PACIFIC BOOKER MINERALS INC.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

YEAR ENDED JANUARY 31, 2008

HLB
Cinnamon Jang Willoughby & Company

Chartered Accountants
A Partnership of Incorporated Professionals

AUDITORS' REPORT

To the Shareholders of **Pacific Booker Minerals Inc.:**

We have audited the balance sheet of Pacific Booker Minerals Inc. (the "Company") as at January 31, 2008 and the statements of operations 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 audits.

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 financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at and for the year ended January 31, 2007 were audited by other auditors, who expressed an opinion without reservation on these statements in their report dated April 9, 2007.

"Cinnamon Jang Willoughby & Company"

Chartered Accountants

Burnaby, BC, Canada
May 5, 2008

Comments by Independent Registered Chartered Accountants for U.S Readers on Canada-United States of America Reporting Differences

In the United States, the standards of the Public Company Accounting Oversight Board (United States) for auditors require the addition of an explanatory note when there are differences in accounting principles that have a material effect on the comparability of the Company's financial statements. Application of accounting principles generally accepted in the United States would have affected liabilities and shareholders' deficiency as at January 31, 2008 and 2007 and the results of operations for the years then ended to the extent summarized in Note 15 to the financial statements.

"Cinnamon Jang Willoughby & Company"

Chartered Accountants

Burnaby, BC, Canada
May 5, 2008

MetroTower II - Suite 900 - 4720 Kingsway, Burnaby, BC Canada V5H 4N2. Telephone: +1 604 435 4317. Fax: +1 604 435 4319.
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PACIFIC BOOKER MINERALS INC.
BALANCE SHEETS
(Expressed in Canadian Dollars)
AS AT JANUARY 31

	2008	2007
ASSETS		
Current		
Cash and cash equivalents	$ 5,500,296	$ 3,960,047
Receivables	140,465	136,690
Prepaid expenses and deposits	35,037	134,154
	5,675,798	4,230,891
Mineral property interests (Note 4)	4,832,500	4,832,500
Deferred exploration costs (Note 5)	12,792,612	9,445,857
Equipment, vehicles and furniture (Note 6)	35,793	49,643
Reclamation deposits	118,600	118,600
Total assets	$23,455,303	$18,677,491
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 589,965	$ 440,415
Amounts owing to related parties (Note 8)	27,662	42,451
	617,627	482,866
Shareholders' equity		
Capital stock (Note 7)		
Authorized:		
100,000,000 common shares without par value		
Issued and outstanding		
10,103,839 common shares (2007 – 8,810,939)	37,795,014	32,080,329
Contributed surplus (Note 7)	2,368,422	1,218,149
Deficit	(17,325,760)	(15,103,853)
	22,837,676	18,194,625
Total liabilities and shareholders' equity	$23,455,303	$18,677,491

Nature and continuance of operations (Note 1)
Commitment (Note 11)
Contingency (Note 13)
Subsequent events (Note 14)

On behalf of the Board:

"William Deeks"
William Deeks, Chairman

"Gregory R. Anderson"
Gregory R. Anderson, CEO

The accompanying notes are an integral part of these financial statements.

PACIFIC BOOKER MINERALS INC.
STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars)
AS AT JANUARY 31

	2008	2007	2006
GENERAL AND ADMINISTRATIVE EXPENSES			
Amortization	$ 14,979	$ 15,928	$ 8,759
Consulting fees	15,773	6,469	16,170
Consulting fees – related party (Note 8)	-	23,000	55,531
Directors fees	12,500	14,000	-
Filing and transfer agent fees	84,144	62,261	30,131
Foreign exchange loss	50,217	34,823	27,027
Gain on settlement of debt	-	50,000	-
Interest income	(209,308)	(139,136)	(13,378)
Investor relations fees	4,703	73,140	43,658
Investor relations – related party (Note 8)	409,153	246,124	119,279
Loss on sale of equipment	-	3,786	-
Office and miscellaneous	109,971	77,615	61,850
Office rent	70,421	67,930	58,848
Professional fees (Note 8)	162,835	151,792	104,044
Shareholder information and promotion	89,029	117,964	44,249
Stock-based compensation (Note 7)	1,248,170	587,478	417,757
Telephone	16,592	15,994	15,280
Travel	93,374	50,414	42,780
Wages and benefits	49,354	6,082	-
Loss before other items	(2,221,907)	(1,365,664)	(1,031,985)
OTHER ITEMS			
Write-off of mineral property interests and deferred exploration costs	-	-	(7,851,288)
Total other items	-	-	(7,851,288)
Loss for the year	$ (2,221,907)	$ (1,365,664)	$ (8,883,273)
Basic and diluted loss per common share	$ (0.23)	$ (0.17)	$ (1.41)
Weighted average number of common shares outstanding	9,496,503	8,142,907	6,320,955

