

New Millennium Capital Corp.
Consolidated Financial Statements
December 31, 2005

Auditors' Report	2 - 3
Financial Statements	
Consolidated Balance Sheet	4
Consolidated Earnings	5
Consolidated Deficit	6
Consolidated Contributed Surplus	6
Consolidated Cash Flows	7
Notes to Consolidated Financial Statements	8 - 19

Auditors' Report

To the Shareholders of
New Millennium Capital Corp.

We have audited the consolidated balance sheet of New Millennium Capital Corp. as at December 31, 2005 and the consolidated statements of earnings, deficit, contributed surplus and cash flows for the year 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 audit.

We conducted our audit 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at December 31, 2004 and for the year then ended, prior to adjustments for the change in accounting policy for recognition of the tax effects related to renounced deductions on flow-through shares as described in Note 2 and the adjustments for the correction of an accounting error as described in Note 10, were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 30, 2005. We have audited the adjustments to the 2004 financial statements and in our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

/S/ Raymond Chabot Grant Thornton LLP

Chartered Accountants

Montréal
March 17, 2006

New Millennium Capital Corp.

Consolidated Balance Sheet

December 31, 2005

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	4,037,888	3,317,664
Term deposits (Note 5)	4,298,391	
Sales taxes receivable and other	244,159	280,138
Deferred financing costs (Note 6)	46,429	
	<u>8,626,867</u>	<u>3,597,802</u>
Advances on contracts	145,000	
Property and equipment (Note 7)	76,169	50,700
Mineral properties (Note 8)	9,606,963	4,529,538
	<u>18,454,999</u>	<u>8,178,040</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,156,449	223,674
Loan payable (Note 9)	2,000,000	
	<u>3,156,449</u>	<u>223,674</u>
Future income taxes (Note 11)	1,230,504	464,796
	<u>4,386,953</u>	<u>688,470</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 10)	14,554,941	7,408,191
Contributed surplus	1,531,910	796,500
Deficit	(2,018,805)	(715,121)
	<u>14,068,046</u>	<u>7,489,570</u>
	<u>18,454,999</u>	<u>8,178,040</u>

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

/S/ Robert A. Martin
Director

/S/ William Almdal
Director

New Millennium Capital Corp.

Consolidated Earnings

Year ended December 31, 2005

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Revenue		
Interest	<u>93,631</u>	22,157
Expenses		
General and administrative	901,658	292,505
Market development	540,384	
Professional fees	404,734	75,101
Stock-based compensation		
Employees and directors	23,000	477,661
Consultants	37,000	57,239
Evaluation		16,447
Amortization of property and equipment	39,257	6,735
Amortization of deferred financing costs	<u>83,751</u>	
	<u>2,029,784</u>	925,688
Loss before income taxes	<u>(1,936,153)</u>	(903,531)
Future income taxes (Note 11)	<u>632,469</u>	192,402
Net loss	<u>(1,303,684)</u>	<u>(711,129)</u>
Loss per share - basic and diluted	<u>(0.03)</u>	<u>(0.04)</u>
Weighted average number of shares outstanding	<u>42,355,537</u>	<u>17,260,656</u>

The accompanying notes are an integral part of the consolidated financial statements.

New Millennium Capital Corp.
Consolidated Deficit
Consolidated Contributed Surplus

Year ended December 31, 2005

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
CONSOLIDATED DEFICIT		
Balance, beginning of year		
As reported	976,721	3,992
Adjustment for prior year error (Note 10)	<u>(261,600)</u>	
As restated	715,121	3,992
Net loss	<u>1,303,684</u>	711,129
Balance, end of year	<u><u>2,018,805</u></u>	<u><u>715,121</u></u>
CONSOLIDATED CONTRIBUTED SURPLUS		
Balance, beginning of year	796,500	
Stock-based compensation expense		
Employees and directors	23,000	477,661
Consultants	37,000	57,239
Agents	545,230	261,600
Warrants issued in consideration of loan without interest	<u>130,180</u>	
Balance, end of year	<u><u>1,531,910</u></u>	<u><u>796,500</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

