

New Millennium Capital Corp.  
THIRD QUARTER REPORT  
2007

## MESSAGE TO SHAREHOLDERS

New Millennium Capital Corp. (“NML” or the “Company”) is pleased to report its unaudited financial and operational results for the nine month period ended September 30, 2007.

The significant third quarter events were:

- an increase in LabMag’s estimated mineral resources by 25%
- the announcement of the company’s ability to produce direct reduced grade (“DR”) pellets
- the engagement of Credit Suisse as the Company’s lead financial advisor
- the completion of a positive KéMag Preliminary Assessment Study
- the announcement of the Company’s exposure to the asset-backed commercial paper (“ABCP”) market
- the commencement of a \$5 million private placement

## MANAGEMENT’S DISCUSSION AND ANALYSIS

*The following discussion and analysis of the financial results for the interim period ended September 30, 2007 should be read in conjunction with the Company’s unaudited interim consolidated financial statements and related notes contained in this report and the audited consolidated financial statements and MD&A for the year ended December 31, 2006 and 2005.*

*Certain statements included in this discussion may constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include changes in government regulations, general economic conditions and business conditions, which among other things may affect demand for the Company’s services and the ability of the Company to implement its business strategy.*

## RESULTS OF OPERATIONS

### Increase in Estimated LabMag Mineral Resources

On July 17, 2007, NML provided an update about several corporate initiatives and activities, including the increase of estimated LabMag mineral resources by 25%.

The total addition to estimated Measured and Indicated Resources as a result of the 2006 LabMag drill program is 925 million tonnes. Based on the previously reported<sup>1</sup> total estimated Measured and Indicated Resources of 3,665 million tonnes, this represents a total increase of 25%.

The addition of the Block C resource to the previously defined LabMag mineral resource, coupled with the KéMag resource, bring NML’s total estimated Measured and Indicated Resources in the Millennium Iron Range to 5.9 billion tonnes<sup>2</sup>. This includes 3.5 billion tonnes<sup>3</sup> of Proven and Probable Reserves. In addition, the two deposits include a further 2.1 billion tonnes<sup>4</sup> which are classified as Inferred Mineral Resources.

<sup>1</sup> News releases 06-07 (April 13, 2006), 06-13 (July 5, 2006) and 07-03 (February 6, 2007).

<sup>2</sup> Measured: 3.768 billion tonnes; indicated: 2.171 billion tonnes.

<sup>3</sup> Proven: 2.981 billion tonnes; probable: 0.564 billion tonnes.

<sup>4</sup> Inferred: 2.143 billion tonnes.

### **Ability to produce DR grade pellets**

Midrex Technologies Inc. (“Midrex”), the world’s largest supplier of direct reduced iron (“DRI”) plants, conducted tests at its Charlotte, North Carolina facility on laboratory produced NML DR pellets. They concluded that these pellets perform well in standard Midrex tests and, as a consequence, Midrex expects that commercially produced pellets made from NML concentrates will be a suitable feedstock for the Midrex DR Process®. DRI is the fastest growing sector in the steel industry.

### **Engagement of Credit Suisse as Lead Financial Advisor**

On July 19, 2007 NML announced the engagement of Credit Suisse Securities (Canada) Inc. as its lead financial advisor with respect to the commercial development of its world class LabMag and KéMag properties. Credit Suisse will be working in conjunction with Miller Mathis & Co., LLC, previously engaged to assist in the projects' development.

