BRALORNE GOLD MINES LTD.

Interim Financial Statements

Nine Months Ended October 31, 2007

(unaudited)

Index

Notice to Readers: These financial statements have been prepared by management of the Company and have not been subject to review by the Company's auditor.

BRALORNE GOLD MINES LTD.
Balance Sheets
(Prepared by Management)

As at	October 31, 2007	January 31, 2007
	(Unaudited)	(Audited)
ASSETS		
Current		
Cash and cash equivalents	$ 996,999	$ 2,770,181
Accounts receivable and prepaid expenses	30,204	63,949
Interest receivable	22,137	87,430
Taxes recoverable	60,705	28,729
Share subscriptions receivable	-	650
	1,110,045	2,950,939
Due from related parties (Note 6(d))	67,915	93,309
Mineral property (Note 4)	18,561,389	16,709,529
Equipment	20,202	22,117
Restricted cash	125,000	122,500
	$ 19,884,551	$ 19,898,394
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 199,221	$ 255,301
Due to related parties (Note 6(e))	109,798	183,445
	309,019	438,746
Site restoration obligation	98,000	98,000
	407,019	536,746
Shareholders' equity		
Share capital (Note 5)	26,157,825	25,637,789
Contributed surplus	3,633,716	3,696,838
Deficit	(10,314,009)	(9,972,979)
	19,477,532	19,361,648
	$ 19,884,551	$ 19,898,394

NOTE 1 – NATURE OF OPERATIONS

Approved by the Directors:

"Louis Wolfin" Director "William Kocken" Director

See the accompanying notes to the financial statements

BRALORNE GOLD MINES LTD.
Interim Statements of Operations, Comprehensive Loss and Deficit
(Unaudited – Prepared by Management)

	Three Months Ended October 31, 2007	Three Months Ended October 31, 2006	Nine Months Ended October 31, 2007	Nine Months Ended October 31, 2006
General and administrative expenses				
Administration services	$ 1,005	$ 730	$ 2,604	$ 2,830
Amortization	1,238	1,498	3,714	4,534
Automobile expense	6,120	5,379	20,124	13,843
Consulting	22,500	15,375	67,500	47,504
Interest	-	-	6	-
Listings and filing fees	20	-	8,203	21,330
Office, occupancy and miscellaneous	13,802	21,145	38,151	60,940
Professional fees	(1,160)	16,603	18,892	57,835
Salaries and benefits	22,888	8,177	55,552	54,144
Shareholder information	31,405	32,887	105,431	68,031
Stock-based compensation	-	14,896	51,711	36,930
Transfer fees	1,252	1,436	8,403	7,663
Travel and accommodation	14,572	13,607	32,820	43,020
	(113,642)	(131,733)	(413,111)	(418,604)
Other items				
Interest income	17,007	51,172	77,601	141,848
Expense recovery	-	-	-	75,000
Write-down of receivables	-	-	(5,520)	-
Foreign exchange loss	-	-	-	(11,021)
Loss and comprehensive loss for the period	(96,635)	(80,561)	(341,030)	(212,777)
Deficit, beginning of period	(10,217,374)	(10,506,356)	(9,972,979)	(10,374,140)
Deficit, end of period	$(10,314,009)	$(10,586,917)	$(10,314,009)	$(10,586,917)
Loss per share	$(0.01)	$(0.01)	$(0.03)	$(0.02)
Weighted average number of common shares outstanding – basic and diluted	13,575,422	13,215,554	13,462,739	13,215,554

See the accompanying notes to the financial statements

BRALORNE GOLD MINES LTD.
Interim Statements of Cash Flows
(Unaudited – Prepared by Management)