New Millennium Capital Corp. Consolidated Cash Flows

Year ended December 31, 2005

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
OPERATING ACTIVITIES		
Net loss	(1,303,684)	(711,129)
Non-cash items		
Amortization of property and equipment	39,257	6,735
Stock-based compensation expense		
Employees and directors	23,000	477,661
Consultants	37,000	57,239
Amortization of deferred financing costs	83,751	
Future income taxes	<u>(632,469)</u>	<u>(192,402)</u>
	<u>(1,753,145)</u>	<u>(361,896)</u>
Changes in working capital items (Note 12)	<u>328,843</u>	<u>(77,328)</u>
Cash flows from operating activities	<u>(1,424,302)</u>	<u>(439,224)</u>
INVESTING ACTIVITIES		
Term deposits	(4,298,391)	
Property and equipment	(64,726)	(57,435)
Mineral properties	(4,437,514)	(2,185,788)
Advances on contracts	<u>(145,000)</u>	
Cash flows from investing activities	<u>(8,945,631)</u>	<u>(2,243,223)</u>
FINANCING ACTIVITIES		
Loan payable	2,000,000	
Issuance of common shares	9,691,333	5,770,000
Share issue costs	<u>(601,176)</u>	<u>(530,714)</u>
Cash flows from financing activities	<u>11,090,157</u>	<u>5,239,286</u>
Net increase in cash and cash equivalents	720,224	2,556,839
Cash and cash equivalents, beginning of year	<u>3,317,664</u>	<u>760,825</u>
Cash and cash equivalents, end of year	<u><u>4,037,888</u></u>	<u><u>3,317,664</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

1 - GOVERNING STATUTES, NATURE OF OPERATIONS AND GOING CONCERN

New Millennium Capital Corp. (the "Company") was incorporated pursuant to the provisions of the Alberta Business Corporations Act on August 8, 2003. The Company was classified as a capital pool company as defined pursuant to TSX Venture Exchange Policy 2.4. During 2004, the Company completed its qualifying transaction (Note 4).

The Company is in the process of exploring and evaluating mineral properties and projects, and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and deferred exploration costs is dependent upon the ability of the Company to obtain necessary financing to complete the exploration, development and discovery of economically recoverable reserves in the mineral properties, upon the renewal of the underlying mineral claims, maintaining of the Company's interest in the underlying mining titles and compliance with filing obligations, and upon future profitable production of these reserves or sufficient proceeds from the disposition thereof.

2 - ACCOUNTING CHANGE

Based on Emerging Issues Committee's EIC-146 relating to flow-through shares, the Company has revised its accounting policy regarding the recognition of the tax effects to the Company related to renounced deductions on issue of flow-through shares. Previously, the Company recognized the tax effect related to such renounced deductions when the expenditures were renounced. Effective 2005, the Company recognizes the future income tax liability and reduces the shareholders' equity on the date the Company files the renouncement documents with tax authorities to renounce the tax credits associated with the expenditures, provided there is reasonable assurance that the expenditures will be made. Accordingly, the following table presents the retroactive impact of this change in accounting policy:

	<u>2005</u>	<u>Restated 2004</u>
	\$	\$
Increase (decrease) in capital stock - tax effect	(1,614,600)	1,614,600
Increase (decrease) in future income tax liability	1,614,600	(1,614,600)

In February 2006, the Company filed the renouncement documents relating to the flow-through shares of \$4,000,000 issued in 2005. The corresponding decrease in capital stock and the increase in future income taxes relating to these flow-through shares of \$1,440,000 will be accounted for in 2006.

3 - ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from these estimates.

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

3 - ACCOUNTING POLICIES (Continued)

Principles of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary Labmag Services Inc., the 80%-owned subsidiary Labmag GP Inc. and its 80% interest in Labmag Limited Partnership.

In accordance with the Partnership agreement between Labmag Limited Partnership and the Company, the Company shall be responsible for providing and arranging for all capital in excess of initial contributions of each partner and operating costs for exploration until commercial production commences. Consequently, the Company included 100% of assets, liabilities and losses excluding the initial contribution of the Partner holding the 20% interest in the Partnership in the consolidated financial statements.

