Currie Rose Resources Inc.

Consolidated Financial Statements

For the years ended December 31, 2006 and 2005

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Auditors' Report

To the Shareholders of
Currie Rose Resources Inc.

We have audited the consolidated balance sheets of **Currie Rose Resources Inc.** as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2006 and 2005 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

English + Jones LLP

ENGLISH & JONES LLP
Chartered Accountants
Licensed Public Accountants

St. Catharines, Ontario
April 9, 2007

Currie Rose Resources Inc.

Consolidated Balance Sheets

December 31		**2006**		2005
Assets				
Current				
Cash	**$**	**100,610**	$	114,021
Short-term investments (Note 4)		**492,311**		501,260
Accounts receivable		**104,240**		104,516
Prepaid expenses		**7,892**		1,616
		705,053		721,413
Long-Term Investments (Note 5)		**291,315**		438,325
Mining Claims (Note 6)		**2,920,194**		1,899,523
Deferred Exploration Expenditures (Note 7)		**868,245**		851,187
	$	**4,784,807**	$	3,910,448
Liabilities and Shareholders' Equity				
Current				
Accounts payable and accrued expenses	**$**	**41,037**	$	30,750
Shareholders' Equity				
Share Capital (Note 8)				
Common shares		**8,847,875**		8,332,741
Common shares to be issued		**680,000**		-
Common share purchase warrants		**326**		251
		9,528,201		8,332,992
Contributed surplus (Note 8)		**361,572**		361,572
Cumulative translation adjustment		**(3,833)**		18,393
Deficit		**(5,142,170)**		(4,833,259)
		4,743,770		3,879,698
	$	**4,784,807**	$	3,910,448

On behalf of the Board:

Harold Smith ______________________________ Director
"Signed"

Michael Griffiths ______________________________ Director
"Signed"

The accompanying notes are an integral part of these financial statements

Currie Rose Resources Inc.

Consolidated Statements of Operations and Deficit

For the years ended December 31	2006	2005
Revenue		
Production penalty revenue	**$ 100,000**	$ 100,000
Expenses		
Advertising	**46,296**	3,561
Directors' compensation	**-**	82,340
Investor relations	**78,000**	68,089
Listing and filing fees	**18,573**	8,027
Management compensation	**61,829**	28,649
Office rent	**12,322**	10,725
Office supplies	**24,199**	11,355
Professional services	**52,255**	31,280
Share transfer agent fees	**10,252**	11,947
Shareholders' information	**3,590**	11,150
Travel	**38,253**	25,470
	345,569	292,593
Loss Before Other Income (Expense)	**(245,569)**	(192,593)
Other Income (Expense)		
Interest and foreign exchange	**8,473**	3,452
Gain on sale of investment	**28,185**	-
Write-off of mining claims	**(100,000)**	-
Net Loss for the Year	**(308,911)**	(189,141)
Deficit, beginning of year	**(4,833,259)**	(4,644,118)
Deficit, end of year	**$ (5,142,170)**	$ (4,833,259)
Loss per common share: (Note 12)		
Basic	**$ (0.01)**	$ (0.01)

The accompanying notes are an integral part of these financial statements

Currie Rose Resources Inc.

Consolidated Statement of Cash Flows

For the years ended December 31		2006		2005
Cash Provided By (Used In)				
Operating Activities				
Net loss for the year	$	**(308,911)**	$	(189,141)
Items not involving cash:				
Stock Based Compensation - Directors' Compensation		**-**		82,340
Stock Based Compensation - Investor Relations		**-**		5,089
Gain on disposal of investment		**(28,185)**		-
Write-off of mining claims		**100,000**		-
Cumulative translation adjustment		**(22,226)**		18,393
Changes in non-cash working capital balances:				
Accounts receivable		**276**		(1,855)
Prepaid expenses		**(6,276)**		(40)
Accounts payable and accrued expenses		**10,287**		(27,534)
Cash Used In Operating Activities		**(255,035)**		(112,748)
Investing Activities				
Purchase of short-term investments		**(492,311)**		(501,260)
Redemption of short-term investments		**501,260**		-
Proceeds on disposal of Aquila Resources Inc. common shares		**54,185**		-
Increase (decrease) in contributions to joint venture		**102,945**		(330,413)
Repayments (advances) of loan receivable		**18,065**		(18,065)
Mining claims purchased		**(100,888)**		(26,711)
Deferred exploration expenditures incurred		**(356,841)**		(345,491)
Cash Used In Investing Activities		**(273,585)**		(1,221,940)
Financing Activities				
Common shares issued, net of costs		**515,101**		1,311,412
Prepaid expenses on common shares to be issued		**-**		21,352
Warrants issued		**108**		251
Stock option issuance costs		**-**		(3,629)
Cash Provided By Financing Activities		**515,209**		1,329,386
Decrease in Cash During the Year		**(13,411)**		(5,302)
Cash, beginning of year		**114,021**		119,323
Cash, end of year	**$**	**100,610**	$	114,021

The accompanying notes are an integral part of these financial statements

1. Nature of the Business

Currie Rose Resources Inc. was incorporated under the Canada Business Corporations Act on August 24, 1973. The company is a development stage company that engages principally in the acquisition, exploration and development of resource properties.