PACIFIC BOOKER MINERALS INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEAR ENDED JANUARY 31

	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year	$ (2,221,907)	$ (1,365,664)	$ (8,883,273)
Items not affecting cash:			
Amortization	14,979	15,928	8,759
Loss on asset disposal	-	3,786	-
Stock-based compensation	1,248,170	587,478	417,757
Gain on settlement of debt	-	(50,000)	-
Write-off of mineral property interests and deferred exploration costs	-	-	7,851,288
Changes in non-cash working capital items:			
(Increase) decrease in receivables	(3,775)	(98,494)	69,535
(Increase) decrease in prepaids and deposits	99,117	(113,795)	(14,816)
Increase (decrease) in accounts payable and accrued liabilities	9,801	9,781	(77,678)
Increase (decrease) in amounts owing to related parties	(18,525)	18,353	6,210
Net cash used in operating activities	(872,140)	(992,627)	(622,218)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of capital stock	5,616,788	8,318,225	2,453,225
Share subscriptions received in advance	-	-	280,000
Repayment of long term debt	-	(1,450,000)	(1,000,000)
Net cash provided by financing activities	5,616,788	6,868,225	1,733,225
CASH FLOWS FROM INVESTING ACTIVITIES			
Mineral property interests and deferred exploration costs (net of recovery)	(3,200,852)	(2,282,049)	(1,018,559)
Exploration advances	-	-	(56,250)
Reclamation deposits	-	-	(46,100)
Proceeds from sale of equipment	-	467	-
Purchase of equipment, vehicles or furniture	(3,547)	(18,715)	(49,106)
Net cash used in investing activities	(3,204,399)	(2,300,297)	(1,170,015)
Change in cash and cash equivalents during the year	1,540,249	3,575,301	(59,008)
Cash and cash equivalents, beginning of year	3,960,047	384,746	443,754
Cash and cash equivalents, end of year	$ 5,500,296	$ 3,960,047	$ 384,746

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Company Act of British Columbia and its principal business activity is the exploration of its mineral property interests, with its principal mineral property interests located in Canada.

The ability of the Company to realize the costs it has incurred to date on its mineral property interests is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the mineral property interest. To date, the Company has not earned any revenue and is considered to be in the advanced exploration stage.

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

	2008	2007
Working capital	$ 5,058,171	$ 3,748,025
Deficit	(17,325,760)	(15,103,853)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The significant accounting policies adopted by the Company are as follows:

(a) Use of estimates

The preparation of financial statements in accordance 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 year. Actual results could differ from these estimates. The most significant estimates made by management relate to amounts recorded for the depreciation of capital assets, measurement of stock-based compensation, the recoverability of mineral properties, and the provision for the asset retirement obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(a) Use of estimates (cont'd...)

The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

(b) Foreign currency translation

The monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date and non-monetary items are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

(c) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents includes short-term, highly liquid investments that are readily convertible to known amounts of cash and have a maturity date of less than 90 days and are subject to an insignificant risk of change in value. As at January 31, 2008 and 2007, the Company did not have cash equivalents.

(d) Allowance for receivables

The Company establishes an allowance for receivables on a specific account basis. No allowance for receivables was recorded by the Company as at January 31, 2008 and 2007.

(e) Mineral property interests and deferred exploration costs

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The recorded cost of mineral property interests and deferred exploration costs is based on cash paid and the value of share consideration issued for mineral property interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(f) Asset retirement obligation

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

The Company does not have any significant asset retirement obligations.

(g) Equipment, vehicles and furniture

Property and equipment are recorded at cost. The Company provides for amortization annually as follows:

Automobile	30% declining balance
Computer equipment	30% to 45% declining balance
Office furniture and equipment	20% declining balance
Trailers	30% declining balance

(h) Stock-based compensation

The fair value of stock options granted is determined using the Black-Scholes option pricing model and recorded as stock-based compensation expense over the vesting period of the stock options.

(i) Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. The weighted average number of common shares outstanding for the year ended January 31, 2008 do not include the 1,286,500 (2007 – 2,212,650; 2006 – 1,595,980) warrants outstanding and the 1,564,077 (2007 – 1,471,500; 2006 – 1,113,000) stock options outstanding as the inclusion of these amounts would be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(j) Future income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. 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.

3. CHANGE IN ACCOUNTING POLICY

Effective February 1, 2007 the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"); "Financial Instruments - Recognition and Measurement" (Section 3855), "Financial Instruments - Disclosure and Presentation" (Section 3861), and "Comprehensive Income" (Section 1530). These new standards have been adopted prospectively. Adoption of these standards did not impact February 1, 2007 opening balances.

Financial instruments - Recognition and Measurement - Section 3855
This section establishes standards for the recognition, measurement disclosure and presentation of financial instruments. Under the new standard, financial assets and liabilities are initially recognized at fair value and are subsequently measured based on their classification as held-for-trading, held-to-maturity, loans and receivables, available-for-sale, or other financial liabilities, as described below:

(i) Held-for-trading
Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. Any financial instrument can be designated as held for trading as long as its fair value can be reliably measured. These instruments are measured at fair value with subsequent changes in fair value included in earnings.

The company has classified cash and cash equivalents as held-for-trading, which accordingly are carried at their fair values. Held-for-trading assets are not subject to significant credit, foreign exchange or interest rate risk.

(ii) Held-to-maturity
Financial assets that have a fixed maturity date and fixed or determinable payments, where the company intends and has the ability to hold the financial asset to maturity are classified as held-to-maturity and measured at amortized cost using the effective interest rate method. Any gains and losses arising from the sale of held-to-maturity financial assets are included in earnings. Currently, the company has no held-to-maturity financial assets.