Cash and cash equivalents

The Company's policy is to present cash and temporary investments having a term of three months or less from the acquisition date with cash and cash equivalents.

Mineral properties

Costs relating to the acquisition, exploration and development of mineral properties are capitalized on an area of interest basis. These expenses will be charged against revenue, through unit of production depletion, when properties are developed to the stage of commercial production. If an area of interest is abandoned, or management determines that there is a permanent and significant decline in value, the related costs are charged to operations. The Company reviews the carrying values of mineral property interests on a quarterly basis by reference to the project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, and the extent to which optionees have committed, or are expected to commit to, exploration on the property. When it becomes apparent that the carrying value of the property exceeds its estimated net recoverable amount based on the foregoing criteria, an impairment is recognized.

Amortization

Property and equipment are amortized over their estimated useful lives according to the straight-line method over the following period:

	<u>Period</u>
Office furniture and equipment	18 to 60 months

Deferred financing costs

Deferred financing costs are amortized on a straight-line basis over the term of the loan.

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

3 - ACCOUNTING POLICIES (Continued)

Income taxes

Income taxes are recorded using the liability method of tax allocation. Future income taxes are calculated based on temporary timing differences arising from the difference between the tax basis of an asset or liability and its carrying value using tax rates anticipated to apply in the periods when the timing differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Earnings (loss) per share

Basic earnings (loss) per common share is computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. For the years presented, this calculation proved to be anti-dilutive. The treasury stock method is used to determine the dilutive effect of stock options and warrants, as described in Note 10. Under the treasury stock method, only "in-the-money" dilutive instruments impact the dilution calculations.

Share issue costs

Share issue costs are recorded as a decrease of capital stock.

Stock-based compensation

The Company has a stock option plan as described in Note 10. Effective January 1, 2004, the Company has adopted the fair value method of recognizing all stock-based compensation awards. Such stock-based compensation expense for all options granted under the Company's option plan is determined using the fair value method and the fair value of the stock options is determined using the Black-Scholes option pricing model and is recognized over the vesting period of such options.

When directors, officers, employees and consultants exercise their stock options, the capital stock is credited by the sum of the consideration paid by directors, officers, employees and consultants together with the related portion previously credited to contributed surplus when compensation costs were charged against income.

Asset retirement obligations

During the course of acquiring and exploring potential mining properties, the Company must comply with government regulated environmental evaluation, updating and reclamation requirements. The estimated costs of complying with these requirements are capitalized as mineral properties and the corresponding liability is increased accordingly. The carrying value will be amortized over the life of the related assets on a unit-of-production basis and the related liabilities are accreted to the original value estimate. Asset retirement obligations, if any, cannot be determined at this time and no amount has been recorded in these financial statements.

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

3 - ACCOUNTING POLICIES (Continued)

Fair value of financial instruments

The fair value of cash and cash equivalents, term deposits, other receivables, loan payable and accounts payable and accrued liabilities approximates their carrying amount given that they will mature shortly.

Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Future income tax liability is increased and capital stock is reduced by the estimated tax benefits transferred to shareholders.

4 - ACQUISITION AND QUALIFYING TRANSACTION

In 2004, pursuant to an asset purchase agreement, the Company acquired an 80% interest in 256 mineral licenses, known as the Labmag Property, that are located in Western Labrador, Canada, for the following consideration:

	\$
Cash	400,000
6,000,000 common shares	1,500,000
	<u>1,900,000</u>
Assets acquired	2,743,750
Future income taxes	(843,750)
	<u>1,900,000</u>

The licenses were acquired from a company related by virtue of two directors of the Company owning 40% of the shares of the vendor.

The acquisition was recorded at the fair market value of the mineral interests. The terms of the purchase were negotiated with the vendors by an independent committee of the directors who had no interest in the assets acquired.