### **Positive KéMag Preliminary Assessment Study Results**

On July 30, 2007 NML announced the results of the Preliminary Assessment undertaken on its 100% owned KéMag property and its intention to advance the KéMag Project feasibility and environmental studies. The highlights of the KéMag Study are:

- Production Assumption of 15 million tonnes per year (“mtpy”) pellets and 7 mtpy concentrate
- Indicated Mineral Resources of 1.349 billion tonnes
- Inferred Mineral Resources of 992 million tonnes
- Total capital cost, including working capital, of US \$3.6 billion
- Internal rate of return (“IRR”) of 19% (unleveraged and before corporate taxes and mining taxes)
- Return on equity (“ROE”) of 30% (before corporate taxes and mining taxes)<sup>5</sup>
- Net present value (“NPV”) of US\$ 7.3 billion (before corporate taxes and mining taxes)<sup>6</sup>
- 5 year payback after the start of commercial production
- Minimum 30 year mine life
- 1,091 direct jobs at the mine, concentrator, pipeline, pellet plant and shiploading facility

The study being a Preliminary Assessment in accordance with NI 43-101 is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that results of the study will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

### **Exposure to ABCP Market**

On August 23, 2007 NML reported exposure to the ABCP market. The Company invested \$4,400,283 on June 15, 2007 in Structured Investment Trust III, Series A (“SIT”). This ABCP had a credit rating of R-1 High (highest rating available for short-term commercial paper) by Dominion Bond Rating Service (“DBRS”). The SIT was administered by Coventree Capital Group Inc. (“Coventree”) and was due and payable on September 13, 2007.

On September 14, 2007 NML reported the status of its ABCP and announced that the SIT was not paid on September 13, 2007. This ABCP is still outstanding and an impairment loss of \$880,000 has been recognized in the Consolidated Earnings for the nine months and three months ending September 30, 2007. It is now recorded on the Consolidated Balance Sheet as a long term investment with a carrying value of \$3,520,283.

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<sup>5</sup> Based on a 30/70 equity/debt ratio

<sup>6</sup> Based on a 5% discount rate

NML also had \$1.3 million in other ABCPs backed by Transcanada Pipelines Ltd. and Encana Corporation. These notes were not considered problematical owing to the high quality of the assets backing the ABCPs and on maturity they were paid in full on September 20, 2007 and August 31, 2007, respectively.

As of September 30, 2007 none of the Company's \$3,984,886 in cash and cash equivalents and term deposits was invested in ABCP.

### **Private Placement**

A \$5.0 million private placement financing was announced on September 20 and its terms, \$1.0 million of common shares at \$0.62 per common share and \$4.0 million of flow-through shares at \$0.75 per flow-through share were determined on September 24, 2007.

## **SUBSEQUENT EVENTS**

The significant activities subsequent to the third quarter were the closing of the private placement financing, the initiation of a project to develop NML's Direct Shipping Ore ("DSO") holdings and the appointment of a new director.

### **Closing of Private Placement**

On October 4, 2007, NML announced that the private placement previously announced on September 20, 2007 and September 24, 2007, was completed for gross proceeds of approximately \$5,000,000. The Corporation issued 1,612,903 common shares of the Corporation at a price of \$0.62 per Common Share and 5,333,333 flow-through shares at \$0.75 per Flow-Through Share. The Common Shares and Flow-through Shares are subject to a hold period that expires on February 5, 2008. The net proceeds of the issue will be used primarily to fund exploration and development of the Corporation's iron ore projects and for general working capital purposes.

### **DSO Projects**

On October 29, 2007, NML announced that it had begun an internal review of its Direct Shipping Ore Properties near Schefferville, Quebec. These properties were part of the Iron Ore Company of Canada's (IOC) historical reserves when IOC was operating mines from 1954 to 1982.

Management believes that these resources could be developed within a shorter timeframe than the KéMag deposit and with less capital thereby producing substantial cash flow for the Company as the larger KéMag Project is being developed.

The Company's ownership includes 49 claims covering 2,020 hectares and 146 claims covering 3,650 hectares in the provinces of QC and NL, respectively. These claims are owned 100% by NML, except for 24 claims in NL that are owned 80% by NML. Based on historical resources estimates that are not in compliance with NI 43-101, these claims have estimated 100 to 150 million tonnes of direct shipping quality ore. The Company believes that the ores can be suitably upgraded through a simple screening and washing process to meet current market requirements for an iron ore fines and lump product. Future evaluation of the DSO Projects will focus on this possibility.