3. CHANGE IN ACCOUNTING POLICY (cont'd…)

(iii) Loans and receivables
Items classified as loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are included in earnings.

The company has classified receivables and deposits, which are accordingly measured at amortized cost. Due to their short-term natures, the fair values of receivables approximate their carrying values, and they are not subject to significant credit or interest rate risk.

(iv) Available-for-sale

Available-for-sale assets are those financial assets that are not classified as held-for-trading, held-to-maturity or loans or receivables, and are carried at fair value. Any gains or losses arising from the change in fair value are recorded as other comprehensive income. Available-for-sale securities are written down to fair value through earnings whenever it is necessary to reflect other-than-temporary impairment. Cumulative gains and losses arising upon the sale of the instrument are included in earnings.

The company has classified reclamation deposits as available-for-sale, which are accordingly carried at their fair values. Available-for-sale assets are not subject to significant credit, foreign exchange or interest rate risk

(v) Other financial liabilities

Financial liabilities that are not classified as held-to-maturity are classified as other financial liabilities, and are carried at amortized cost using the effective interest method. Any gains or losses arising from the realization of other financial liabilities are included in earnings.

The company has classified accounts payable and accrued liabilities as other financial instruments, which are accordingly carried at amortized cost. Due to their short-term natures, the fair values of other financial liabilities approximate their carrying values, and they are not subject to significant credit, foreign exchange or interest rate risk.

Financial instruments - Disclosure and Presentation - Section 3861
This section establishes standards for presentation of financial instruments and identifies the information which should be disclosed about them. Under the new standards, policies followed for years prior to the effective date are generally not reversed, and therefore the comparative figures have not been restated.

Comprehensive income - Section 1530
This section establishes standards for reporting and presentation of comprehensive income, which is comprised of net earnings or loss and other comprehensive income. Other comprehensive income represents the change in net equity for the period that arises from unrealized gains and losses on available-for-sale financial instruments, and changes in the fair market value of derivative instruments designated as cash flow hedges. Amounts included in other comprehensive income are shown net of tax. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income which is presented (if applicable) as a new category in shareholders' equity. The Company did not have any transactions during the year ended January 31, 2008 that give rise to other comprehensive income, and therefore has no balance of other accumulated other comprehensive income.

(Expressed in Canadian Dollars)

3. CHANGE IN ACCOUNTING POLICY (cont'd...)

Risk management
Because the financial instruments are not subject to significant credit, foreign exchange or interest rate risk, the company has not adopted risk management policies.

4. MINERAL PROPERTY INTERESTS

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its interests are in good standing. The mineral property interests in which the Company has committed to earn an interest are located in Canada.

Morrison claims, Canada	2008	2007
Balance, beginning and end of year	$ 4,832,500	$ 4,832,500

Morrison claims

On April 19, 2004, the Company and Noranda Mining and Exploration Inc, “Noranda" (which was subsequently acquired by Falconbridge Limited, "Falconbridge", which was subsequently acquired by Xstrata LLP, "Xstrata”) signed an agreement whereby Noranda agreed to sell its remaining 50% interest to the Company such that the Company would have a 100% interest in the Morrison claims. In order to obtain the remaining 50% interest, the Company agreed to:

i) on or before June 19, 2004, pay $1,000,000 (paid to Noranda), issue 250,000 common shares (issued to Noranda) and issue 250,000 share purchase warrants exercisable at $4.05 per share until June 5, 2006 (issued to Noranda);

ii) pay $1,000,000 on or before October 19, 2005 (paid to Falconbridge);

iii) pay $1,500,000 on or before April 19, 2007 (paid to Falconbridge); and

iv) issue 250,000 common shares on or before commencement of commercial production.

In the event the trading price of the Company’s common shares is below $4.00 per share, the Company is obligated to pay, in cash, the difference between $1,000,000 and the average trading price which is less than $4.00 per share multiplied by 250,000 common shares.

The Company agreed to execute a re-transfer of its 100% interest to Falconbridge if the Company fails to comply with the terms of the agreement. This re-transfer is held by a mutually acceptable third party until the final issue of shares has been made.

4. MINERAL PROPERTY INTERESTS (cont'd...)

Morrison claims (cont'd...)

The Company has also acquired a 100% interest in certain mineral claims adjacent to the Morrison claims, subject to 1.5% NSR royalty.

On January 7, 2005, the Company signed an agreement to acquire an option for a 100% interest in additional claims in the Omineca District of B.C. As consideration, the Company issued 45,000 common shares at a value of $180,000.

Hearne Hill claims

The Company held a 100% interest in the Hearne Hill claims located in the Omineca District of the Province of British Columbia ("B.C."). During the year ended January 31, 2006, management decided not to continue with the Hearne Hill claims and wrote off the property to operations. The Hearne Hill claims are currently subject to a legal claim (Note 13).

Copper claims

The Company holds a 100% interest in certain mineral claims located in the Granisle area of B.C., subject to a 3% NSR royalty. These claims are located near the Morrison claims.

The Company has met its requirements to maintain its recorded interest in the mineral claims with the Province of B.C. until 2016 and there are no other payments required until that year. During the year ended January 31, 2005, management decided not to continue with these claims and therefore, the amounts were written-off to operations.