In addition, the transaction was completed using Section 85(1) of the Income Tax Act of Canada and, as a result, the adjusted cost base for tax purposes was agreed to be \$400,000.

5 - TERM DEPOSITS

	2005	Restated 2004
	\$	\$
Term deposits, 3.13%, maturing in February 2006	4,257,679	
Term deposits, 2.6%, maturing in March and June 2006	40,712	
	<u>4,298,391</u>	<u>—</u>

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

6 - DEFERRED FINANCING COSTS

Deferred financing costs relate to the fair value of warrants, using the Black-Scholes model, issued by the Company in consideration of a loan without interest. The deferred financing costs are amortized on a straight-line basis over the life of the loan.

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Fair value of warrants issued (Note 10)	130,180	
Amortization	83,751	
	<u>46,429</u>	<u>—</u>

7 - PROPERTY AND EQUIPMENT

	<u>2005</u>		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Office furniture and equipment	122,161	45,992	76,169

	Restated <u>2004</u>		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Office furniture and equipment	57,435	6,735	50,700

8 - MINERAL PROPERTIES

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Mineral licenses - Labmag Property	2,738,600	2,743,750
Mineral licenses - Other properties	45,094	20,586
	<u>2,783,694</u>	<u>2,764,336</u>
Drilling	2,569,045	1,111,666
Resource evaluation	2,386,390	181,892
Environmental	954,617	9,216
Field labour and supplies	394,549	174,931
Exploration	243,953	13,042
Legal fees	181,309	181,309
Geological and evaluation	93,406	93,146
	<u>6,823,269</u>	<u>1,765,202</u>
	<u>9,606,963</u>	<u>4,529,538</u>

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

8 - MINERAL PROPERTIES (Continued)

The above assets represent the Company's investment in the Labmag Property located in Western Labrador, Canada, amounting to \$9,317,916, and Other properties located in Newfoundland and Québec, Canada, amounting to \$289,047.

9 - LOAN PAYABLE

The loan payable is without interest and repayable by March 15, 2006. As consideration for the loan, the Company has issued to the lender 1,000,000 warrants to purchase common shares, at an exercise price of \$0.75 per share, exercisable until August 15, 2007. The fair value of these warrants at the date of granting was \$130,180 and is amortized over the duration of the loan.

10 - CAPITAL STOCK

Authorized

Unlimited number of shares

Common shares

Preferred shares, issuable in series, without nominal or par value

	Number of common shares	Amount \$
Issued and fully paid		
Balance, as at December 31, 2003	10,000,000	743,953
Issued on acquisition of mining claims	6,000,000	1,500,000
Issued for cash	5,000,000	1,250,000
Issued for cash on a flow-through basis	15,000,000	4,500,000
Tax effect of flow-through shares		(1,614,600)
Issued on exercise of stock options	200,000	20,000
Share issue costs		(530,714)
Tax effect of share issue costs		186,552
Balance, as at December 31, 2004, as reported	36,200,000	6,055,191
Change in accounting policy (Note 2)		1,614,600
Adjustment for prior year error		(261,600)
Balance, as at December 31, 2004, as restated	36,200,000	7,408,191
Issued for cash	6,000,000	3,000,000
Issued for cash on a flow-through basis	8,000,000	4,000,000
Tax effect of flow-through shares		(1,614,600)
Issued for cash on exercise of share purchase warrants	6,192,166	2,631,333
Issued for cash on exercise of stock options	600,000	60,000
Share issue costs		(1,146,406)
Tax effect of share issue costs		216,423
Balance, as at December 31, 2005	56,992,166	14,554,941

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

10 - CAPITAL STOCK (Continued)

Accounting error

During 2004, the Company granted 2,000,000 common share options to the agents involved in a private offering. The fair value of these options was calculated as \$261,600 and incorrectly recorded and presented as stock-based compensation expense on the Company's consolidated 2004 statement of earnings. The prior year's figures have been restated to properly reflect this transaction as share issue costs. As such, the effect of the adjustment of the error to the consolidated 2004 statements is a decrease in the net loss and consolidated deficit of \$261,600 and a corresponding decrease in the capital stock of \$261,600.