2. Basis of Presentation

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The application of the going concern concept is dependent on the company's ability to pay its liabilities through future operations of its mining properties and financial support through future equity offerings. The ultimate realization of the amounts shown as mining claims and deferred exploration expenses is dependent upon the continuance of rights to tenure of the areas of interest, the results of future exploration, the successful development and exploitation of the areas of interest or alternatively by their sale. The outcome of these operations cannot presently be determined because they are contingent on future matters.

3. Significant Accounting Policies

Method of Consolidation

These consolidated financial statements include the accounts of Currie Rose Resources Inc. as at and for the years ended December 31, 2006 and 2005 and the company's 40% (2005 - 20%) interest in the Lake Victoria Joint Venture, whose accounts are denominated in Australian dollars (2005 - U.S. dollars) as at and for the periods ended June 30, 2006 and 2005.

The assets and liabilities of the Lake Victoria Joint Venture are translated into Canadian dollars at the exchange rate prevailing at the joint venture's year end date. Revenue and expenses of the Lake Victoria Joint Venture are translated into Canadian dollars at the exchange rates in effect on the date of the transactions. The exchange gain or loss arising on the translation of such items are included as a component of shareholder's equity entitled cumulative translation adjustment.

Foreign Exchange

All monetary assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at rates prevailing at the year end date. Non-monetary items are carried on the balance sheet using the historical exchange rate in effect when the transaction occurred. Income and expenses are translated at the exchange rates in effect on the date of the transactions. Exchange gains and losses arising on the translation of monetary items are included in income for the year.

3. Significant Accounting Policies (Continued)

Revenue Recognition

Revenue is recognized when earned as per contractual agreements and when ultimate collection is reasonably assured.

Investments

Short-term investments are recorded at the lower of cost and net realizable value.

Long-term investments are recorded at cost and are written down only if there is a decline in the market value which is considered to be other than temporary.

Mining Claims and Deferred Exploration Expenditures

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

Mining claims are recorded at cost on an area of claims basis, deferred and carried as an asset until the results of the project are known. In the event of an abandonment or the expiration of an area of claims, the cost will be written off against income.

The cost of exploration expenditures on mining claims is deferred and in the event a commercial ore deposit is located, the cost will be amortized against income by the unit of production method. In the event of an abandonment or the expiration of an area of mining claims, the expenditures will be written off against income. The costs deferred do not necessarily reflect present or future values. The ultimate recovery of these costs depends on the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims and the successful commercial development of the related properties, including the ability to obtain necessary financing to complete development. The actual recovery of these costs may vary by a material amount.

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

3. Significant Accounting Policies (Continued)

Option Agreements

The company acquires and disposes of 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 as per these option agreements are not recorded until payment has been received or made. Upon payment of amounts due under an option agreement, the company recognizes the related amount as the cost of a mining claim. Upon receipt of amounts due under an option agreement, the company recognizes the related amount as the proceeds of disposition of a mining claim, with related write-off of the mining claim and deferred exploration expenses.

Income Tax

The company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Share Capital

The proceeds from the exercise of stock options and warrants are recognized in share capital upon exercise at the exercise price paid by the holder, along with the related cost of such items originally credited to warrants and contributed surplus. Share capital issued in exchange for non-monetary consideration is recorded at an amount based on the fair market value of the shares on the date of issuance.

Stock Based Compensation

The company recognizes as compensation expense the fair value of stock options issued in exchange for services provided by outside consultants and company directors. The cost of such compensation is calculated using the fair value method (Black-Scholes employees option pricing model) based on the fair value of the stock options on the granting date.

Use of Estimates

The preparation of the company's 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 the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

4. Short-Term Investments

	2006	2005
Term Deposit, interest at 3.5%, maturing May 4, 2007, cashable at any time	**$ 300,000**	$ -
Term Deposit, interest at 3.75%, maturing November 1, 2007, cashable at any time	**192,311**	-
Term Deposits, interest at 2.5%, maturing November 1, 2006, cashable at any time	**-**	501,260
	$ 492,311	$ 501,260

5. Long-Term Investments

	2006	2005
Aquila Resources Inc., 40,000 common shares (2005 - JML Resources Limited, 200,000 common shares)	**$ 39,000**	$ 65,000
Contributions to joint venture	**252,315**	355,260
Loan receivable	**-**	18,065
	$ 291,315	$ 438,325

Aquila Resources Inc./JML Resources Limited

On May 1, 2006, JML Resources Limited, as part of a reverse takeover, consolidated its existing share capital on a 3 for 1 basis, such that the company's holdings were reduced to 66,666 common shares. In conjunction with this reverse takeover, JML Resources Limited changed their name to Aquila Resources Inc.