CUB claims

The Company holds a 100% interest in certain mineral claims located in the Granisle area of B.C., subject to a 3% NSR royalty. These claims are located near the Morrison claims.

The Company has met its requirements to maintain its recorded interest in the mineral claims with the Province of B.C. until 2016 and there are no other payments required until that year. During the year ended January 31, 2005, management decided not to continue with these claims and therefore, the amounts were written-off to operations.

(Expressed in Canadian Dollars)

5. DEFERRED EXPLORATION COSTS

Morrison claims, Canada	2008	2007
Balance, beginning of year	$ 9,445,857	$ 7,137,683
Deferred exploration costs		
Additions		
Amortization	2,418	3,455
Assays	-	1,400
Geological and geophysical	-	2,472
Staking	10,065	49,678
Supplies and camp	18,000	18,000
Travel	-	38
Community consultation		
Geological and geophysical	166	254
Promotion and education	10,669	12,013
Sub-contracts and labour	14,210	14,063
Travel	11,566	7,616
Environmental		
Assays	64,212	42,954
Geological and geophysical	149,681	132,284
Promotion and education	399	-
Sub-contracts and labour	65,477	58,549
Supplies and general	11,628	43,360
Travel	1,057	2,194
Geotechnical and hydrological		
Geological and geophysical	-	155,943
Supplies and general	-	385
Marketing Factors		
Sub-contracts and labour	9,100	1,500
Metallurgical		
Assays	6,361	6,895
Geological and geophysical	470,094	172,328
Sub-contracts and labour	14,250	-
Supplies and general	561	2,832
Travel	2,458	-
Scoping/Feasibility study		
Assays	58,463	57,926
Drilling	362,504	404,416
Geological and geophysical	1,695,779	709,620
Sub-contracts and labour	112,991	161,721
Sub-contracts and labour-related parties	107,000	96,654
Supplies and general	105,445	126,608
Travel	42,201	23,016
Total deferred exploration costs for the year	$ 3,346,755	$ 2,308,174
Balance, end of year	$ 12,792,612	$ 9,445,857

(Expressed in Canadian Dollars)

6. EQUIPMENT, VEHICLES AND FURNITURE

	Cost	Accumulated Amortization	Net Book Value
January 31, 2008			
Trailers	$ 25,000	$ 24,706	$ 294
Automobile	12,840	7,492	5,348
Office furniture and equipment	50,528	37,406	13,122
Computer equipment	62,074	45,045	17,029
	$ 150,442	$ 114,649	$ 35,793

	Cost	Accumulated Amortization	Net Book Value
January 31, 2007			
Trailers	$ 25,000	$ 24,580	$ 420
Automobile	12,840	5,200	7,640
Office furniture and equipment	50,528	34,125	16,403
Computer equipment	58,527	33,347	25,180
	$ 146,895	$ 97,252	$ 49,643

(Expressed in Canadian Dollars)

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

Capital Stock and contributed surplus transactions are summarized as follows:

	Number of Shares	Capital Stock Amount	Share Subscriptions Received In Advance	Contributed Surplus	Deficit	Total
Balance, January 31, 2005	6,008,789	$ 20,274,104	$ 574,775	$ 212,914	$ (4,854,916)	$ 16,206,877
Private placements	748,450	3,028,000	(574,775)	-	-	2,453,225
Mineral property interests	45,000	180,000	-	-	-	180,000
Share subscriptions received	-	-	280,000	-	-	280,000
Stock-based compensation	-	-	-	417,757	-	417,757
Loss for the year	-	-	-	-	(8,883,273)	(8,883,273)
Balance, January 31, 2006	6,802,239	23,482,104	280,000	630,671	(13,738,189)	10,654,586
Private placements	1,470,200	6,380,800	(280,000)	-	-	6,100,800
Exercise of stock options	12,000	60,000	-	-	-	60,000
Exercise of warrants	526,500	2,157,425	-	-	-	2,157,425
Stock-based compensation	-	-	-	587,478	-	587,478
Loss for the year	-	-	-	-	(1,365,664)	(1,365,664)
Balance, January 31, 2007	8,810,939	32,080,329	-	1,218,149	(15,103,853)	18,194,625
Exercise of stock options	366,750	1,771,738	-	-	-	1,771,738
Exercise of warrants	926,150	3,845,050	-	-	-	3,845,050
Stock-based compensation	-	97,897	-	1,150,273	-	1,248,170
Loss for the year	-	-	-	-	(2,221,907)	(2,221,907)
Balance, January 31, 2008	10,103,839	$ 37,795,014	$ -	$ 2,368,422	$ (17,325,760)	$ 22,837,676

Stock options

During the fiscal year ended January 31, 2004, the Company adopted a fixed stock option plan whereby the Company can reserve approximately 20% of its outstanding shares for issuance to officers and directors, employees and consultants. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. These options can be granted for a maximum term of 5 years, and are subject to a vesting provision whereby 12.5% are exercisable on the date of the grant and 12.5% become exercisable every three months thereafter. All options will be vested after twenty one months.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock options (cont'd…)

Stock option transactions are summarized as follows:

	2008		2007		2006	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,471,500	$ 4.70	1,113,000	$ 4.24	1,135,000	$ 4.33
Granted	471,827	11.15	421,000	5.90	635,000	4.00
Cancelled	(5,000)	11.00	(50,500)	4.43	(657,000)	4.17
Exercised	(366,750)	4.83	(12,000)	5.00	-	-
Expired	(7,500)	3.87	-	-	-	-
Outstanding, end of year	1,564,077	$ 6.60	1,471,500	$ 4.70	1,113,000	$ 4.24
Options exercisable, end of year	1,207,810	$ 5.52	1,080,250	$ 4.46	648,250	$ 4.42
Weighted average fair value per option granted		$ 3.99		$ 2.29		$ 0.78

The following stock options were outstanding at January 31, 2008:

Number of Options Outstanding	Number Currently Exercisable	Exercise Price	Expiry Date
240,000	240,000	3.87	October 13, 2009
460,000	460,000	4.00	October 4, 2010
90,000	90,000	6.20	April 20, 2011
207,250	180,250	5.25	June 27, 2011 (1,250 exercised subsequently)
100,000	62,500	7.00	November 29, 2011
335,000	125,625	11.00	July 3, 2012
131,827	49,435	11.55	July 30, 2012

(Expressed in Canadian Dollars)

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock-based compensation

The fair value of stock options granted during the year ended January 31, 2008 was $1,820,701 (2007 – $965,615; 2006 – $492,722) which will be recognized as stock-based compensation over their vesting periods.

Total stock-based compensation recognized during the year ended January 31, 2008 was $1,248,170 (2007 – $587,478; 2006 – $417,757) which has been recorded in the statements of operations as stock-based compensation with corresponding contributed surplus recorded in shareholders' equity.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	2008	2007	2006
Risk-free interest rate	4.64%	4.30%	3.34%
Expected life of options	3 years	3 years	2 years
Annualized volatility	42.96%	50.39%	31.02%
Dividends	0.00%	0.00%	0.00%

Warrants

Warrant transactions are summarized as follows:

	2008		2007		2006	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	2,212,650	$ 4.69	1,595,980	$ 4.12	974,716	$ 4.16
Issued	-	-	1,470,200	5.01	748,450	4.05
Exercised	(926,150)	4.15	(526,500)	4.10	-	-
Expired	-	-	(327,030)	4.31	(127,186)	4.00
Outstanding, end of year	1,286,500	$ 5.07	2,212,650	$ 4.69	1,595,980	$ 4.12

The following share purchase warrants were outstanding and exercisable at January 31, 2008:

Number of Warrants	Exercise Price	Expiry Date
796,700	4.50	April 11, 2008 (all exercised subsequently)
489,800	6.00	July 28, 2008

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND AMOUNTS OWING TO

The Company entered into the following transactions with related parties:

		2008		2007		2006	
Paid to a:		Amounts paid or payable	Owed at year end	Amounts paid or payable	Owed at year end	Amounts paid or payable	Owed at year end
director for investor relations		$ 227,153	$ 5,702	$ 125,624	$ 6,232	$ 41,279	$ 6,203
director for investor relations		182,000	14,579	120,500	9,024	78,000	19,349
director for consulting services	(a)	78,000	3,412	77,050	-	41,750	7,411
	(b)	-	-	-	-	1,375	-
spouse of a director	(c)	26,130	1,154	19,604	1,006	-	-
officer of the company	(d)	28,305	2,174	29,205	1,137	-	-
owed to a director for expenses		-	641	-	2,052	-	2,550
former director for consulting	(e)	-	-	-	23,000	2,400	-
	(f)	-	-	23,000	-	24,156	-
company controlled by a former common director	(e)	-	-	-	-	13,000	-
	(f)	-	-	-	-	12,800	-
former director for consulting	(e)	-	-	-	-	6,000	-
	(f)	-	-	-	-	17,200	-
accounting firm in which a partner was a former director	(g)	-	-	-	-	3,800	-
		$ 541,588	$ 27,662	$ 394,983	$ 42,451	$ 238,160	$ 35,513

a) for project management services which have been capitalized to subcontracts on the Morrison claims
b) for general consulting services in relation to activities not related to exploration
c) for administrative assistant services which have been capitalized to subcontracts on the Morrison claims.
d) for accounting and management services.
e) for consulting or engineering services which have been capitalized to subcontracts on the Morrison claims
f) for general consulting services in relation to activities not related to exploration
g) for professional fees.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties unless otherwise noted. The amounts owing are non-interest bearing, unsecured and have no fixed terms of repayment.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the year ended January 31, 2008 were as follows:

a) The Company recorded $325,812 of deferred exploration expense as accounts payable and $5,671 of deferred exploration expense as owing to related parties.

b) The Company recorded $2,418 of amortization expense on property and equipment as deferred exploration costs.

The significant non-cash transactions for the year ended January 31, 2007 were as follows:

a) The Company completed a private placement of 970,200 units for total proceeds of $3,880,800, of which $280,000 was received prior to January 31, 2006.

b) The Company recorded $186,063 of deferred exploration expense as accounts payable and $1,935 of deferred exploration expense as owing to related parties.

c) The Company expended exploration advances of $89,013 to deferred exploration costs.

d) The Company recorded $3,455 of amortization expense on property and equipment as deferred exploration costs.