### **Appointment of New Director**

On November 13, 2007 the Company announced the appointment of Mr. Pierre Seccareccia of Montreal, Quebec as a new director. Mr. Seccareccia has significant experience in the Canadian public markets with special expertise in corporate governance and financial management.

## FINANCIAL RESULTS

The following discussion of the Company's financial performance is based on the Interim Consolidated Financial Statements set forth herein. As discussed in Note 2 to the Interim Consolidated Financial Statements, these statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses for the period then ended.

The Interim Consolidated Balance Sheet as of September 30, 2007 indicates a cash position of \$2,598,475, term deposits of \$1,386,411, sales taxes and other receivables of \$355,072 and tax credits and mining duties receivable of \$1,218,669 resulting in total current assets of \$5,558,627, a decrease of \$1,891,625 from December 31, 2006. The long-term assets are comprised of mineral properties of \$25,411,968, long-term investment in asset backed commercial paper (ABCP) of \$3,520,283, property and equipment of \$62,946 and advances on contracts of \$11,000. The total assets are \$34,564,824 which is an increase of \$5,607,337 from December 31, 2006.

The Company invested \$4,400,283 on June 15, 2007 in Structured Investment Trust III, Series A. This asset-backed commercial paper (ABCP) was rated R1-High by the Dominion Bond Rating Service at the time it was purchased. Though the ABCP matured on September 13, 2007, repayment of the ABCP was not received as of November 27, 2007. The Company's management has made an assessment of the fair value of the long-term ABCP. This assessment takes into account available public information on the age of certain assets which underlie the ABCP and public statements of the consortium that the maturity date of the long-term note, if the investment was to be converted, would be the termination date of the underlying assets. The assessment uses assumptions as to the long-term interest rate to be received on the potential long-term note compared to the short-term interest rate currently being accrued by the Company. The outcome of the assessment was that an impairment loss of \$880,000 has been recognized in the Interim Consolidated Earnings for the three-month and nine-month periods ended September 30, 2007. Due to the uncertainty of when or if the Company will receive the interest earned to date, the Company has not accrued any interest as of September 30, 2007.

Current liabilities at September 30, 2007 are comprised of accounts payables and accrued liabilities of \$1,783,488 with the only long-term liability being future income taxes of \$1,319,026 for total liabilities of 3,102,514, a decrease of \$419,887 from December 31, 2006. Shareholders' equity of \$31,462,310 increased by \$6,027,224 from December 31, 2006, and is comprised of capital stock of \$32,179,963 and the contributed surplus of \$5,498,230 less the deficit of \$6,215,883.

Working capital, at September 30, 2007 of \$3,775,139, represents a decrease of \$1,375,613 from the December 31, 2006 total of \$5,150,752.

These changes in the balance sheet are mainly due to the Corporation having increased shareholder's equity by \$6,027,224 during the year resulting from several transactions, the primary one being the private placement financing completed on June 12, 2007 for net proceeds of \$8,342,032, less the \$990,165 future income tax effect of the renunciation of \$3,000,500 of Canadian exploration expenses (CEE) in favor of the purchasers, which resulted in an equivalent decrease in capital stock. The Company used its term deposits and cash and cash equivalents to fund its operating loss for the year to date of \$2,165,474, pay for its accounts payable from December 31, 2006 and fund its continuing investment in mineral properties. The cash and cash equivalents and term deposits represent the funds that remain from the last equity financing and will continue to be used to pay for current liabilities, continue the pre-feasibility study in respect of the KéMag Project, work on the DSO Projects and cover future corporate operating expenses. During the first three quarters of 2007, \$4,756,287 of the Company's expenditures were related to the pre-feasibility study work on the KéMag Project, the LabMag Project feasibility study and exploration of the DSO Projects. These expenditures were recorded as mineral properties on the balance sheet. The future income taxes continue to be mainly comprised of the future tax liability

that arises from the renunciation of CEE which are partially offset by the Company's operating losses.