The market value of the common shares at December 31, 2006 is $94,800 (2005 - $13,000). As of the audit report date of April 9, 2007, the market value of the common shares was $86,400.

Contributions to Joint Venture

These amounts represent cash contributions that the company has made to the Lake Victoria Joint Venture subsequent to the joint venture's year end of June 30, 2006. The amounts will be used by the joint venture in the exploration of the Tanzania properties Mabale Hills and Nyamirembe, described in Note 6. The fair value cannot reasonably be determined as the timing of future cash flows is uncertain at this time.

5. Long-Term Investments (Continued)

Loan Receivable

This relates to the company's 40% interest (2005 - 20% interest) in a loan held by the Lake Victoria Joint Venture. The loan is non-interest bearing, no fixed terms of repayment and unsecured. The amount is owing by the other party to the joint venture. The fair value cannot reasonably be determined as the timing of future cash flows is uncertain at this time.

6. Mining Claims

	Opening	Additions	Transfer	Write-offs	Closing
2006					
Laonil Lake	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Scadding Township	**99,448**	**-**	**-**	**-**	**99,448**
Scadding & Davis Townships	**100,000**	**-**	**-**	**(100,000)**	**-**
Tanzania					
Jubilee Reef	**252,511**	**206,494**	**339,783**	**-**	**798,788**
Mabale Hills	**652,529**	**213,852**	**-**	**-**	**866,381**
Nyamirembe	**795,035**	**260,466**	**-**	**-**	**1,055,501**
Sekenke	**-**	**100,076**	**-**	**-**	**100,076**
	$ 1,899,523	**$ 780,888**	**$ 339,783**	**$ (100,000)**	**$ 2,920,194**
2005					
Laonil Lake	$ -	$ -	$ -	$ -	$ -
Scadding Township	99,448	-	-	-	99,448
Scadding & Davis Townships	100,000	-	-	-	100,000
Tanzania					
Jubilee Reef	-	252,511	-	-	252,511
Mabale Hills	-	652,529	-	-	652,529
Nyamirembe	-	795,035	-	-	795,035
	$ 199,448	$ 1,700,075	$ -	$ -	$ 1,899,523

6. Mining Claims (Continued)

Laonil Lake

Net profit interest in 3 gold mining claims covering 11,000 acres in Northern Saskatchewan. The company is entitled to a 30% interest in the net profits generated on the commercial production from this property by the beneficial owner who has optioned the property from the company. Once the company has received payments totaling $1,000,000 on its share of the net profits interest, their entitlement decreases to 25% interest in the net profits.

The company is also entitled to a yearly payment of $100,000 in the event the beneficial owner does not mine a minimum amount of 30,000 tonnes in a calendar year. In the event the beneficial owner has not mined 30,000 tonnes of ore or has not made the above noted $100,000 penalty payment for two consecutive years, full ownership interest reverts back to the company, free of any encumbrances on the part of the beneficial owner and in full settlement of any claims the company may have against the beneficial owner.

Scadding Township

Beneficial ownership of gold mining claims covering 1,895 acres in Northern Ontario. These claims are embodied in seven leases granted by the Ministry of Natural Resources totaling 56 claims. One of these leases is set to expire in 2023, three in 2025, one in 2026 and two in 2027. Each of these leases contain a 21 year renewal clause at the option of Ministry of Natural Resources. Management is of the opinion that such renewals will be offered and they intend to act on these renewal clauses.

The company is committed to a royalty payment in the amount of $100,000, payable 10 days after the end of the third calendar month in which production occurs from the claims. The company is also committed to a royalty payment of $1 per ton of ore removed from designated claims registered against the property.

The company was party to an option and joint venture agreement with another party, whereby the company granted an option to the other party for a 50% beneficial interest in its mining claims, subject to certain conditions regarding expenditures. The company was entitled to a payment of $25,000 if the option holder did not incur an aggregate amount of $2,000,000 of expenditures on the property before August 25, 2007, and a further $25,000 if the option holder did not incur an aggregate amount of $3,000,000 of expenditures on the property before August 28, 2008. In the event that the option holder did not make certain expenditures within certain time frames, or make penalty payments as noted above in lieu of such expenditure limits, the option holder forfeits its rights under the agreement and full beneficial ownership reverts back to the company. In addition, the option holder has the right to terminate the agreement at any time after making expenditures of $300,000 in total, and hence return full ownership privileges to the company.

During the year ended December 31, 2006, the option holder terminated the option agreement and returned full ownership privileges to the company.