The significant non-cash transactions for the year ended January 31, 2006 were as follows:

a) The Company issued 45,000 common shares, in respect of acquisition costs of mineral property interests, at a value of $180,000.

b) The Company recorded $100,000 of royalty payments as mineral property interests with a corresponding amount recorded as accounts payable.

c) The Company recorded $4,006 of amortization expense on property and equipment as deferred exploration costs.

d) The Company recorded $240,991 of deferred exploration expense as accounts payable and $13,350 of deferred exploration expense as owing to related parties.

e) The Company expended exploration advances of $192,237 to deferred exploration costs.

(Expressed in Canadian Dollars)

10. INCOME TAXES

A reconciliation of income tax recovery at statutory rates (2008:34.1%; 2007:34.1%; 2006:38.6%) with the reported income tax recovery is as follows:

	2008	2007	2006
Loss for the year	$ (2,221,907)	$ (1,365,664)	$ (8,883,273)
Expected income tax (recovery)	$ (757,670)	$ (465,691)	$ (3,426,989)
Non-deductible items	425,626	183,280	3,246,033
Unrecognized benefit of non-capital losses and temporary differences	332,044	282,411	180,956
Total income tax recovery	$ -	$ -	$ -

The significant components of the Company's future income tax assets and liabilities are as follows:

	2008	2007
Future income tax assets:		
Property and equipment	$ 46,000	$ 37,000
Mineral property interests and deferred exploration costs	2,351,000	2,172,000
Non-capital losses carried forward	1,305,000	913,000
	3,702,000	3,122,000
Valuation allowance	(3,702,000)	(3,122,000)
Net future income tax assets	$ -	$ -

The Company has non-capital losses of approximately $3,827,000 available for deduction against future taxable income. These losses, if not utilized will expire in years up to 2028 (see table following). Future tax benefits which may arise as a result of these non-capital losses and other tax assets have not been recognized in these financial statements and have been offset by a valuation allowance.

2009	$ 253,455
2010	446,886
2011	315,101
2015	438,676
2016	605,469
2027	808,472
2028	958,758
Total	$3,826,817

(Expressed in Canadian Dollars)

11. COMMITMENT

The Company has entered into an operating lease agreement for office premises. The annual lease commitment under the lease is as follows:

2009	$ 63,797
2010	16,072
Total	$ 79,869

The Company has entered into an operating lease agreement for a vehicle. The annual lease commitment under the lease is as follows:

2009	$ 14,565
2010	9,710
Total	$ 24,275

12. SEGMENTED INFORMATION

All of the Company's operations are within the mining sector. The Company's mining operations are centralized whereby the Company's head office is responsible for the exploration results and to provide support in addressing local and regional issues. As at January 31, 2008 and 2007, the Company's assets are all located in Canada (Notes 4 and 6).

13. CONTINGENCY

During the fiscal year ended January 31, 2007, an optionor of the Hearne Hill property (Note 4) which adjoins the Company's Morrison property had filed a Writ of Summons and Statement of Claim against the Company in respect to the option agreement on the Hearne Hill property, which it alleges is of no further force and effect and seeks the return of the Hearne Hill property and the area of interest around the Hearne Hill claims. The Writ of Summons and Statement of Claim also includes a claim for the return of the Morrison property. The Company is of the view that the optionor has no right whatsoever to the Morrison property. Management of the Company is vigorously defending the action and has filed a Statement of Defense and a Counterclaim against the optionor for damages in the amount of $55,356 for breach of a contract. The Company had accrued a total of $200,000 as payable in regards to the Hearne Hill. During the current fiscal year, the Company was advised that the application by the optionors of the Hearne Hill property to include the company's Morrison property as part of their claim has been dismissed by the Supreme Court of British Columbia. The ultimate liability, if any, arising from this claim is not presently determinable and will be recorded at the time of that determination.

14. SUBSEQUENT EVENTS

Subsequent to year end, the Company issued 796,700 common shares on exercise of warrants for total proceeds of $3,585,150 and issued 1,250 common shares on exercise of options for total proceeds of $6,562. The Company has not issued any other stock or announced any private placements.

(Expressed in Canadian Dollars)

15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These financial statements have been prepared in accordance with Canadian GAAP. Material variations in the accounting principles, practices and methods used in preparing these financial statements from principles, practices and methods accepted in the United States ("United States GAAP") are described and quantified below.

Balance sheets

The impact of the differences between Canadian GAAP and United States GAAP on the balance sheets would be as follows:

	2008			2007		
	Balance, Canadian GAAP	Adjustments	Balance, United States GAAP	Balance, Canadian GAAP	Adjustments	Balance, United States GAAP
Current assets	$ 5,675,798	$ -	$ 5,675,798	$ 4,230,891	$ -	$ 4,230,891
Mineral property interests	4,832,500	(140,000)	4,692,500	4,832,500	(140,000)	4,692,500
Deferred exploration costs	12,792,612	(12,792,612)	-	9,445,857	(9,445,857)	-
Property and equipment	35,793	-	35,793	49,643	-	49,643
Reclamation deposits	118,600	-	118,600	118,600	-	118,600
	$ 23,455,303	$ (12,932,612)	$ 10,522,691	$ 18,677,491	$ (9,585,857)	$ 9,091,634
Current liabilities	$ 617,627	$ -	$ 617,627	$ 482,866	$ -	$ 482,866
Shareholders' equity	22,837,676	(12,932,612)	9,905,064	18,194,625	(9,585,857)	8,608,768
	$ 23,455,303	$ (12,932,612)	$ 10,522,691	$ 18,677,491	$ (9,585,857)	$ 9,091,634

(Expressed in Canadian Dollars)

15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (cont'd...)

