

**ACADEMY VENTURES INC.**  
**(Formerly Academy Energy Corp.)**  
**FINANCIAL STATEMENTS**  
**(Unaudited)**  
**MARCH 31, 2008**

BALANCE SHEETS  
STATEMENT OF LOSS AND DEFICIT  
STATEMENT OF CASH FLOWS  
NOTES TO FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

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

**ACADEMY VENTURES INC.**  
**(Formerly Academy Energy Corp.)**  
**Balance Sheets**  
**(Unaudited)**

	March 31 2008	September 30 2007
<b>ASSETS</b>		
CURRENT		
Cash	\$ 78,315	\$ 160,244
Short-term investments	650,000	-
Receivable and advances	95,500	-
GST receivable	14,111	10,721
Accrued interest receivable	5,061	-
Due from related parties	444	-
Tax credit receivable (Note 3)	19,979	19,979
Prepaid expenses and deposit	17,431	41,800
	880,841	232,744
EQUIPMENT (Note 4)	27,300	-
MINERAL PROPERTY (Note 5)	23,941	23,941
DEFERRED EXPLORATION COSTS (Note 5)	79,914	79,914
	\$ 1,011,996	\$ 336,599
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,081	\$ 10,812
Due to related parties (Note 7)	3,837	118
	4,918	10,930
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 6)	1,545,548	720,001
CONTRIBUTED SURPLUS (Note 6(g))	500,173	-
DEFICIT	(1,038,643)	(394,332)
	1,007,078	325,669
	\$ 1,011,996	\$ 336,599

Commitment (Note 5)

APPROVED BY THE DIRECTORS:

"Harry Katevatis"  
Harry Katevatis, Director

"Jim Heras"  
Jim Heras, Director

The accompanying notes are an integral part of these financial statements

**ACADEMY VENTURES INC.**  
**(Formerly Academy Energy Corp.)**  
**Statements of Loss and Deficit**  
**(Unaudited)**

	Three Months Ended March 31, 2008	Six Months Ended March 31, 2008
<b>EXPENSES</b>		
Amortization	\$ 1,700	\$ 1,700
General exploration	6,159	6,159
Insurance	719	719
Interest	372	372
Investor relations	18,182	18,182
Office and others	9,513	11,706
Management and administration fees	12,000	24,000
Professional fees	8,059	19,701
Rent	2,100	9,100
Secretarial services	4,264	5,472
Salaries and benefits	32,168	32,168
Stock-based compensation	253,486	500,173
Stock exchange and filing fees	7,356	7,888
Transfer agent fees	1,341	3,025
Travel and promotion	1,336	12,496
	358,755	652,861
Interest income	(6,183)	(8,550)
<b>NET LOSS FOR THE PERIOD</b>	<b>(352,572)</b>	<b>(644,311)</b>
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(686,071)</b>	<b>(394,332)</b>
<b>DEFICIT, END OF PERIOD</b>	<b>\$ (1,038,643)</b>	<b>\$ (1,038,643)</b>
<b>BASIC LOSS PER SHARE</b>	<b>\$ (0.03)</b>	<b>\$ (0.05)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>14,040,001</b>	<b>12,855,739</b>