For the three months ended September 30, 2007 NML realized a net loss of \$1,339,969 or \$0.01 per share, compared to a net loss of \$661,905 or \$0.01 loss per share for the corresponding period in 2006. This loss represents operating expenses, including the unrealized loss on impairment of the ABCP, of \$1,645,925 (2006 - \$919,549) net of interest revenue of \$54,682 (2006 - \$73,304) and future income taxes recoverable of \$251,274 (2006 -\$184,340). While a reduction in the general and administrative expenses and an increase in the future income tax recovery was partially offset by higher market development expenses, due to the unrealized loss on impairment of the ABCP, this quarter's loss ended up being approximately double that of the same quarter in 2006.

The Company expects to continue incurring operating losses until it is operating a revenue-producing project. These losses are expected to be funded, through the completion of the feasibility study, by equity financing or investments by strategic partners.

All costs associated with mineral properties, totaling \$25,411,968, as outlined in Note 5 to the September 30, 2007 interim consolidated financial statements, have been classified as mineral properties. The expenditures are divided between the properties as follows: LabMag Property \$20,642,921, KéMag Property \$4,411,768 and DSO and Other Properties \$357,279. The cost centers for these capitalized expenditures are: mineral licenses \$2,880,830, resource evaluation \$7,906,535, drilling \$7,806,814, environmental \$6,380,322, field labour and supplies \$1,127,476, exploration \$253,945, legal \$181,309 and geological and evaluation \$93,406. These expenditures are partially offset by tax credits and mining duties of \$1,218,669. The carrying value of the mineral properties are reviewed by the Company 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. At September 30, 2007 the Company believes that the carrying values of the properties are less than their net recoverable amounts and as such there has been no impairment of value on any of these properties.

In 2006, the Company renounced Canadian Exploration Expenses (CEE) of \$3,000,500 in favour of the purchasers of the 2006 flow-through shares for which the renunciation documents were filed with the Canadian Revenue Agency (CRA) in February 2007. As of September 30, 2007, the Company has fulfilled its spending commitment related to this renunciation. This renunciation also resulted in the Company recording a \$990,165 decrease in its capital stock for the future income tax effect of the renunciation.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended September 30, 2007. The Company's interim consolidated financial statements are prepared in accordance with Canadian GAAP and expressed in Canadian dollars.

	<b>Sept-07</b>	<b>Jun-07</b>	<b>Mar-07</b>	<b>Dec-06</b>	<b>Sept-06</b>	<b>Jun-06</b>	<b>Mar-06</b>	<b>Dec-05</b>
Interest Income	54,682	59,977	46,292	87,446	73,304	56,554	92,817	39,983
Net Loss	(1,339,969)	(430,046)	(395,459)	(765,541)	(661,905)	(206,856)	(397,302)	(575,460)
Loss Per Share (1)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)

Note (1) The effect of the exercise of stock options and warrants would be anti-dilutive for the purposes of calculating the fully diluted earnings per share.

## **THIRD QUARTER RESULTS**

For the three months ended September 30, 2007, the unrealized loss on impairment of ABCP, general and administrative expenses, market development, professional fees and other expenses was \$1,645,925 compared to \$919,549 for the corresponding period in 2006. Included in the third quarter of 2007 expenses was an \$880,000 unrealized loss on impairment of ABCP for which there was no corresponding amount in 2006, a stock-based compensation charge included in general and administrative expenses of \$223,200 compared to \$360,000 for the corresponding period in 2006. These expenses were partially offset by interest revenue of \$54,682 compared to \$73,304 for the three months in 2006, and future income taxes recoverable of \$251,274 for which there was \$184,340 recovered in the third quarter of 2006. As a result NML's loss for the third quarter ended September 30, 2007 totalled \$1,339,969 or \$0.01 per share, compared to a loss of \$661,905 or \$0.01 per share for the comparative period in 2006.

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

During the first quarter of 2007, the Company adopted new accounting policies concerning financial instruments and comprehensive income. These changes are discussed in Note 3 to the Interim Consolidated Financial Statements.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Working Capital**

The Company's working capital at September 30, 2007 decreased from December 31, 2006 by \$1,375,613 to \$3,775,139 due to the continued use of the Company's funds to explore and develop its mineral properties and cover operating expenses more than offsetting the proceeds of the Company's June 12, 2007 private placement. The working capital consists of cash and cash equivalents, term deposits, sales taxes and other receivables and tax credits and mining duties receivable net of accounts payable and accrued liabilities.

