tax rate to differ from the federal statutory rate of approximately 36% (2006 - 36%;) are as follows:

	2007	2006
Loss before income taxes	$ 604,896	$ 734,171
Expected income tax benefit based on statutory rates	218,488	265,182
Adjustments to benefit resulting from:		
Write off of mineral properties and deferred exploration expenditures	-	171,000
Stock-based compensation	(134,546)	(121,077)
Change in future tax rates	279,832	(38,260)
Increase in valuation allowance	(50,761)	(105,845)
	$ 313,013	$ 171,000

	2007	2006
Future tax assets		
Other temporary differences	$ 563	$ 444
Share issue costs	136,706	105,352
Non-capital losses	427,504	393,488
	564,773	499,284
Valuation allowance	(564,773)	(499,284)
Total	$ -	$ -
Future tax liabilities		
Flow through share issuances	$ (2,354,000)	$ (1,875,313)

(b) Tax loss carry-forwards

As at December 31, 2007, the Company has available non-capital loss carry-forwards for Canadian federal and Ontario tax purposes that will expire as follows:

2009	$ 10,003
2010	23,607
2014	277,574
2015	532,317
2026	373,744
2027	368,511
	$ 1,585,756

10. COMMITMENTS

(a) The Company is committed to a long-term lease on certain premises. The remaining rent, until the present lease expires in 2008, is $29,000.

(b) The Company entered into agreements to lease office space until November 2012. Minimum annual rental payable in each of the next 5 years are as follows:

2008	$ 20,380
2009	20,770
2010	21,160
2011	21,550
2012	21,940
	$ 105,800

(c) During the year, the Company renounced the flow-through offering that occurred on September 15, 2006 and November 10, 2006 (Notes 5(ii) and 5(iii)). Pursuant to the terms of the flow-through share agreements, the Company was in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for the look-back rule. The look-back rule requires the Company to incur qualifying exploration expenditures in Canada ("CEE") within 12 months from the effective date of renunciation. As of December 31, 2007, the Company has fully completed the commitments arising from the 2006 flow-through offerings.

(d) The Company is also committed to spending an additional $4,600,000 associated with the flow-through offering that was completed on April 23, 2007, April 25, 2007 and October 19, 2007 (Notes 5(iv) and 5(v)). The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for the look-back rule. As of December 31, 2007, the Company is committed to spending $3,615,376 within 12 months from the effective date of renunciation until December 31, 2008.

11. ADMINISTRATIVE

For the years ended December 31	2007	2006	Cumulative from date of inception to December 31, 2007
Interest and bank charges	$ 8,926	$ 1,996	$ 13,038
Flow-through taxes paid	40,150	65,797	119,147
Consulting fees	22,367	15,270	46,402
Office and general	29,047	20,204	141,830
Transfer agent, listing and filing fees	28,031	33,752	122,166
Salaries and benefits	81,510	129,887	273,864
Rent	9,528	11,597	30,337
Shareholder relations	14,757	24,795	59,295
Corporate development and corporate activity	113,066	68,879	253,447
Capital tax	-	-	13,122
Total	347,382	372,177	1,072,648

12. SUBSEQUENT EVENT

On February 8, 2007, the Company granted 75,000 stock options to a consultant at an exercise price of $0.50 per share expiring February 4, 2013. The options vest in three month stages over a 12 month period in accordance with regulatory authorities.