	Three Months Ended October 31, 2007	Three Months Ended October 31, 2006	Nine Months Ended October 31, 2007	Nine Months Ended October 31, 2006
OPERATING ACTIVITIES				
Loss for the period	$ (96,635)	$ (80,561)	$ (341,030)	$ (212,777)
Adjustments for items not involving cash:				
Amortization	1,238	1,498	3,714	4,534
Stock-based compensation	-	14,896	51,711	36,930
	(95,397)	(64,167)	(285,605)	(171,313)
Changes in non-cash working capital:				
Accounts receivable and prepaid expenses	16,585	(10,833)	33,745	3,986
Interest receivable	4,753	(19,652)	65,293	(47,291)
Taxes recoverable	(20,854)	35,224	(31,976)	21,959
Accounts payable and accrued liabilities	(99,770)	(65,182)	(56,080)	(254,051)
Cash used in operating activities	(194,683)	(124,610)	(274,623)	(446,710)
INVESTING ACTIVITIES				
Increase in office equipment	-	-	(1,799)	-
Deferred exploration expenditures	(412,087)	(413,974)	(1,773,056)	(1,780,917)
Mine and plant buildings and equipment	(76,100)	(5,369)	(78,804)	(5,369)
Increase in reclamation deposit amount	-	(5,000)	(2,500)	(7,500)
Gold sales prior to commencement of commercial production	-	-	-	235,376
Funds advanced to (received from) related parties, net	(29,509)	(14,262)	(48,253)	15,715
Cash used in investing activities	(517,696)	(438,605)	(1,904,412)	(1,542,695)
FINANCING ACTIVITIES				
Share subscriptions receivable	-	-	650	-
Issuance of common shares, net	-	-	405,203	-
Cash provided by financing activities	-	-	405,853	-
Increase (decrease) in cash and cash equivalents	(712,379)	(563,215)	(1,773,182)	(1,989,405)
Cash and cash equivalents, beginning of period	1,709,378	3,790,318	2,770,181	5,216,508
Cash and cash equivalents, end of period	$ 996,999	$ 3,227,103	$ 996,999	$ 3,227,103

See the accompanying notes to the financial statements

1. Nature of Operations

Bralorne Gold Mines Ltd. ("Bralorne") was incorporated on July 10, 1992 under the laws of the Province of British Columbia. The Company owns a 100% interest in a mineral property in British Columbia, Canada. It is in the process of exploring its mineral property interest and has not yet determined whether this property contains enough ore reserves, such that their recovery would be economically viable.

The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's continued viability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete development, and future profitable production or from the proceeds from the disposition of its mineral property interest.

The Company has positive working capital of $801,026 at October 31, 2007. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values, as show in the financial statements, should the Company be unable to continue as a going concern

2. Basis of Presentation and Recent Accounting Pronouncements

These unaudited interim financial statements have been prepared in accordance with the instructions for the preparation of such financial statements contained in the CICA Handbook Section 1751. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such instructions. These unaudited interim financial statements should be read in conjunction with the audited financial statements and accompanying notes thereto for the fiscal year ended January 31, 2007. These interim financial statements have not been reviewed by an auditor.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation of these unaudited financial statements have been included and all such adjustments are of a normal recurring nature. Operating results for the three month and nine month periods ended October 31, 2007 are not necessarily indicative of the results that can be expected for the year ended January 31, 2008.

In early 2005, the CICA issued new standards for Comprehensive Income (CICA 1530), Financial Instruments (CICA 3855) and Hedges (CICA 3865), which are effective for fiscal years beginning on or after October 1, 2006. The new standards bring Canadian rules more into line with current rules in the United States. These new standards do no affect the Company at present and consequently no statement of comprehensive income is required to be included with the interim financial statements.

Section 1530 introduces the concept of comprehensive income, which includes net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from such items as unrealized foreign currency translation gains or losses arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale investments, and changes in the fair value of the effective portion of cash flow hedging instruments. The application of this new standard did not result in comprehensive income being different from net income for the periods presented.

2. Basis of Presentation and Recent Accounting Pronouncements (Continued)

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It also specifies how financial instrument gains and losses are to be presented. All financial instruments must be classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Initial and subsequent recognition and measurement of changes in the value of financial instruments depends on their initial classification. The application of Section 3855 did not have an impact on the Company's interim financial statements.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes, and specifies how hedge accounting is applied and what disclosures are necessary when it is applied. The application of Section 3865 did not have an impact on the Company's interim financial statements as there are no transactions which have been designated as hedges for accounting purposes.