The accompanying notes are an integral part of these financial statements

**ACADEMY VENTURES INC.**  
**(Formerly Academy Energy Corp.)**  
**Statements of Cash Flows**  
**(Unaudited)**

	Three Months Ended March 31, 2008	Six Months Ended March 31, 2008
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (352,572)	\$ (644,311)
Add items not affecting cash:		
Amortization	1,700	1,700
Stock-based compensation	253,486	500,173
Net changes in non-cash working capital items		
Short-term investment	200,000	(650,000)
Receivable and advances	(95,500)	(95,500)
GST receivable	886	(3,390)
Accrued interest receivable	(3,635)	(5,061)
Prepaid and deposit	(14,931)	24,369
Accounts payable and accrued liabilities	(3,231)	(9,731)
	<u>(13,797)</u>	<u>(881,751)</u>
<b>FINANCING ACTIVITIES</b>		
Amounts due to related parties	(4,027)	3,275
Shares issued for cash, net of share issuance costs	(953)	825,547
	<u>(4,980)</u>	<u>828,822</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(29,000)	(29,000)
	<u>(29,000)</u>	<u>(29,000)</u>
<b>INCREASE (DECREASE) IN CASH DURING THE PERIOD</b>	<b>(47,777)</b>	<b>(81,929)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>126,092</b>	<b>160,244</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 78,315</b>	<b>\$ 78,315</b>
<b>Supplemental Cash Flow Information:</b>		
Cash paid for income tax	\$ -	\$ -
Interest paid or accrued	\$ 372	\$ 372

The accompanying notes are an integral part of these financial statements

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**1. NATURE OF OPERATIONS**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of mineral properties, deferred exploration costs and Provincial tax credit. Actual results could differ from those reported.

b) Equipment

Equipment are recorded at cost and are depreciated annually at the following rates:

Computer hardware	-	30% declining balance method
Furniture	-	20% declining balance method
Office equipment	-	30% declining balance method

Further, equipment are amortized at one-half of the annual rate in the year of acquisition.

c) Mineral Properties and Exploration Costs

The Company records its interests in mineral properties at cost. All direct costs relating to the acquisition of these interests are capitalized until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized on the unit of production basis over the proven reserves of the related property following commencement of production. Proceeds received, as a result of the sale of a mineral property, will be applied first against the book value of the property, and any excess will be set off against deferred exploration costs.

Exploration costs relating to mineral properties are deferred until the properties are brought into production, at which time the deferred exploration costs are to be amortized on a unit of production basis, or until the properties are abandoned or sold, at which time the deferred costs are written off.

The mineral properties and exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When there is evidence of impairment, the net carrying amount of the asset will be written down to its net recoverable amount which is the estimated undiscounted future net cash flows expected to result from the asset and its eventual disposition. The loss on impairment written off is not reversed even if circumstances change and the net recoverable amount subsequently increases.

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

c) Mineral Properties and Exploration Costs - continued

The amounts shown as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

d) General and Administrative Expenses

The Company charges all general and administrative expenses not directly related to exploration activities to operations as incurred.

e) Fair Market Value of Financial Instruments

The carrying values of cash, short-term investments, GST receivable, accrued interest receivable, provincial tax credit receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate their fair market value because of the short maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

f) Stock-based Compensation

The Company has a share option plan. The Company records all stock-based payments using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable and are charged to operations over the vesting period. The offset is credited to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

g) Loss per Share

The loss per share is not presented as this information is not considered meaningful at the Company's current stage of operations.

h) Future Income Taxes

The Company follows the assets and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and those reported in the financial statements. These future taxes are measured by the provisions of currently enacted tax laws. Management believes that it is not sufficiently likely that the Company will generate adequate taxable income to allow the realization of future assets and, therefore, has fully provided for these assets.

i) Asset Retirement Obligation

The Company has adopted the recommendations of CICA Handbook Section 3110, Asset Retirement Obligations. The new section requires recognition of a legal liability for obligations relating to retirement of property, plant and equipment, and arising from the acquisition, development or normal operation of those assets. Such asset retirement cost must be recognized at fair value when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized to operations on a systematic basis over its useful life.

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

j) Changes in accounting policies

The CICA issued the following sections that were adopted by the Company on October 1, 2007. In Accordance with the transitional provisions, these standards have been applied retrospectively without restatement of prior periods.

(i) Section 3855, Financial Instruments – Recognition and Measurement

Section 3855 prescribes when a financial asset, financial liability or derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of five categories: held- or-trading, held-to-maturity, loans and receivables, available-for-sale, or other financial liabilities. All financial instruments, including derivatives, are initially measured on the balance sheet at fair value. Subsequent measurement depends on the classification as follows: held-for-trading - measured at fair value with changes in fair value recognized in net earnings; held-to-maturity, loans and receivables, and other financial liabilities - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is derecognized or impaired; and available-for-sale - measured at fair value with changes in fair value recorded in other comprehensive income, until the instrument is derecognized or impaired, when the amounts are then recorded in net earnings.