### **Capital Expenditures**

There were capital expenditures of \$26,046 (2006 - \$39,041) during the first nine months of 2007, all for the acquisition of computer hardware, software, furniture and equipment.

### **Capital Resources**

At September 30, 2007, NML has paid up capital of \$32,179,963 (December 31, 2006 - \$24,469,752) representing 92,191,166 (December 31, 2006 - 77,711,690) common shares and a deficit of \$6,215,883 (December 31, 2006 - \$4,050,409) that is offset by contributed surplus of \$5,498,230 (December 31, 2006 - \$5,015,743) resulting in shareholders' equity of \$31,462,310 (December 31, 2006 - \$25,435,086).

## **COMMITMENTS**

At September 30, 2007, the Company had entered into long term agreements expiring by October 2011 whereby it has committed to paying \$46,611 in the remainder of 2007, \$134,674 in 2008, \$35,234 in 2009, \$20,300 in 2010 and \$16,917 in 2011.

Pursuant to the private placement completed on June 12, 2007, the Company has issued \$2,000,000 of flow-through common shares for which it is obligated to renounce, effective in

2007, CEE to subscribers of the flow-through common shares in the amount of \$2,000,000. The Company completely fulfilled the spending commitment by September 30, 2007. The Company expects to file the renunciation documents by February 2008.

## **TRANSACTIONS WITH RELATED PARTIES**

During the quarter, NML incurred directors' fees of \$6,500 (2006 - \$5,300), consulting fees included in mineral properties and expenses of \$36,946 (2006 - \$81,892) to businesses owned by directors and \$65,965 (2006 - \$148,184) in legal fees included in share issuance costs and professional fees to a law firm with a partner who is a director.

During the nine months period ending September 30, 2007, the Company incurred directors' fees of \$18,500 (2006 - \$24,300), consulting fees included in mineral properties and expenses of \$151,550 (2006 - \$151,279) to businesses owned by directors and \$220,553 (2006 - \$254,262) in legal expenses included in share issuance of costs and professional fees to a law firm with a partner who is a director. Of these amounts, \$75,413 is payable at September 30, 2007.

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning the Company's expenditures for mineral properties are provided in Note 5 of the Interim Consolidated Financial Statements for the period ended September 30, 2007 that is available on New Millennium's website at [http://www.nmlresources.com/library/financial\\_statements.asp](http://www.nmlresources.com/library/financial_statements.asp) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com)

Included in the Corporation's Interim Consolidated Financial Statements were general and administration expenses of \$440,666 (2006 - \$643,667) for the three months ended September 30, 2007, comprised as follows: salaries and benefits \$120,811 (2006 - \$109,304), office and administration \$70,056 (2006 - \$135,538), consultants \$1,275 (2006 - \$17,312) office rent \$25,324 (2006 - \$21,513) and stock-based compensation \$223,200 (2006 - \$360,000)

## **OUTLOOK**

The overriding objectives for the remainder of this year are: 1) to secure a strategic investor by December 31, 2007. A strategic investor will be expected to assume an equity and/or iron ore off-take position and provide the funding for feasibility and environmental studies related to the selected project; and, 2) to accelerate evaluation activities related to the DSO project in order to develop a plan to bring product from these holdings to the marketplace within a shorter timeframe than the KéMag deposit and with less capital, thereby potentially producing substantial cash flow for the Company as the larger KéMag Project is being developed.

New Millennium holds a 100% interest in the KéMag Property (Quebec) and an 80% interest in the LabMag Property (Newfoundland and Labrador). Both properties are located within the Millennium Iron Range, the centre of which is located approximately 230 km north of Labrador City, NL and 40 km northwest of Schefferville, QC. The Company also has a 100% interest in 171 DSO claims in Quebec and Labrador and an 80% interest in 24 claims in Labrador, that contain, based on historical estimates that are not in compliance with NI 43-101, in excess of 100 million tons of direct shipping quality ore.