3. Comparative Figures

Certain of the comparative figures for 2006 have been reclassified, where applicable, to conform to the presentation adopted for the current year.

4. Mineral Properties

The Company is in the exploration stage and defers all expenditures related to its mineral properties until such time as the properties are put into commercial production, sold or abandoned. Under this method, all amounts shown as mineral properties represent costs incurred to date less amounts amortized and/or written off and do not necessarily represent present or future values.

Inventory of gold floatation concentrate, gold dore bars and silver contained within the gold dore bars, produced during the bulk sampling development stage, are recorded as a component of mineral property costs. Proceeds from the sale of inventory produced during the bulk sampling stage and the carrying value of the inventory are deducted against the mineral property costs.

As at October 31, 2007, the Company had inventory of gold and silver dore bars valued at CDN$438,942.

4. Mineral Properties (Continued)

The following is a summary of mineral property expenditures for the Bralorne Property for the nine months ended October 31, 2007:

Mineral property as at January 31, 2007	$	16,709,529
Assays		16,057
Camp operations		75,353
Field office		126,874
General exploration		1,470,130
Insurance		22,574
Mine and plant building equipment		61,688
Mine power		39,492
Mill operating		4,296
Tailings pond		17,116
Taxes & permits		18,280
Increase in deferred expenditures		1,851,860
Mineral property as at October 31, 2007	$	18,561,389

5. Share Capital

a) Authorized: Unlimited common shares without par value

b) Issued:

	2007		2006	
	Shares	Amount	Shares	Amount
Balance, January 31,	13,215,554	$25,637,789	13,215,554	$26,465,789
Exercise of warrants	188,868	228,063	-	-
Exercise of stock options	85,000	83,600	-	-
Balance, April 30,	13,489,422	$25,949,452	13,215,554	$26,465,789
Exercise of warrants	32,000	38,400	-	-
Exercise of stock options	54,000	55,140	-	-
Fair value of stock options exercised	-	114,833	-	-
Balance, July 31,	13,575,422	$26,157,825	13,215,554	$26,465,789
Balance, October 31,	13,575,422	$26,157,825	13,215,554	$26,465,789

5. Share Capital (Continued)

c) Share Purchase Warrants

A summary of share purchase warrants transactions for the nine month period ended October 31, 2007 is as follows:

	Underlying Shares	Weighted Average Exercise Price
Balance, January 31, 2007	7,580,928	$1.71
Exercised	(188,868)	$1.21
Balance, April 30, 2007	7,392,060	$1.71
Exercised	(32,000)	$1.20
Balance, July 31, 2007	7,360,060	$1.71
Balance, October 31, 2007	7,360,060	$1.71

As at October 31, 2007, the following share purchase warrants were outstanding:

Number of Underlying Shares	Exercise Price	Expiry Date
1,954,707	$1.20	December 21, 2007
413,313	$1.20	December 28, 2007
446,563	$1.25	December 29, 2007
1,970,000	$1.25	December 30, 2007
600,000	$1.25	January 30, 2008
505,284	$3.25	February 8, 2008
470,193	$3.00	April 26, 2010
1,000,000	$3.00	April 26, 2010
7,360,060		

5. **Share Capital** (Continued)

d) Stock Options

A summary of the stock options granted and exercised at the period ended October 31, 2007 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2007	1,204,500	$1.14
Exercised	(85,000)	$0.98
Balance, April 30, 2007	1,119,500	$1.15
Granted	50,000	$1.16
Exercised	(54,000)	$1.02
Cancelled	(25,000)	$0.86
Balance, July 31, 2007	1,090,500	$1.16
Balance, October 31, 2007	1,090,500	$1.16

A summary of stock options outstanding and exercisable at the period ended October 31, 2007 is as follows:

Range of Exercise Prices	Number Outstanding	Weight Average Remaining Contractual Life (yr)	Weighted Average Exercise Price
$1.01 - $2.00	1,090,500	3.28	$1.16