6. Mining Claims (Continued)

Scadding & Davis Townships

The company was party to an option and Joint Venture Agreement with another party, whereby the company was granted an option for a 50% beneficial interest in the mining claims of the other party subject to certain conditions. The company was committed to pay 50% of the costs of exploration expenditures incurred on these mining claims, until such time as a joint venture agreement was entered into as disclosed in Note 13. In the event that the company does not make these payments they forfeit their rights under the agreement and beneficial ownership reverts back to the other party. In the event that the option holder does not meet certain conditions or elects to terminate the agreement re the Scadding Township mining claims, as described above, this agreement shall also terminate and beneficial ownership of these mining claims reverts back to the other party.

During the year ended December 31, 2006, the option holder on the Scadding property terminated their option agreement re the Scadding property, thus also terminating this option agreement and returning beneficial ownership of these mining claims back to the other party. As such amounts previously recorded as mining claims re this property were written off.

Tanzania - Jubilee Reef

On March 7, 2005, the company entered into a joint venture agreement and a concurrent option agreement with another party, as described in Note 13, in which the company was granted an option on various properties located in Tanzania, including a mining tenement in the Lake Victoria gold field known as Jubilee Reef, covering 101 kilometres squared. This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

On February 6, 2006, the company entered into a letter of agreement with the other party to the Joint Venture described in Note 13, whereby in consideration of the issuance of 607,336 of the company's common shares, the company acquired a 100% interest in the Jubilee Reef tenement previously held by the joint venture. The 607,336 common shares have not yet been issued as of December 31, 2006. This transaction has been valued based on the share price as at December 31, 2006 of $0.34 per common share. The joint venture to which the company is a party to, as described in Note 13, incurred a loss on the disposal of the Jubilee Reef property to the company, as the proceeds from the issuance of the common shares were less than the deferred expenses incurred by the joint venture. Given that the company is related to the joint venture, the company's 40% share of the loss of $339,783 is added to the cost of its mining claims, as it can only be recognized upon sale of the property to a third party or abandonment of the claim.

As part of the purchase of the Jubilee Reef tenement, the company will be committed to a net smelter return royalty payable as follows: if production from the tenement is 50,000 ounces of gold or less per calendar year, then the royalty shall be U.S. $3.00 per ounce if the price of gold is U.S. $350 per ounce or less, or U.S. $5 per ounce if the price of gold is greater than $350 per ounce. If production from the tenement is greater than 50,000 ounces of gold per calendar year, then the royalty shall be U.S. $5.00 per ounce if the price of gold is U.S. $350 per ounce or less, or U.S. $7.50 per ounce if the price of gold is greater than $350 per ounce.

6. Mining Claims (Continued)

Tanzania - Mabale Hills

On March 7, 2005, the company entered into a joint venture agreement and a concurrent option agreement with another party, as described in Note 13, in which the company was granted an option on various properties located in Tanzania, including a mining tenement in the Lake Victoria gold field known as Mabale Hills, covering 261 kilometres squared. This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

On February 6, 2006, the company entered into a letter of agreement with the other party to the Joint Venture described in Note 13, whereby in consideration of the issuance of 1,392,664 of the company's common shares, the company was deemed to have satisfied the 3rd stage of the joint venture agreement and have earned a 40% interest in the properties held by the joint venture as defined in the agreement, being Mabale Hills and Nyamirembe. The 1,392,664 common shares have not yet been issued as of December 31, 2006. This transaction has been valued based on the share price as at December 31, 2006 of $0.34 per common share and allocated between the Mabale Hills tenement and the Nyarmirembe tenement based on their proportionate square footage.

Tanzania - Nyamirembe

On March 7, 2005, the company entered into a joint venture agreement and a concurrent option agreement with another party, as described in Note 13, in which the company was granted an option on various properties located in Tanzania, including a mining tenement in the Lake Victoria gold field known as Nyamirembe covering 318 kilometres square. This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

On February 6, 2006, the company entered into a letter of agreement with the other party to the Joint Venture described in Note 13, whereby in consideration of the issuance of 1,392,664 of the company's common shares, the company was deemed to have satisfied the 3rd stage of the joint venture agreement and have earned a 40% interest in the properties held by the joint venture as defined in the agreement, being Mabale Hills and Nyamirembe. The 1,392,664 common shares have not yet been issued as of December 31, 2006. This transaction has been valued based on the share price as at December 31, 2006 of $0.34 per common share and allocated between the Mabale Hills tenement and the Nyarmirembe tenement based on their proportionate square footage.

6. Mining Claims (Continued)

Tanzania - Sekenke

On April 3, 2006, the company entered into a letter agreement with another party, as described in Note 13, in which the company has entered into a joint venture with a potential to earn up to a 70% beneficial interest on various properties located in Tanzania. These properties are comprised of mining tenements covering 2,520 kilometres squared, known as Sekenke.