In accordance with these new standards, the Company has classified its financial instruments as follows:

Asset/Liability	Classification	Measurement
Cash	Held-for-trading	Fair value
Short-term investments	Held-for-trading	Fair value
Receivable and advances	Loans and receivable	Amortized cost
GST receivable	Loans and receivable	Amortized cost
Accrued interest receivable	Loans and receivable	Amortized cost
Due from related parties	Loans and receivable	Amortized cost
Tax credit receivable	Loans and receivable	Amortized cost
Prepaid expenses and deposits	Loans and receivable	Amortized cost
Payables and accruals	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

Transaction costs other than those related to financial instruments classified as held-for-trading, which are expensed as incurred, are added to the fair value of the financial asset or financial liability on initial recognition and amortized using the effective interest rate method. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using a variety of valuation techniques and models. All derivative instruments, including embedded derivatives, are recorded on the balance sheet at fair value unless exempted from derivative treatment as a normal purchase and sale. All changes in fair value are recorded in earnings unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income. The impact of the change in accounting policy related to financial instruments was not material.

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

j) Changes in accounting policies - continued

(ii) Section 3865, Hedges

Section 3865, Hedges replaced Accounting Guideline 13, Hedging Relationships. The requirements for the identification, designation, documentation and assessment of effectiveness of hedging relationships remain substantially unchanged from AcG-13. However, Section 3865 addresses the accounting treatment of qualifying hedging relationships and the necessary disclosures, and also requires all derivatives in hedging relationships to be recorded at fair value. The adoption of this standard had no impact on the Company, as there are no hedging relationships in place.

(iii) Section 1530, Comprehensive Income

Section 1530, Comprehensive Income introduces a statement of comprehensive income, which is comprised of net earnings and other comprehensive income. Other comprehensive income represents the change in shareholders' equity from transactions and other events from non-owner sources, and includes unrealized gains and losses on financial assets that are classified as available-for-sale and changes in the fair value of the effective portion of cash flow hedging instruments.

(iv) Section 3861, Financial Instruments – Disclosure and Presentation

Section 3861, Financial Instruments – Disclosure and Presentation replaces Section 3860 of the same title, and establishes the standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

k) Recent accounting pronouncements

The following is an overview of recent accounting pronouncements that the Company will be required to adopt in future years:

i) Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation

Effective January 1, 2008, the Company will be required to comply with Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments – Presentation. These sections will replace existing Section 3861, Financial Instruments – Disclosure and Presentation. The presentation standards are carried forward unchanged. The disclosure standards are enhanced and expanded to complement the changes required by Section 3855, Financial Instruments – Recognition and Measurement.

ii) Section 1535, Capital Disclosures

Effective January 1, 2008, the Company will be required to comply with Section 1535, Capital Disclosures. This section establishes standards for disclosing information that enables users of financial statements to value the entity's objectives, policies and processes for managing capital. The new requirements are related to disclosure only and will not impact the financial results of the Company.

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

k) Recent accounting pronouncements - continued

iii) Section 3064, Goodwill and Intangible Assets

In January 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, which replaces existing Section 3062, Goodwill and Other Intangible Assets. This new section establishes standards for the recognition of internally developed intangible assets. The standards for the recognition and impairment testing of goodwill are carried forward unchanged. This section is applicable to the Company commencing January 1, 2009.

iv) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan which outlines the convergence of Canadian generally accepted accounting principles ("GAAP") with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the years ended December 31, 2010 and earlier where applicable. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**3. TAX CREDIT RECEIVABLE**

The company is qualified for the Mining Exploration Tax Credit ("METC"). The METC is a refundable B.C. income tax credit equal to 20% of qualified mining exploration costs incurred by the Company.