6. **Related Party Transactions**

Related party transactions not disclosed elsewhere in these statements are as follows:

a) During the nine month period ended October 31, 2007, the Company paid, or made provision for the future payment, of the following amounts to related parties:

i) $118,392 (2006 - $94,878) for administrative expenses to Oniva International Services Corp. ("Oniva"), a private company beneficially owned by the Company and five other public companies related through common Directors;

ii) $67,500 to three private companies (2006 - $45,000 to two private companies) controlled by Directors for management fees; and

iii) $72,000 (2006 - $72,000) to a private company controlled by the President of the Company for geological consulting and general mine management.

6. Related Party Transactions (Continued)

b) The Company was billed $326,181 (2006 - $1,075,492) in drilling expenses from ABC Drilling Services Inc. ("ABC Drilling"), a private drilling company owned by Oniva, for 9,235 feet (2006 – 32,810 ft) of drilling. ABC Drilling reimbursed the Company $15,334 (2006 - $16,909) for supplies, equipment rentals, and administrative expenses incurred.

c) During the nine month period ended October 31, 2007, the Company charged $7,471 (2006 - $Nil) to Levon Resources Ltd. ("Levon"), a public company with common management and common directors for exploration related services and support.

d) Due from related parties consists of $2,931 (2006 - $5,520) from Mill Bay Ventures Inc., a public company with common management and common directors, $7,919 (2006 - $Nil) from Levon and $57,065 (2006 - $59,050) from Oniva referred to in 6.a) i) above.

e) Due to related parties consists of $80,812 (2006 - $108,660) to ABC Drilling; $27,998 (2006 - $27,998) to Coral Gold Resources Ltd., a public company with common management and common directors; and $988 (2006 - $Nil) to a private company controlled by a Director.

Related party balances are unsecured, due on demand and do not bear interest.

7. Commitment

The Company entered into a cost sharing agreement dated October 1, 1997 and amended November 1, 2003 to reimburse Oniva for a percentage of its overhead expenses, and reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses referred to above. The agreement may be terminated with one month notice by either party.

8. Subsequent Events

Subsequent to the period end the Company has granted 103,500 stock options at an exercise price of $1.16 to certain officers and employees of the Company. The stock options are exercisable on or before November 29, 2012.

Subsequent to the period end the Company amended the terms of warrants issued pursuant to private placements announced on December 5, 6, 7 and 21, 2005. The amendments extend the original expiry date and re-price the original price of the warrants as follows:

Original Expiry Date	Amended Expiry Date	Original Price	Amended Price
December 21, 2007	December 21, 2008	$1.20	$1.00 on or before June 1, 2008 $1.20 on or before Dec. 21, 2008
December 28, 2007	December 28, 2008	$1.20	$1.00 on or before June 1, 2008 $1.20 on or before Dec. 28, 2008
December 29, 2007	December 29, 2008	$1.25	$1.00 on or before June 1, 2008 $1.25 on or before Dec. 29, 2008
December 30, 2007	December 30, 2008	$1.20	$1.00 on or before June 1, 2008 $1.20 on or before Dec. 30, 2008

8. Subsequent Events (Continued)

Subsequent to the period end the Company has closed the first tranche of 487,370 units, out of a total non-brokered private placement of 1,000,000 units, at a price of $1.15 per unit, with each unit consisting of one flow-through share and one-half of a non-transferable non-flow-through share purchase warrant. Each warrant under the first closing will entitle the investor to purchase one additional non-flow-through common share for a term of 24 months at an exercise price of $1.50 per share until December 31, 2008, and thereafter at $2.00 per share until December 31, 2009.

The following discussion and analysis of the operations, results and financial position of Bralorne Gold Mines Ltd. (the "Company" or "Bralorne") for the period ended October 31, 2007 should be read in conjunction with the October 31, 2007 Consolidated Financial Statements and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated December 27, 2007 and discloses specified information up to that date. Bralorne is classified as a "venture issuer" for the purposes of National Instrument 51-102. The Company's financial statements are prepared in accordance with generally accepted accounting principles in Canada. Unless otherwise cited, references to dollar amounts are Canadian dollars.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

We recommend that readers consult the "Cautionary Statement" on the last page of this report.