7. Deferred Exploration Expenditures

	Opening	Additions	Transfer	Write-offs	Closing
2006					
Scadding Township	**$ 504,009**	**$ 31,803**	**$ -**	**$ -**	**$ 535,812**
Tanzania					
Jubilee Reef	**232,777**	**107,412**	**(339,783)**	**-**	**406**
Mabale Hills	**97,100**	**197,281**	-	-	**294,381**
Nyamirembe	**17,301**	**20,345**	-	-	**37,646**
	$ 851,187	**$ 356,841**	**$ (339,783)**	**$ -**	**$ 868,245**
2005					
Scadding Township	$ 489,485	$ 14,524	$ -	$ -	$ 504,009
Tanzania					
Jubilee Reef	-	232,777	-	-	232,777
Mabale Hills	-	97,100	-	-	97,100
Nyamirembe	-	17,301	-	-	17,301
	$ 489,485	$ 361,702	$ -	$ -	$ 851,187

8. Share Capital and Contributed Surplus

	Common Shares		Common Share Purchase Warrants		Contributed Surplus
	Number Outstanding	**Amount**	**Number Outstanding**	**Amount**	**Amount**
Balance, December 31, 2004	18,182,736	$ 5,381,329	-	$ -	$ 277,772
Issued for cash	10,016,666	1,252,249	2,508,333	251	-
Issued in exchange for mining claims (note 6)	4,000,000	1,640,000	-	-	-
Options exercised	830,000	151,250	-	-	-
Fair value of stock options issued	-	-	-	-	87,429
Issuance Costs	-	(92,087)	-	-	(3,629)
Balance, December 31, 2005	33,029,402	8,332,741	2,508,333	251	361,572
Issued for cash	2,000,000	499,900	1,000,000	100	-
Issued as finders fee	160,000	39,992	80,000	8	-
Issuance Costs	-	(45,000)	-	-	-
Warrants exercised	80,835	20,242	(80,835)	(33)	-
Balance, December 31, 2006	**35,270,237**	**$ 8,847,875**	**3,507,498**	**$ 326**	**$ 361,572**

The common shares are authorized for an unlimited number to be issued.

On March 7, 2005, the company issued 4,000,000 common shares at a fair value of $0.41 per share for total consideration of $1,640,000 for entering into a joint venture and concurrent option agreement as described in Note 13.

On March 7, 2005, a private placement was completed for the issuance of 5,000,000 common shares at a price of $0.10 per share for total consideration of $500,000. Costs of $16,350 were incurred on this share issuance and have been deducted from share capital.

On June 29, 2005, 300,000 common shares were issued upon the exercise of 300,000 options at a price of $0.20 per common share for total consideration of $60,000.

8. Share Capital and Contributed Surplus (Continued)

On June 29, 2005, 197,000 common shares were issued upon the exercise of 197,000 options at a price of $0.15 per common share for total consideration of $29,550.

On August 4, 2005, a private placement was completed for the issuance of 5,016,666 units consisting of one common share and one half warrant at a price of $0.15 per unit for total consideration of $752,500. The common shares are allotted at an issue price of $0.1499 per share and the half warrants are allotted at an issue price of $0.0001 per half warrant. A full warrant entitles the owner to purchase one common share at $0.25 each until August 4, 2007. Costs of $75,737 were incurred on this share issuance and have been deducted from share capital.

On September 7, 2005, 98,000 common shares were issued upon the exercise of 98,000 options at a price of $0.15 per common share for total consideration of $14,700.

On September 7, 2005, 235,000 common shares were issued upon the exercise of 235,000 options at a price of $0.20 per common share for total consideration of $47,000.

On February 22, 2006, a private placement was completed for the issuance of 2,000,000 units consisting of one common share and one half warrant at a price of $0.25 per unit for total consideration of $500,000. As part of this private placement, the company paid $5,000 in cash and issued 160,000 units, as a finder's fee, consisting of one common share and one half warrant at a deemed price of $0.25 per unit for total consideration of $45,000, which has been deducted from share capital as a cost of issuance. The common shares are allotted at an issue price of $0.2499 per share and the half warrants are allotted at an issue price of $0.0001 per half warrant. A full warrant entitles the owner to purchase one common share at $0.35 each until February 22, 2007.

At various times during the year ended December 31, 2006, 80,835 common shares were issued upon the exercise of 80,835 common share purchase warrants at a price of $0.25 per common share for total consideration of $20,209.