**4. EQUIPMENT**

	March 31, 2008			September 30, 2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 4,000	\$ 300	\$ 3,700	\$ -
Furniture	19,000	950	18,050	-
Office equipment	6,000	450	5,550	-
	<u>\$ 29,000</u>	<u>\$ 1,700</u>	<u>\$ 27,300</u>	<u>\$ -</u>

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

5. **MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS**

Mineral Property - Doctor's Point

Pursuant to an option agreement dated July 6, 2006, the Company was granted the sole and exclusive right and option to acquire an undivided 100% interest, subject to a 2% net smelter return, in 9 mineral claims situated in the New Westminster Mining District of British Columbia. The Company has agreed to pay \$37,500 and incur a total aggregate expenditure of \$300,000 as follows:

	<u>Cash</u> <u>Payments</u>	<u>Exploration</u> <u>Expenditures</u>
Upon execution of the agreement	\$ 7,500 (paid)	\$ -
On or before the 1st anniversary of the execution of the agreement	10,000 (paid)	100,000 (incurred)
On or before the 2nd anniversary of the execution of the agreement	20,000	200,000
	<u>\$ 37,500</u>	<u>\$ 300,000</u>

The Company has incurred deferred exploration costs as follows:

	<u>Six Months</u> <u>Ended</u> <u>March 31, 2008</u>	<u>Year Ended</u> <u>September 30, 2007</u>
Acquisition Costs:		
Balance, beginning of period	\$ 23,941	\$ -
Cash	-	17,500
Mineral claims	-	6,441
Balance, end of period	<u>\$ 23,941</u>	<u>\$ 23,941</u>
Deferred Exploration Costs		
Balance, beginning of period	\$ 79,914	\$ -
Analytical fees	-	9,614
Geological surveys, consulting, and report	-	30,698
Travel, supplies and field expenses	-	31,344
Sampling, prospecting and line cutting	-	28,237
	<u>79,914</u>	<u>99,893</u>
Less mining tax credit	-	(19,979)
Balance, end of period	<u>\$ 79,914</u>	<u>\$ 79,914</u>

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

5. **MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS - continued**

Mineral Property Acquisition

In February 2008, the Company executed a binding letter of intent (LOI) with Bonasika Ltd. (“Bonasika”), a British Virgin Islands company, pursuant to which the Company agrees to purchase all of the outstanding shares of Bonasika by issuing 4.5 million common shares of the Company subject to regulatory approval. Bonasika holds 100% of Guyana Industrial Minerals Inc. (“Ginmin”) of Georgetown, Guyana, which is the holder of the Bonasika mining licence, the Waratilla-Cartwright prospecting licence, and the Essequibo-Demerara (“Esse-Dem”) permission for geophysical and geological survey (“PGGS”) in Guyana, issued by the Guyana Geology and Mines Commission and the Minister of Mines of Guyana. The Company and Bonasika have agreed to proceed this transaction diligently and in good faith in order to complete the transaction before April 30, 2008, or such other date as may be mutually agreed upon.

6. **SHARE CAPITAL**

a) Authorized

100,000,000 common shares without par value.

b) Issued and fully paid

	Number of Common Shares	Amount
Balance, September 30, 2006	10,200,001	\$ 660,001
Issued for cash at \$0.10	600,000	60,000
Balance, September 30, 2007	10,800,001	720,001
Issued for cash at \$0.30, net of share issuance costs	3,000,000	726,032
Agent's warrants exercised at \$0.30	240,000	72,000
Transfer from contributed surplus on agent's warrants exercised	-	28,468
Balance, March 31, 2008	14,040,001	\$ 1,546,501

In December 2007, the Company completed an initial public offering of 3,000,000 common shares at a price of \$0.30 per share. The Company paid the agent 10% commission, \$30,000 in corporate finance and administration fees. In addition, the Company issued the agent warrants to acquire up to 240,000 common shares at \$0.30 per share expiring December 10, 2008.

c) Escrow Shares

As at March 31, 2008 a total of 4,072,501 (September 30, 2007 - 4,525,001) common shares of the Company are subject to escrow agreements, and may be released in accordance with regulatory policies as follows:

- 10% upon listing on TSX (listed December 10, 2007);
- 15% every six months thereafter for 36 months.