Business Description

The Company is a natural resource company, primarily engaged in the acquisition, exploration and development of natural resource properties since its inception. The Company's principal business activity for the last 15 years has been the exploration and development of certain mineral properties located in the Lillooet Mining District of British Columbia in the Bridge River area near Lillooet, specifically referred to as the Bralorne Gold Mine. The Property includes mineral properties that have produced approximately 4 million ounces of gold over 40 years in the historic Bralorne gold camp of British Columbia. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol BPM, on the OTCPK under the symbol BPMSF and on the Berlin & Frankfurt Stock Exchanges under the symbol GV7. The Company is not associated in any way with a company called Bralorne Resources Limited in Calgary, Alberta.

The Property consists of 154 Crown granted mineral claims, ten freehold parcels of land, two reverted Crown granted claims and eight metric unit claims that includes the former King-Bralorne-Pioneer gold mine in the historic Bridge River gold mining camp of southwest British Columbia. The entire Bralorne-Pioneer Mine Property covers approximately 2,422 hectares. The Property is located 160 kilometres due north of Vancouver, British Columbia, Canada.

The claims comprising a small portion of the Property are subject to an underlying covenant in which the Company is required to pay 1.6385% of Net Smelter Proceeds of Production to Bralorne Resources Limited of Calgary, Alberta. In addition, there is an underlying agreement on 12 specific crown grants that requires the Company to pay to Bralorne Resources Limited of Calgary, Alberta, an amount of fifty cents ($0.50) per ton of ore produced from these claims, if the ore grade exceeds ¾ (0.75) ounce per ton gold.

Business Overview

During the third quarter ended October 31, 2007, the Company announced the completion of Phase II of a three-phase drill program. The underground portion of the program, originally designed to test for the bonanza grades intercepted in 2006, discovered the BK Zone. Partial results for the BK zone drilling are reported in news releases of April 16 and July 10 2007. In all 41 wide spaced holes were drilled to test the BK structure over a horizontal length of 900 feet and a vertical extent of 650 feet. The structure ranges in width from 2 feet to 16.3 feet and returned intercepts of up to 2.203 oz/t over 3.7 feet.

With the additional information obtained from this program, it has been concluded that the 2006 "Bonanza" structures, 1.1 ft of 11.781 oz/t and 1.2 ft of 7.203 oz/t, are probably part of the King Vein at depth and will be the target of a future program.

In order to further evaluate the significance of these intersections, the results were modeled using the Bralorne-Pioneer 3D Data Integration Project. The project was headed by Garth Kirkham, P.Geoph, P.Geo. of Beacon Hill Consultants (1988) Ltd. The results clearly indicated potential for a vein or vein structures and associated alteration zones not previously recognized. Thus, there is clear potential for additional resources to be delineated based upon further work.

Once again, the Company has enlisted the services of Beacon Hill Consultants to provide a preliminary assessment. The latest preliminary assessment approved by management of the Company outlined a $2.5 million plan.

In December 2007, the Company received permitting approval for drifting 125 metres from the Alhambra tunnel towards the new BK zone located between the historic Bralorne-King Mines. Bralorne is currently in Phase III of a three-phase $2.5 million development program outlined by Beacon Hill Consultants (Preliminary Assessment Second Update; 2007). To date, Bralorne has completed approximately $1 million in development recommendations from Beacon Hill and is scheduled to commence its drifting program in early January 2008.

In December 2007, the TSX Venture Exchange approved an application to amend the terms of the warrants expiring in December 2007. The requested amendments extend the original expiry date and re-price the original price of the warrants as follows:

Original Expiry Date	Amended Expiry Date	Original Price	Amended Price
December 21, 2007	December 21, 2008	$1.20	$1.00 on or before June 1, 2008 $1.20 on or before Dec. 21, 2008
December 28, 2007	December 28, 2008	$1.20	$1.00 on or before June 1, 2008 $1.20 on or before Dec. 28, 2008
December 29, 2007	December 29, 2008	$1.25	$1.00 on or before June 1, 2008 $1.25 on or before Dec. 29, 2008
December 30, 2007	December 30, 2008	$1.20	$1.00 on or before June 1, 2008 $1.20 on or before Dec. 30, 2008

Results of Operations

Three months ended October 31, 2007 compared with the three months ended October 31, 2006.