Common Shares To Be Issued	**Number**	**Amount**
In exchange for Mining Claims and joint venture interest (Note 6)	**2,000,000**	**$ 680,000**

8. Share Capital and Contributed Surplus (Continued)

Stock Options

The company has a Stock Option Plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted. The maximum number of common shares which may be issued pursuant to options granted under the stock option plan is 7,038,547 (2005 - 5,436,647). The stock option plan provides that the number of common shares issuable to any one optionee, together with all of the company's other previously established or proposed share compensation arrangements to that optionee, may not exceed 20% of the total number of issued and outstanding common shares of the company. In addition, the number of common shares which may be reserved for issuance to any one consultant or any one investor relations individual shall not exceed 2% on a yearly basis and to any other one individual may not exceed 5% on a yearly basis. The options granted for periods of greater than eighteen month under the plan vest at a rate of 25% upon regulatory approval and 25% every six months thereafter unless otherwise specified. The options granted for periods less than eighteen months vest immediately. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

On February 15, 2005, as part of the investor relations agreement described in Note 14, the company granted options for the purchase of up to 250,000 common shares at a price of $0.22 per share, exercisable up to February 15, 2010. The options granted vest at a rate of 25% upon regulatory approval and 12.5% every three months thereafter. The total fair value of the options granted was calculated to be $5,089 on the grant date. The offsetting entry was to contributed surplus.

On March 10, 2005, as directors' compensation, the company granted options for the purchase of up to 1,000,000 common shares at a price of $0.40 per share, exercisable up to March 10, 2010. The total fair value of the options granted was calculated to be $37,013 on the grant date. The offsetting entry was to contributed surplus.

On April 12, 2005, as directors' compensation, the company granted options for the purchase of up to 500,000 common shares at a price of $0.40 per share, exercisable up to April 12, 2010. The total fair value of the options granted was calculated to be $nil.

On May 19, 2005, as directors' compensation, the company granted options for the purchase of up to 1,500,000 common shares at a price of $0.20 per share, exercisable up to May 19, 2010. The total fair value of the options granted was calculated to be $45,327 on the grant date. The offsetting entry was to contributed surplus.

On September 12, 2005, as directors' compensation, the company granted options for the purchase of up to 600,000 common shares at a price of $0.30 per share, exercisable up to September 12, 2010. The total fair value of the options granted was calculated to be $nil.

On May 2, 2006, as compensation for two consulting agreements, the company granted options for the purchase up to 350,000 common shares at a price of $0.25 per share, exercisable up to May 2, 2007. The total fair value of the options granted was calculated to be $nil.

8. Share Capital and Contributed Surplus (Continued)

Stock Options (Continued)

The following is detailed information regarding options outstanding at December 31, 2006 and 2005 . As at December 31, 2006, a total of 4,415,000 of stock options have vested and are exercisable at a weighted average price of $0.29.

	Number	Weighted average exercise price
Outstanding, December 31, 2004	1,345,000	$ 0.19
Granted	3,850,000	0.29
Exercised	(830,000)	0.18
Outstanding, December 31, 2005	4,365,000	$ 0.28
Granted	350,000	0.40
Outstanding, December 31, 2006	**4,715,000**	**$ 0.29**

On the 350,000 stock options granted during the year, the following information is provided:

	Weighted average Fair Value	Weighted average exercise price
Stock Options where:		
Exercise price equals market value on grant date	0.00	0.40
Total	**$ 0.00**	**$ 0.40**

In calculating the fair value of stock options, the company used the following assumptions. A risk free interest rate of 3.96% (2005 - 3.85%), an average expected life of one year (2005 - five years), expected volatility based on the historical activity of the stock price over the past year (2005 - five years) of 96.86% (2005 - 99.37%) and expected dividends yield of nil for both years. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the company's stock options.

8. Share Capital and Contributed Surplus (Continued)

Stock Options (Continued)

The following table provides additional information with respect to the company's stock options outstanding at December 31, 2006.

Exercise price	Outstanding December 31 2006	Weighted average exercise price	Weighted average life to expiry
$ 0.20	2,015,000		2.75
0.22	250,000		3.13
0.30	600,000		3.70
0.40	1,850,000		2.68
	4,715,000	$ 0.29	2.86

9. Lake Victoria Joint Venture

The following summarizes the company's proportionate share of the assets, liabilities, revenue expenses and net loss of the joint venture described in Note 3.

	2006	2005
Current Assets		
Cash	**$ 19,906**	$ 12,990
Accounts receivable	**5,179**	-
Long-Term Assets		
Loan receivable	**-**	18,065
Deferred exploration expenditures	**332,026**	347,178
Current Liabilities		
Accounts payable and accrued liabilities	**14,909**	10,709
Revenue		
Interest	**687**	51
Expenses		
Management compensation	**2,829**	1,649
Office supplies	**8,649**	864
Professional services	**4,441**	1,066
Travel	**4,275**	2,003
Net Loss	**$ (19,507)**	$ (5,531)

9. Lake Victoria Joint Venture (Continued)

The following summarizes the proportionate share of the cash flow of the joint venture described in Note 3.