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**6. SHARE CAPITAL - continued**

d) Stock Options

The Company has granted share purchase options to directors and officers of the Company to purchase common shares of the Company. These options are granted in accordance with the policies of regulatory authorities. A summary of the status of the stock options as of March 31, 2008 and for the six months then ended is as follows:

	Number	Weighted Average Price
Balance, September 30, 2007	-	\$ -
Granted	1,630,000	0.35
Expired	-	-
Balance, March 31, 2008	1,630,000	\$ 0.35

The weighted average life of the options outstanding as of March 31, 2008 is 4.12 years. As of March 31, 2008, the following stock options were outstanding:

Number of Options Granted	Number of Options Vested	Exercise Price per Share	Expiry Date
1,080,000	1,080,000	\$ 0.30	December 10, 2012
300,000	300,000	0.90	January 2, 2013
250,000	62,500	1.20	February 4, 2009
1,630,000	1,442,500	\$ 0.35	

During the period, the Company recorded stock-based compensation of \$500,173. The fair value of these stock options is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating fair value are as follows:

Risk free interest rate	3.80%
Expected life of options	3.95 years
Expected dividend yield	0.0%
Expected stock price volatility	100.0%

e) Warrants

In December 2007, the Company issued 240,000 agent's warrants to an agent as part of the compensation for services provided relating to the initial public offering. These warrants were all exercised in the same month.

During the period, the Company recorded a share issuance cost of \$28,468 in respect of the 240,000 agent's warrants granted. The fair value of these warrants is estimated on the grant date using the Black-Scholes option pricing model. The assumptions used in calculating fair value are as follows:

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**5. SHARE CAPITAL - continued**

f) Warrants - continued

Risk free interest rate	4.03%
Expected life of options	1 year
Expected dividend yield	0.0%
Expected stock price volatility	100.0%

g) Contributed Surplus

	Six Months Ended March 31, 2008	Year Ended September 30, 2007
Balance, beginning of period	\$ -	\$ -
Stock-based compensation:		
Stock options granted and vested	500,173	-
Agent's warrants granted	28,468	-
Transfer to common shares on agent's warrants exercised	(28,468)	-
Balance, end of period	<u>\$ 500,173</u>	<u>\$ -</u>

**7. RELATED PARTY TRANSACTIONS**

- a) During the period, the Company paid \$15,000 for management fees and \$6,000 for administration expenses to a company controlled by a director.
- b) During the period, the Company paid \$32,168 for salaries and benefits to a director.
- c) During the period, the Company paid \$15,973 for legal fees to a Company controlled by an officer.
- d) During the period, the Company paid \$9,100 for office rent to a Company with common directors.
- e) During the period, the Company paid \$43,460 to two directors and an officer for reimbursement of computer, furniture, office equipment, travel, entertainment, and office expenses.
- f) The amount due to related parties is non-interest bearing and unsecured, with no fixed terms of payment.

ACADEMY VENTURES INC.  
(Formerly Academy Energy Corp.)  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
MARCH 31, 2008

**8. SUBSEQUENT EVENT**

In May 2008, the Company completed a non-brokered private placement of 1,500,000 units at a price of \$1.45 per unit. Each unit consists of one common share and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$1.80 per share for a period of two years. If the common shares of the Company trade at a price of \$2.50 per share or higher for a period of 10 consecutive trading days, the Company has the right to ask warrant holders to exercise their warrants in 15 trading days. If these warrants are not exercised in that period, they will be cancelled. The placees have the right to participate in any future equity financing of the Company to maintain their percentage position in the issued capital of the Company at a level of 9.65%.