Head office-general and administrative expenses

General and administrative expenses totaled $113,642 for the quarter ended October 31, 2007 compared with $131,733 for the quarter ended October 31, 2006, a decrease of $18,091. This decrease is attributed to decreases of $7,343 in office, occupancy and miscellaneous, $17,763 in professional fees, $1,482 in shareholder information and $14,896 in stock-based compensation. Offsetting these cost reductions were increases of $7,125 in consulting fees and $14,711 in salaries and benefits. Consulting fees were higher in the current quarter because the C.E.O. is being paid a monthly fee in the current quarter whereas he did not receive a monthly fee in the prior years' quarter. Salaries and benefits expenses increased due to an increase in personnel. More personnel have been required to handle the increasing regulatory and financial reporting demands placed on public companies. Professional fees were lower in the current quarter due to much lower legal costs whereas there were legal costs associated with a Toronto Stock Exchange listing application in the prior period. The office, occupancy and miscellaneous expenses were fairly consistent with the prior year's quarter except for lower insurance costs in the current quarter which accounted for the overall decrease.

Loss for the period

Loss for the quarter ended October 31, 2007 was $96,635 compared with a loss of $80,561 for the quarter ended October 31, 2006, an increase of $16,074. While general and administrative expenses decreased as discussed above, there was a reduction of $34,165 in interest income in the current quarter which resulted in an overall increase in loss. Interest has been earned on the private placement proceeds that were acquired in the last quarter of fiscal 2006 and those funds have slowly been depleted.

Nine months ended October 31, 2007 compared with the nine months ended October 31, 2006

Head office-general and administrative expenses

General and administrative expenses totalled $413,111 for the nine months ended October 31, 2007 with a comparative expense of $418,604 for the nine months ended October 31, 2006, a decrease of $5,493. Such as the case with the three month comparison discussed above, there were increases and decreases in various expense categories. In regards to increases, most significant is an increase of $37,400 in shareholder information due to more agreements for investor relations services compared to the prior year's period. As well there were increases of $19,996 in consulting fees, $14,781 in stock-based compensation, $6,281 in automobile expense and $1,408 in salaries and benefits. Consulting fees were higher for the same reason as the three month period comparison. Conversely, there were decreases of $13,127 in listing and filing fees, $22,789 in office, occupancy and miscellaneous costs, $38,943 in professional fees, and $10,200 in travel and accommodation. The higher listing and filing fees and professional fees in the period ended October 31, 2006 were due to the Company's attempt to get listed on the Toronto Stock Exchange. Overall trade show participation was less in the current period which accounts for the reduction in travel and accommodation costs.

Loss for the period

Loss for the nine months ended October 31, 2007 was $341,030 compared with a loss of $212,777 for the nine months ended October 31, 2006, an increase of $128,253. Whereas general and administrative expenses discussed above accounted for a $5,493 decrease in costs for the current period, other items caused an overall increase in loss for the period. Interest income was $77,601 in the current period compared to $141,848 in the nine months ended October 31, 2006, a decrease of $64,247. A cost recovery of $75,000 in financing fees for the nine months ended October 31, 2007 compared to no cost recoveries in the current period was another significant factor. A further item was a foreign exchange loss of $11,021 in the period ended October 31, 2006 compared to no such gains or losses for the current period.