	2006	2005
Cash Provided By (Used In)		
Operating Activities		
Net loss for the year	$ (19,507)	$ (5,531)
Changes in non-cash working capital balances		
Accounts receivable	(5,179)	-
Accounts payable and accrued expenses	4,200	10,709
Cash Generated by (Used in) Operating Activities	(20,486)	5,178
Investing Activities		
Repayment (advance) of loan receivable	18,065	(18,065)
Deferred exploration expenditures	(60,051)	(347,178)
Cash Used in Investing Activities	(41,986)	(365,243)
Financing Activities		
Increase in contribution by the company	131,388	71,785
Increase (decrease) in contribution by third party	(62,000)	301,270
Cash Used in Investing Activities	69,388	373,055
Increase in Cash During the Year	6,916	12,990
Cash, beginning of the year	12,990	-
Cash, end of the year	$ 19,906	12,990

10. Related Party Transactions

Related parties include management and directors of Currie Rose Resources Inc, and the Lake Victoria Joint Venture. Transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. The following is a summary of transactions with related parties:

	2006	2005
Expenditures		
Directors' compensation	**$ -**	$ 82,340
Management compensation	**59,000**	27,000

On March 7, 2005, three directors of the company participated in the private placement as described in Note 8 for a total of 1,000,000 common share at a price of $0.10 per share for total consideration of $100,000.

On February 6, 2006, the company entered into a letter of agreement with the other party to the Joint Venture described in Note 13, whereby the company acquired a 100% interest in the Jubilee Reef tenement previously held by the joint venture to which the company is a party to. The details of this transaction are described in Note 6.

On April 1, 2006, the company revised the management agreement with the CEO of Currie Rose Resources Inc, who is also a director, up to $5,000 per month as detailed in Note 14.

11. Income Taxes

The company has non-capital losses of $635,669 available to reduce taxes payable up to the year 2026. They also have capital losses of $12,465 federally and $192,046 provincially available to offset taxes payable on future capital gains. Deductions of mining claims and deferred development expenses available in future years for income tax purposes exceed the recorded net book values by $1,675,395 federally and $1,495,814 provincially. The potential future tax benefits of these items have not been recognized in these financial statements as their realization is not determinable at this time.

12. Loss per Common Share

Basic loss per common share for the year was calculated based on a weighted average of 34,918,410 common shares outstanding (December 31, 2005 - 27,960,060). Diluted loss per common share for the year was not calculated as the effect would be anti-dilutive for both the years ended 2006 and 2005.

13. Option and Joint Venture Agreements

Tanzania - Mabale Hills and Nyariembe

On March 7, 2005, the company entered into a Joint Venture Agreement and a concurrent Option Agreement ("The Agreement") with another party. The Agreement allows the company the ability to earn up to a 70% interest in properties based on the following:

1st stage: Earn a 10% interest through the issuance of 4,000,000 common shares to the other party to the agreement, which was completed on March 7, 2005 as described in Note 8;

2nd stage: Earn a further 10% interest by funding a minimum value of US $300,000, to be utilized by the joint venture towards exploration by September 30, 2005, which was completed;

3rd stage: Earn a further 20% interest by funding a minimum cumulative value of US $1,170,000, to be utilized by the joint venture towards exploration by September 30, 2007;

On February 6, 2006, the company entered into a letter of agreement with the other party to the Joint Venture described, whereby in consideration of the issuance of 1,392,664 of the company's common shares, the company was deemed to have satisfied the 3rd stage of the joint venture agreement, whereby they have now earned a 40% interest in the joint venture. The 1,392,664 common shares have not yet been issued as of December 31, 2006.

4th stage: Earn a further 30% interest by funding one of the properties through a feasibility study by September 30, 2008, at which point the parties to the agreement will then contribute costs on a pro-rate basis based on their respective joint venture interests.

In the event that the company does not elect to earn the interest as noted in the 4th stage, then the parties to the agreement maintain a joint venture with the company's share being 40% at which point the parties to the joint venture will then contribute costs on a pro-rata basis based on their respective joint venture interests.

The option agreement contains a purchase option, whereby the company has the right to purchase the other parties interest within one year after completion of the 3rd stage under the joint venture agreement. The agreement also contains a sale option, whereby the other party has the right to sell its interest to the company within one year after completion of the 3rd stage under the joint venture agreement. The purchase price of the other party's interest will be calculated based on fair market value, defined as per the option agreement, to be issued in the form of common shares of the company. Upon exercise of either option, an additional representative of the other party shall be appointed to the board of directors of the company.

13. Option and Joint Venture Agreements (Continued)

Tanzania - Sekenke

On April 3, 2006, the company entered into a letter agreement with another party, as described in Note 6, in which the company has entered into a joint venture which would hold an interest in various properties located in Tanzania. The rights to these properties would be held partially by the joint venture itself and partially through the joint venture's participation in another joint venture. These properties are comprised of mining tenements covering 2,520 kilometres squared, known as Sekenke. The Agreement allows the company the ability to earn up to a 70% interest in these properties as follows:

1st stage: Earn a 30% interest by making the first year license payments on the tenements, estimated to be US$70,000, a cash payment to the other party to the joint venture of US$50,000 and the issuance of the company's common shares with a market value of US$50,000 to the other party to the joint venture all within twelve months of the signing of the agreement;

As of December 31, 2006 the company has made the required license payments and the required cash payment to the other party to the joint venture.