Stock options

The Company has adopted an incentive stock option plan whereby options may be granted from time to time to directors, officers, employees and consultants of the Company with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares. The exercise price of each option is equivalent to the common share market closing price on the day before the option grant less a permitted discount. The vesting period is determined by the Board of Directors and the maximum term of these options is five years.

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

	2005		Restated 2004	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning of year	3,550,000	0.26	1,000,000	0.10
Granted	1,240,000	0.53	2,550,000	0.32
Expired	(30,000)	0.47	—	—
Balance, end of year	<u>4,760,000</u>	0.33	<u>3,550,000</u>	0.26
Options exercisable, end of year	<u>3,695,000</u>	0.27	<u>3,500,000</u>	0.26

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

10 - CAPITAL STOCK (Continued)

The Company has also granted stock options to the agents involved in the Company's private offerings. A summary of these stock options is as follows:

	2005		Restated 2004	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning of year	2,600,000	0.25	800,000	0.10
Granted	1,400,000	0.50	2,000,000	0.30
Exercised	(600,000)	0.30	(200,000)	0.10
Balance, end of year	<u>3,400,000</u>	<u>0.35</u>	<u>2,600,000</u>	0.25
Options exercisable, end of year	<u>3,400,000</u>	<u>0.35</u>	<u>2,600,000</u>	0.25

Options exercisable and outstanding as at December 31, 2005 as set forth in the previous tables are as follows:

<u>Exercise price</u>	<u>Number of exercisable options</u>	<u>Number of outstanding options</u>	<u>Remaining contractual years</u>
\$0.10	1,000,000	1,000,000	2.6
\$0.30	4,080,000	4,080,000	2.1
\$0.36	225,000	225,000	3.7
\$0.45	50,000	50,000	4.6
\$0.47	215,000	215,000	3.8
\$0.50	1,500,000	1,700,000	2.1
\$0.52	25,000	25,000	4.7
\$0.55		865,000	4.8
	<u>7,095,000</u>	<u>8,160,000</u>	2.6

The weighted average fair value of stock options granted during the current year was \$0.38 per share (\$0.18 per share in 2004). The fair value of each option was estimated on the date of grant using the Black-Scholes model. The following assumptions were used:

	2005	Restated 2004
Risk-free interest rate	3.2%	4%
Expected life (years)	1.9	4.5
Estimated volatility of the market price of the common shares	79%	90%
Dividend yield	Nil	Nil

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

10 - CAPITAL STOCK (Continued)

Escrow

Pursuant to an escrow agreement, 4,800,000 common shares are held in escrow as at December 31, 2005. 1,200,000 common shares will be released at each six-month anniversary of the final exchange bulletin of the qualifying transaction until all common shares have been released from escrow.

Capital stock offering

On December 1, 2005, the Company completed a private offering whereby 6,000,000 regular units were issued at a price of \$0.50 per unit for gross proceeds of \$3,000,000, and 8,000,000 flow-through units were issued at a price of \$0.50 per unit for gross proceeds of \$4,000,000. Each regular unit consisted of one common share and one-half common share purchase warrant of the Company, exercisable for a period of two years at \$0.75 per whole warrant. Each flow-through unit consisted of one flow-through common share. The agents of the offering were paid fees of \$505,000 and were granted 1,400,000 common share options, exercisable at a price of \$0.50 per share. These agent options expire by May 30, 2007.

On August 11, 2004, the Company completed a private offering whereby 5,000,000 regular units were issued at a price of \$0.25 per unit for gross proceeds of \$1,250,000, and 15,000,000 flow-through units were issued at a price of \$0.30 per unit for gross proceeds of \$4,500,000. Each regular unit consisted of one common share and one common share purchase warrant of the Company, exercisable at \$0.40 per warrant. Each flow-through unit consisted of one flow-through common share and one common share purchase warrant of the Company, exercisable at \$0.50 per share. The agents of the offering were paid agency fees of \$460,000 and were granted 2,000,000 common share options, exercisable at a price of \$0.30 per share. These agent options expire by February 10, 2006.