Summary of Quarterly Results

Period ended	Oct 31 2007 Q3	Jul 31 2007 Q2	Apr 30 2007 Q1	Jan 31 2007 Q4	Oct 31 2006 Q3	Jul 31 2006 Q2	Apr 30 2006 Q1	Jan 31 2006 Q4
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net Income (Loss)	(96,635)	(136,013)	(108,382)	613,938	(80,561)	(24,811)	(107,405)	(1,344,131)
Loss per Share	(0.01)	(0.01)	(0.01)	0.05	(0.01)	(0.00)	(0.01)	(0.16)

The Company experienced a reduction in exploration activities and cost cutting measures were taken to reduce general and administrative expenses just prior to the quarter ended January 31, 2006. While these costs were being reduced, efforts were being made to investigate and secure additional financing, the proceeds of which came to fruition in the quarter ended January 31, 2006. It was this quarter that the Company cancelled all outstanding stock options and granted new ones which resulted in a stock-based compensation expense of $1,140,559. The most recent quarters have seen an increase in overall expenses due to an increase in exploration activities; however, there has been interest revenue in the five quarters since January 31, 2006 which has reduced the loss or added to the income. Interest income in the most recent quarter was $17,007 which is less than the previous quarters. Interest is expected to decrease further until additional cash is raised. The reason the quarter ended January 31, 2007 shows an income instead of a loss is due to a future income tax recovery of $828,000 recorded in that period. The only other quarter to record such a recovery was the quarter ended January 31, 2006 for an amount of $24,504.

Liquidity and Capital Resources

During the nine months ended October 31, 2007 the Company has accrued $1,851,860 towards mineral exploration on its Bralorne Property. The mill has been shut down to allow more concentration and total emphasis on our drilling program. In conjunction with the exploration activities, work concerning environmental studies and compliance measures continues. At this time the Company has no operating revenues.

At October 31, 2007, the Company held CDN$438,942 worth of gold dore bars and silver in inventory and had working capital of $801,026 and cash and cash equivalents of $996,999. The Company is continuing its exploration drilling program and has outlined a plan to spend approximately $2.5 million on the BK Zone. The Company has sufficient cash on hand at this time to finance the limited exploration work on its mineral properties and maintain administrative operations through January 31, 2008. Recently the Company has arranged a private placement to raise upwards of $1,150,000 in flow-through funds before the end of the 2008 fiscal year. The Company looks to raise additional capital through the exercising of warrants that have an expiry date in December 2008 and if necessary, additional private placements.

The Company is in the exploration stage. The investment in and expenditures on the mineral property comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Mineral exploration and development is capital extensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Transactions with Related Parties

During nine months period ended October 31, 2007, the Company paid, or made provision for the future payment, of the following amounts to related parties:

i) $118,392 (2006 - $94,878) for administrative expenses to Oniva International Services Corp. ("Oniva"), a private company beneficially owned by the Company and five other public companies related through common Directors;

ii) $67,500 to three private companies (2006 – $45,000 to two private companies) controlled by Directors for management fees; and

iii) $72,000 (2006 - $72,000) to a private company controlled by the President of the Company for geological consulting and general mine management.

The Company was billed $326,181 (2006 - $1,075,492) in drilling expenses from ABC Drilling Services Inc. ("ABC Drilling"), a private drilling company owned by Oniva, for 9,235 feet (2006 – 32,810 ft) of drilling. ABC Drilling reimbursed the Company $15,334 (2006 - $16,909) for supplies, equipment rentals, and administrative expenses incurred.

During nine months period ended October 31, 2007, the Company charged $7,471 (2006 - $Nil) to Levon Resources Ltd. ("Levon"), a public company with common management and common directors for exploration related services and support.

Amounts due from related parties consist of $2,931 (2006 - $5,520) from Mill Bay Ventures Inc., a public company with common management and common directors, $7,919 (20 6 - $Nil) from Levon, and $57,065 (2006 - $59,050) from Oniva.

Amounts due to related parties consist of $80,812 (2006 - $108,660) to ABC Drilling; $27,998 (2006 - $27,998) to Coral Gold Resources Ltd., a public company with common management and common directors; and $988 (2006 - $Nil) to a private company controlled by a Director.

Related party balances are unsecured, due on demand and do not bear interest.