As of February 16, 2007, as described in Note 17, the company completed the final requirement of stage 1, the issuance of common shares to the other party to the joint venture and as such as of that date have earned a 30% interest in the joint venture.

2nd stage: Earn a further 21% interest by making payments to the other party to the joint venture as follows:
-US $100,000 in cash or issuance of the company's common shares by April 3, 2007;
-US $150,000 in cash or issuance of the company's common shares by March 4, 2008;
-US $150,000 in cash or issuance of the company's common shares by April 3, 2009
and funding a minimum value of US$1,000,000 towards exploration

In the event the company completes this stage, the parties to the joint venture agree that in the event the parties agree to sell or joint venture the project to a third party that the project will be sold or joint ventured on a pro rata basis. During this “Hold Period”, the company will maintain the licenses in good standing. However, should the “Hold Period” exceed the time frame set out in Stage 3, the company will continue to maintain the licenses in good standing but on sale of the project, the company will be deemed to have earned a 60% interest in the project.

3rd stage: Earn a further 19% interest by funding one of the properties through a feasibility study by April 3, 2009, at which point the parties to the agreement will then contribute costs on a pro-rata basis based on their respective joint venture interests.

13. Option and Joint Venture Agreements (Continued)

Tanzania - Jubilee Reef

On August 24, 2006, the company entered into a Farm-in and Joint Venture Agreement ("The Agreement") with another party. The Agreement includes two of the three mining tenements of Jubilee Reef, covering 58.5 kilometres squared. The other party can earn up to a 70% interest in the properties as follows:

1st stage: Earn a 51% interest by incurring minimum expenditures over three years from the date of the agreement, with minimum expenditure requirements as follows:
Year one: US$300,000; Year two: US$300,000 and Year three: US$400,000
The other party has the ability to withdraw from the agreement after the year one minimum requirement has been met with no further interest in the property existing.

As of December 31, 2006, the other party has incurred expenses of US$466,876 and remains party to the agreement.

2nd stage: The company must elect to contribute pro rata to retain its 49% interest or can allow the other party to earn an additional 19% interest by further incurring expenditures of US$2,000,000 within four years after issuance of notice of election.

The joint venture commencement date will be when both parties are contributing to expenditures upon completion of the second stage of the farm-in agreement. In the event that either party does not contribute to expenditures on a pro-rata upon entering into a joint venture, their respective interest will be diluted.

14. Commitments

Management Agreement

On April 1, 2006, the company entered into a management agreement with the CEO in the amount of $5,000 per month. This agreement shall continue indefinitely until terminated by the company or the CEO. In the event of termination without cause, the company must pay $30,000 as compensation to the CEO.

Investor Relations Agreement

On February 15, 2005, the company entered into an investor relations agreement with an individual at a cost of $6,000 per month, which is verbally committed to continue indefinitely until terminated by the company.

15. Segment Disclosure

The company considers a reportable segment to be a component of their operations which engages in business activities that earn revenues and incur expenses and whose operating results are regularly evaluated through a review of discrete financial information. The company has identified as a reportable segment based on geography, its 40% interest in the Lake Victoria joint venture located in Tanzania. This joint venture is expected to derive its revenue from the commercial development and sale of ore deposits on the related properties. The company's share of assets, liabilities, revenues, expenses and net loss of this joint venture are disclosed in Note 9. The company has recognized their share of these items in their financial statements based on the consolidation method described in Note 3.

16. Financial Instruments

Fair Values

The fair value of long-term investments is as noted above.

The fair values of cash, short-term investments, accounts receivable and accounts payable and accrued expenses approximate their carrying values due to their short-term maturities.

Foreign Exchange Risk

The company is exposed to foreign exchange risk as the various joint venture and option agreements described in Note 13 require contributions to be made in U.S. Currency.

17. Subsequent Events

Joint Venture Contributions

Subsequent to year end, in February and March 2007, the company further contributed $394,463 towards the Lake Victoria joint venture as described in Notes 9 and 13.

Common Share Purchase Warrants Extension

On February 8, 2007, subject to regulatory approval, the company extended the date of expiration on the 1,000,000 warrants issued in the private placement on February 22, 2006, as described in Note 8, to August 20, 2007.

Common Share Issuance

On February 16, 2007, the company issued 164,286 common shares at a fair value of $0.305 per share for a total value of $50,107 as part of a joint venture agreement described in Note 13.

Consulting Agreement

On March 29, 2007, the company entered into a consulting agreement at a cost of $5,000 per month for an initial three month contract, subject to renewal. As part of this agreement, the company has issued options to purchase 200,000 common shares of the company at a price of $0.35 per share to the consultant.