Statements of operations

The impact of the differences between Canadian GAAP and United States GAAP on the statements of operations would be as follows:

	2008	2007	2006
Loss for the year, Canadian GAAP	$ (2,221,907)	$ (1,365,664)	$ (8,883,273)
Adjustments:			
Write-off of mineral property interests	-	-	1,146,000
Write-off of deferred exploration costs	-	-	6,705,288
Mineral property interests	-	-	(100,000)
Deferred exploration costs	(3,346,755)	(2,308,174)	(1,469,143)
Contributed executive services	-	-	(39,000)
Loss for the year, United States GAAP	$ (5,568,662)	$ (3,673,838)	$ (2,640,128)
Basic and diluted loss per common share, United States GAAP	$ (0.59)	$ (0.45)	$ (0.42)
Weighted average number of common shares outstanding, United States GAAP	9,496,503	8,142,907	6,320,955

Statements of cash flows

The impact of the differences between Canadian GAAP and United States GAAP on the statements of cash flows would be as follows:

	2008	2007	2006
Net cash used in operating activities,			
Canadian GAAP	$ (872,140)	$ (992,627)	$ (622,218)
Amortization	2,418	3,455	4,006
Mineral property interests and deferred exploration costs (net of recovery)	(3,203,270)	(2,374,517)	(1,271,052)
Exploration advances	-	89,013	192,237
Net cash used in operating activities, Unites States GAAP	(4,072,992)	(3,274,676)	(1,697,027)
Net cash provided by financing activities, Canadian GAAP and Unites States GAAP	5,616,788	6,868,225	1,733,225

- Continued -

(Expressed in Canadian Dollars)

15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (cont'd...)

Statements of cash flows (cont'd...)

	2008	2007	2006
Continued...			
Net cash used in investing activities, Canadian GAAP	(3,204,399)	(2,300,297)	(1,170,015)
Mineral property interests and deferred exploration costs (net of recovery)	3,200,852	2,282,049	1,018,559
Exploration advances	-	-	56,250
Net cash used in investing activities, Unites States GAAP	(3,547)	(18,248)	(95,206)
Change in cash during the year	1,540,249	3,575,301	(59,008)
Cash, beginning of year	3,960,047	384,746	443,754
Cash, end of year	$ 5,500,296	$ 3,960,047	$ 384,746

Mineral property interests and deferred exploration costs

Under Canadian GAAP, mineral property interests and deferred exploration costs, including acquisition and exploration costs, are carried at cost and written down if the properties are abandoned, sold or if management determines there to be an impairment in value. Under United States GAAP, deferred exploration costs are expensed as incurred. The Company also considers the provisions of EITF 04-02 “Whether Mineral Rights are Tangible or Intangible Assets” which concluded that mineral rights are tangible assets. Accordingly, the Company capitalizes certain costs related to the acquisition of mineral rights. Once a final feasibility study has been completed, additional costs incurred to bring the mine into production are capitalized as development costs. Costs incurred to access ore bodies identified in the current mining plan after production has commenced are considered production costs and are expensed as incurred. Costs incurred to extend production beyond those areas identified in the mining plan where additional reserves have been established are deferred as development costs until the incremental reserves are produced. Capitalized costs are amortized using the unit-of-production method over the estimated life of the ore body based on proven and probable reserves.

15. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (cont'd…)

Stock-based compensation

Under United States GAAP, effective February 1, 2006, the Company adopted SFAS No. 123 (revised), "Share-Based Payment" ("SFAS 123(R)") utilizing the modified prospective approach. The impact of adoption of the standard did not materially affect the Company's financial position, results of operations, or cash flows because the Company adopted the fair value method of accounting for stock options prescribed by SFAS 123, "Accounting for Stock-Based Compensation" on February 1, 2003. The Company's results for the year ended January 31, 2007 were not significantly affected as a result of adopting SFAS 123(R) on February 1, 2006.

Under Canadian GAAP, the Company accounts for stock-based compensation using the fair value method as disclosed in Note 2. Accordingly, there is no difference between Canadian GAAP and United States GAAP in the accounting for stock-based compensation for the years ended January 31, 2008, 2007 and 2006.

Contributed executive services

Pursuant to SAB Topic 1:B(1) and the last paragraph of SAB 5:T, the Company is required to report all costs of conducting its business. Accordingly, for fiscal year ended January 31, 2006, the Company has recorded the fair value of contributed executive services provided to the Company at no cost as compensation expense, with a corresponding increase to contributed surplus, in the amount of $39,000. Effective for the fiscal years ended January 31, 2008 and 2007, the Company is compensating directors for attendance at meetings and therefore no adjustment for fair value of contributed executive services is required.