Disclosure of Management Compensation

During the quarter ended October 31, 2007, $24,000 was paid to the President for services as director and officer of the Company; $7,500 was paid to the C.E.O. for services as director and officer of the Company; $7,500 was paid to the V.P., Finance for services as director and officer of the Company; $7,500 was paid to the V.P., Operations for services as director and officer of the Company; and $2,550 was paid to the Secretary for services as an officer of the Company.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian GAAP 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 revenues and expenses during the period. Actual results may differ from those estimates.

Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, accounts receivable, interest receivable, share subscriptions receivable and accounts payable approximate their fair value because of the short-term nature of these instruments. It is not practical to determine the fair value of the amounts due to and from related parties with sufficient reliability due to the nature of the financial instruments, the absence of secondary markets, and the significant cost of obtaining outside appraisals.

The Company extends credit to related parties and various third parties in the course of its exploration activities. The Company performs ongoing credit evaluations of its receivables and believes it has made adequate provisions for potential credit losses.

The Company places its cash and cash equivalents with high credit quality financial institutions.
The Company is not exposed to significant interest or currency risk arising from these financial instruments.

Changes in Accounting Policies

In early 2005, the CICA issued new standards for Comprehensive Income (CICA 1530), Financial Instruments (CICA 3855) and Hedges (CICA 3865), which are effective for fiscal years beginning on or after October 1, 2006. The new standards bring Canadian rules more into line with current rules in the United States. These new standards do no affect the Company at present and consequently no statement of comprehensive income is required to be included with the interim financial statements.

Section 1530 introduces the concept of comprehensive income, which includes net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from such items as unrealized foreign currency translation gains or losses arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale investments, and changes in the fair value of the effective portion of cash flow hedging instruments. The application of this new standard did not result in comprehensive income being different from net income for the periods presented in the interim financial statements.

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It also specifies how financial instrument gains and losses are to be presented. All financial instruments must be classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Initial and subsequent recognition and measurement of changes in the value of financial instruments depends on their initial classification. The application of Section 3855 did not have an impact on the Company's interim financial statements.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes, and specifies how hedge accounting is applied and what disclosures are necessary when it is applied. The application of Section 3865 did not have an impact on the Company's interim financial statements as there are no transactions which have been designated as hedges for accounting purposes.

Outstanding Share Data

Common Shares

As at December 27, 2007, there were 13,575,422 common shares issued and outstanding.

Stock Options

The following is a summary of incentive stock options outstanding as of December 27, 2007:

Exercise Price Per Share	Expiry Date	Number of Shares Remaining Subject to Options
$1.16	January 16, 2011	1,040,500
$1.16	July 23, 2012	50,000
		1,090,500

Warrants

The following is a summary of warrants outstanding as of December 27, 2007:

Exercise Price	Expiry Date	Underlying Shares
$1.00 / $1.20	June 1, 2008 / December 21, 2008	1,954,707
$1.00 / $1.20	June 1, 2008 / December 28, 2008	413,313
$1.00 / $1.25	June 1, 2008 / December 29, 2008	446,563
$1.00 / $1.20	June 1, 2008 / December 30, 2008	1,970,000
$1.25	January 30, 2008	600,000
$3.25	February 8, 2008	505,284
$3.00	April 26, 2010	470,193
$3.00	April 26, 2010	1,000,000
		7,360,060

Commitment

The Company entered into a cost sharing agreement dated October 1, 1997 and amended November 1, 2003 to reimburse Oniva a percentage of its overhead expenses, and reimburse

100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses referred to above. The agreement may be terminated with one month notice by either party.

Internal Controls Over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company assessed the design of the internal controls over financial reporting as at October 31, 2007 and concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and
b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken initial steps to mitigate these risks by consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary. However, these weaknesses in internal controls over financial reporting could result in a more than remote likelihood that a material misstatement would not be prevented or detected. The Company believes that it must take additional steps to further mitigate these risks by consulting outside advisors on a regular and timely basis.

There have been no changes in the Company's internal controls over financial reporting that occurred during the quarter ended October 31, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of December 27, 2007. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.