Subject to the completion of positive feasibility studies, project financing and project construction, the concentrate from the KéMag Project would be pumped from the property through a slurry pipeline, about 750 kilometres, to Pointe-Noire, near the Port of Sept-Iles, QC, where it would be both pelletized and sold as concentrate. The concentrate from the LabMag Project would be pumped from the property through a slurry pipeline, about 230 kilometres, to Emeril, NL where it would be pelletized prior to rail transportation via an existing railroad about 390 km to Pointe-Noire, near the Port of Sept-Iles. DSO products are envisioned to be transported by rail to a Port at Pointe-Noire.

These projects envision the construction and operation of ship loading facilities and related infrastructure at the Pointe-Noire terminus from where the various iron ore products would be shipped by ocean vessels to markets in Canada, the United States, Western Europe, North Africa, the Middle East and Asia.

## BUSINESS RISKS

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at September 30, 2007.

### 1. Share capital

#### (a) Authorized:

Unlimited number of common voting shares.

Unlimited number of preferred shares, without nominal or par value, issuable in series.

(b) Issued as of September 30, 2007: The Corporation has 92,191,166 common shares issued (\$32,179,963).

(c) Issued as of November 27, 2007: The Corporation has 99,237,402 common shares issued (\$36,897,402).

### 2. Options

The Corporation has adopted an incentive stock option plan whereby options may be granted from time to time to directors, officers, employees and consultants to the Corporation with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares.

At November 27, 2007, there were 7,096,667 common shares reserved for issuance pursuant to the exercise of stock option (September 30, 2007 – 6,921,667) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
576,667	\$0.10	December 12, 2008
1,980,000	\$0.30	August 11, 2009
225,000	\$0.36	September 13, 2009
215,000	\$0.47	November 1, 2009
25,000	\$0.45	August 19, 2010
25,000	\$0.52	September 27, 2010
190,000	\$0.55	October 19, 2010
675,000	\$0.55	October 19, 2010
40,000	\$0.76	April 6, 2011
1,500,000	\$0.75	September 13, 2011
90,000	\$0.75	November 2, 2011
375,000	\$0.50	February 1, 2011
905,000	\$0.75	August 2, 2012
250,000	\$0.65	November 13, 2012
25,000	\$0.73	November 19, 2012

### 3. Warrants

At November 27, 2007, there were 11,458,974 common shares reserved for issuance pursuant to the exercise of outstanding warrants (September 30, 2007 –12,097,200) as follows:

<b>Number of Common Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,945,000	\$0.75	December 1, 2007
859,800	\$0.75	February 22, 2008
2,000,000	\$1.25	March 24, 2008
5,400,000	\$1.00	August 22, 2008
837,400	\$0.75	December 11, 2008
416,774	\$0.75	April 4, 2009

### DISCLOSURE CONTROLS AND PROCEDURES

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2007. Based on this evaluation some improvements were introduced to existing controls to conclude that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109, are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

### MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROLS

Management completed an assessment of the design of internal controls over financial reporting. During the process of management's assessment, it was determined that certain weaknesses existed in the complex areas of financial reporting and taxation accounting. As is indicative of many small companies, segregation of duties and the existence of full competences in a changing regulatory environment were identified as areas where weaknesses existed. The existence of these weaknesses has been addressed by implementation of alternate cost-effective controls and by the continuation of senior management monitoring and in the case of complex transactions, consulting with external experts to assist management in their analysis.

### ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### On Behalf of the Board of Directors

*signed* "Robert Martin"

**President & Chief Executive Officer**

November 27, 2007 Calgary, Alberta

*signed* "William Almdal"

**Chief Financial Officer**

Dean Journeaux, Eng., is the Qualified Person as defined in National Instrument 43-101 who has reviewed and verified the scientific and technical mining disclosure contained in this Third Quarter Report.