Amortization of property equipment, vehicles and furniture

Under Canadian GAAP, the Company capitalizes the depreciation on fixed assets purchased for exploration work as part of the deferred exploration expenditures. As this is a non-cash item, it is excluded from the cash flow in regards to the Investing activities. Under United States GAAP, deferred exploration costs are expensed as incurred and therefore, the amortization on the property equipment, vehicles and furniture is shown as an operating activity, not an investing activity.

16. NEW ACCOUNTING PRONOUNCEMENTS

Canadian pronouncements

In January 2005, the CICA issued the following new accounting standards, for fiscal years beginning on or after October 1, 2006:

CICA Handbook Section 1530: "Comprehensive Income" establishes standards for reporting comprehensive income, defined as a change in value of net assets that is not due to owner activities, by introducing a new requirement to temporarily present certain gains and losses outside of net income. The adoption of this new standard by the Company is not expected to have a material impact.

CICA Handbook Section 3251: "Equity" establishes standards for the presentation of equity and changes in equity during the reporting period. The adoption of this new standard by the Company is not expected to have a material impact.

CICA Handbook Section 3855: "Financial Instruments - Recognition and Measurement" establishes standards for the recognition, classification and measurement of financial instruments including the presentation of any resulting gains and losses. Assets classified as available-for-sale securities will have revaluation gains and losses included in other comprehensive income until these assets are no longer included on the balance sheet. The adoption of this new standard by the Company is not expected to have a material impact.

The following accounting standard is effective for fiscal years beginning on or after January 1, 2007:

CICA Handbook Section 1506: "Accounting Changes" states that an entity shall change an accounting policy only if the change is required by a primary source of GAAP or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. The adoption of this new standard by the Company is not expected to have a material impact.

Going Concern
In June 2007, the CICA approved amendments to Handbook Section 1400 "General Standards for Financial Statement Presentation". The standard outlines specific requirements for assessing and disclosing an entity's ability to continue as a going concern. Although the revised standard is not expected to impact the Company's net earnings or financial position, there may be different and additional disclosure surrounding the Company's going concern disclosure.

Financial instrument disclosure
In December 2006, the CICA approved Handbook sections 3862 "Financial Instruments Disclosure" and section 3863 "Financial Instruments Presentation". These sections will require a complete set of disclosure and presentation requirements for financial instruments with increased emphasis on making disclosure more transparent and enhancing risk identification and discussion of how risks are managed. Although the revised standard will not impact the Company's net earnings or financial position, there may be additional disclosure provided.

16. NEW ACCOUNTING PRONOUNCEMENTS (cont'd...)

Canadian pronouncements (cont'd...)

Convergence with International Financial Reporting Standards
In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada and the expected convergence with International Financial Reporting Standards ("IFRS") by the end of 2011. On February 13, 2008 the Canadian Accounting Standards Board confirmed 2011 as the official changeover date for publicly listed Canadian companies to start using International Financial Reporting Standards (IFRS). The transition will affect interim and annual financial statements relating to years beginning on or after January 1, 2011. The impact of the transition to IFRS on the Company's consolidated financial statements has not yet been determined.

Capital Disclosures
In December 2006, the CICA approved Handbook section 1535 "Capital Disclosures" with outlines new required disclosure of specific information about an entity's objective, policies and processes for managing capital. Although the revised standard will not impact the Company's net earnings or financial position, there will be additional disclosure provided.

United States pronouncements

In July 2006, FASB issued Financial Instrument No. 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109" ("FIN 48"), which is a change in accounting for income taxes. FIN 48 specifies how tax benefits for uncertain tax positions are to he recognized, measured, and derecognized in financial statements; requires certain disclosures of uncertain tax matters; specifies how reserves for uncertain tax positions should be classified on the balance sheet; and provides transition and interim period guidance, among other provisions. FIN 48 is effective for fiscal years beginning after December 15, 2006.

FSP FIN 48-1, "Definition of Settlement in FASB Interpretation No. 48", amends Financial Accounting Standard Board (FASB) interpretation No.48, Accounting for Uncertainty in Income Tax, to provide guidance on how an enterprise should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. The Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The provisions of FIN 48 are to be applied to all tax positions upon initial adoption, with the cumulative effect adjustment reported as an adjustment to the opening balance of retained earnings. The FSP is to be adopted upon initial adoption of FIN 48 with retroactive treatment if required.

In September 2006, FASB issued SFAS No. 157 ("SFAS 157"), "Fair Value Measurements." Among other requirements, SFAS 157 defines fair value and establishes a framework for measuring fair value and also expands disclosure about the use of fair value to measure assets and liabilities. SFAS 157 is effective for fiscal years beginning after November 15, 2007.

16. NEW ACCOUNTING PRONOUNCEMENTS (cont'd...)

United States pronouncements (cont'd...)

The Fair Value Option for Financial Assets and Financial Liabilities
In February 2007, the FASB issued FAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115”, (“FAS 159”) which permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. A business entity is required to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date.
This statement is expected to expand the use of fair value measurement. FAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and is applicable beginning in the first quarter of 2008. The Company is currently evaluating the impact that FAS 159 will have on its consolidate

The adoption of these new pronouncements are not expected to have a material effect on the Company's financial position or results of operations.