Share purchase warrants

As at December 31, 2005, the Company had share purchase warrants outstanding for the issuance of up to 4,000,000 common shares, at \$0.75 per share, expiring by December 1, 2007.

11 - INCOME TAXES

The Company has recorded a future income tax recovery and future income tax liabilities arising from temporary differences between accounting values and tax base values of various net capital assets of the Company. The future income tax recovery is summarized as follows:

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Loss before income taxes	<u>(1,936,153)</u>	<u>(903,531)</u>
Combined federal and provincial tax rate	<u>36%</u>	<u>36%</u>

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

11 - INCOME TAXES (Continued)

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Computed income tax recovery	(697,015)	(325,271)
Stock-based compensation expense	21,600	192,563
Deferred financing costs	30,086	
Share issue costs		(49,447)
Other items	12,860	(10,247)
	<u>(632,469)</u>	<u>(192,402)</u>

The future income tax liabilities as at December 31, 2005 are summarized as follows:

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Mineral properties	2,458,350	843,750
Non-capital losses carried-forward	(910,861)	(192,402)
Share issue costs	(316,985)	(186,552)
	<u>1,230,504</u>	<u>464,796</u>

The Company has non-capital tax losses, which are available to reduce income taxes in the future years. They aggregate \$2,529,000 and can be carried over the following years:

	\$
2010	16,000
2014	503,000
2015	<u>2,010,000</u>
	<u>2,529,000</u>

12 - INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

The changes in working capital items are detailed as follows:

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Sales taxes receivable and other	35,979	(280,138)
Accounts payable and accrued liabilities	292,864	202,810
	<u>328,843</u>	<u>(77,328)</u>

Included in the accounts payable and accrued liabilities is an amount of \$639,911 (nil in 2004) pertaining to additions to mineral properties.

In 2005, the Company granted 1,400,000 stock options (2,000,000 in 2004) to its agents in consideration of share issue costs. These options valued at \$545,230 (\$261,600 in 2004) are excluded from the consolidated statement of cash flows as they are non-monetary transactions.

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

12 - INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

In 2004, the Company issued 6,000,000 common shares as partial consideration for the purchase of mineral interests.

Cash flows relating to income taxes and interest on operating activities are detailed as follows:

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Income taxes paid	2,077	-
Interest received	115,788	-

13 - RELATED PARTY TRANSACTIONS

The Company, principally through Labmag Limited Partnership, incurred the following transactions with the directors and companies controlled by the directors:

	<u>2005</u>	Restated <u>2004</u>
	\$	\$
Deferred exploration costs	17,381	-
General and administrative expenses	83,102	15,490
Professional fees	199,794	2,900

These transactions, concluded in the normal course of operations, were measured at the exchange amount, which is the amount of consideration established and accepted by the parties.

In addition, in 2004, the Company purchased an 80% interest in mineral licenses from a company related by virtue of two directors of the Company owning 40% of the shares in the vendor company. This transaction, not concluded in the normal course of operations, was also measured at the exchange amount.

14 - COMMITMENTS AND CONTINGENCY

After undertaking the issue of flow-through shares in 2005, the Company fulfilled its spending commitments by incurring an excess of \$1,200,000 on Canadian properties for the current year. The Company has spending commitments of \$2,800,000 by December 31, 2006. If the Company is not able to fulfill these commitments, Canadian exploration expenses renounced in 2005 will be rescinded and the Company will be required to indemnify the subscribers for such flow-through shares for losses suffered as a result of not recovering all such expenses. The Company expects to fulfil the spending commitments.

The Company has entered into a gross lease for office premises to August 31, 2006 with annual payments of \$36,248.

New Millennium Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2005

14 - COMMITMENTS AND CONTINGENCY (Continued)

Also, the Company is committed through Labmag Limited Partnership to pay aggregate royalties of 2.33% of gross revenues from the mineral interests acquired in 2004. Under certain conditions, these royalties may be reduced to 2% by August 2006.

15 - COMPARATIVE FIGURES

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