

**CARIBOO ROSE RESOURCES LTD.**  
**110 – 325 Howe Street, Vancouver, B.C. V6C 1Z7**  
**Tel. (604) 681-7913 Fax (604) 681-9855 Website: [www.cariboorose.com](http://www.cariboorose.com)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED AUGUST 31, 2007**

**NOTICE OF NO AUDITOR REVIEW OR INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(1), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**CARIBOO ROSE RESOURCES LTD.**

Statements of Loss and Deficit  
Unaudited – Prepared by Management

	<u>Three months ended</u> Aug 31, 2007	<u>Six months ended</u> Aug 31, 2007
Consulting	\$ 5,500	\$ 12,833
Dues and licences	350	1,950
Interest expense and bank charges	64	153
Investor relations	4,142	13,550
Legal and audit	389	389
Office	1,238	2,474
Rent	4,355	8,598
Salaries and benefits	4,906	10,062
Telephone	794	1,435
Transfer and filing fees	<u>3,840</u>	<u>5,348</u>
<b>Loss before the following</b>	<b>25,578</b>	<b>56,792</b>
<b>Other (Income) Expense</b>		
Interest and other income	(9,514)	(42,227)
Revaluation gain on marketable securities	<u>3,900</u>	<u>(12,900)</u>
	(5,614)	(55,127)
<b>Net (Gain) Loss for the period</b>	<b>19,964</b>	<b>1,665</b>
Deficit, beginning of period	<u>205,175</u>	<u>223,474</u>
<b>Deficit, end of period</b>	<b>\$ <u>225,139</u></b>	<b>\$ <u>225,139</u></b>
<b>Gain (loss) per share</b>	<b>\$ <u>(0.001)</u></b>	<b>\$ <u>(0.000)</u></b>

**CARIBOO ROSE RESOURCES LTD.**  
Balance Sheets  
Unaudited – Prepared by Management

<i>As at</i>	<i>August 31, 2007</i>	<i>February 28, 2007</i>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 668,195	\$ 771,539
Goods & Services Taxes Recoverable	1,173	2,456
Receivable from Wildrose Resources Ltd. (Note 7)	-	15,000
Accounts receivable	1,065	-
Marketable Securities	66,500	80,403
Prepaid Expenses	<u>150,035</u>	<u>35</u>
	886,968	869,433
Project Deposits	-	15,000
Equipment and Furniture	186	32
Mineral Properties (Note 5)	<u>709,514</u>	<u>555,727</u>
	<u>\$ 1,596,668</u>	<u>\$ 1,440,192</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accruals	66,753	\$ 36,646
Reclamation Obligations	<u>15,000</u>	<u>15,000</u>
	<u>81,753</u>	<u>51,646</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 3)	1,612,823	1,486,454
Contributed Surplus	125,566	125,566
Deficit	<u>(223,474)</u>	<u>(223,474)</u>
	<u>1,514,915</u>	<u>1,388,546</u>
	<u>\$ 1,596,668</u>	<u>\$ 1,440,192</u>

Approved by the Board  
          "D.D. Sharp"                                 Director  
          "G. L. Garratt"                              Director

**CARIBOO ROSE RESOURCES LTD.**

Statements of Cash Flows  
Unaudited – Prepared by Management

	<i>Three months ended</i>	<i>Six months ended</i>
	<b>Aug 31, 2007</b>	<b>Aug 31, 2007</b>
<b>Operating Activities</b>		
Operations		
Net Gain (Loss)	\$ (19,964)	\$ (1,665)
<b>Items not affecting cash</b>		
Amortization	-	-
Shares issued for property	-	-
<b>Change in other operating items</b>		
Term Deposits	(5,267)	(506,713)
Accounts Receivable	15,000	15,000
Marketable Securities	-	-
Prepaid Expenses	-	(150,000)
Investments – Short Term	10,300	13,903
Accounts payable and accrued liabilities	<u>(3,994)</u>	<u>30,325</u>
Cash used for operating activities	<u>(3,925)</u>	<u>(599,150)</u>
<b>Financing Activities</b>		
Issue of shares for cash	<u>(18,000)</u>	<u>128,033</u>
Cash provided by financing activities	<u>(18,000)</u>	<u>128,033</u>
<b>Investing Activities</b>		
Exploration expenditures	(96,866)	(153,787)
Equipment – Technical	-	-
Proceeds from sale of marketable securities	-	-
Office equipment	-	-
Company Reorganization	-	-
Computer Software	(32)	(154)
Property option sales proceeds	<u>-</u>	<u>-</u>
Cash provided by investing activities	<u>(118,823)</u>	<u>(153,941)</u>
<b>Increase (decrease) in cash</b>	<b>(87,082)</b>	<b>(625,058)</b>
<b>Cash, Beginning of Period</b>	<u>755,277</u>	<u>1,293,253</u>
<b>Cash, End of Period</b>	<u>\$ 668,195</u>	<u>\$ 668,195</u>

**CARIBOO ROSE RESOURCES LTD.**  
Statement of Mineral Property Expenditures  
Six Months Ended August 31, 2007  
Unaudited – Prepared by Management

	<u>For the three months ended Aug 31, 2007</u>			<u>For the six months ended Aug 31, 2007</u>		
	<u>Woodjam</u>	<u>Other*</u>	<u>Total</u>	<u>Woodjam</u>	<u>Other*</u>	<u>Total</u>
<b><u>Acquisition Costs</u></b>						
Balance, beginning of period	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ 39,990	\$ 39,990
Incurred during the period	<u>-</u>	<u>1,754</u>	<u>1,754</u>	<u>-</u>	<u>(8,236)</u>	<u>(8,236)</u>
Balance, end of period	<u>-</u>	<u>31,754</u>	<u>31,754</u>	<u>-</u>	<u>31,754</u>	<u>31,754</u>
<b><u>Exploration Costs</u></b>						
Professional fees, field crews	34,109	4,080	38,189	54,584	8,301	62,885
Vehicle, equipment rental	4,432	804	5,236	7,755	804	8,559
Geological	21,149	-	21,149	55,413	-	55,413
Transportation and fuel	1,155	464	1,619	1,894	464	2,358
Field equipment	446	195	641	1,180	195	1,375
Communications	45	21	66	53	22	75
Food and accommodation	1,366	2,041	3,407	2,894	2,041	4,935
Drilling	31,190	-	31,190	31,190	-	31,190
Freight	314	274	588	314	274	588
Assaying	33	1,911	1,944	33	1,911	1,944
Other	<u>(8,937)</u>	<u>20</u>	<u>(8,917)</u>	<u>(7,341)</u>	<u>43</u>	<u>(7,298)</u>
Total Expenditures for the period	85,302	9,810	95,112	147,969	14,055	162,024
Balance, beginning of period	573,578	81,286	654,864	510,911	77,041	587,952
Mineral exploration tax credit	-	-	-	-	-	-
Mineral property sold	-	-	-	-	-	-
Option proceeds reclassified	-	-	-	-	-	-
Written down during the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>658,880</u>	<u>91,096</u>	<u>749,976</u>	<u>658,880</u>	<u>91,096</u>	<u>749,976</u>
<b><u>Option Proceeds</u></b>						
Balance, beginning of period	(21,779)	(50,437)	(72,216)	(21,779)	(50,437)	(72,216)
Additions	-	-	-	-	-	-
Mineral property sold	-	-	-	-	-	-
Option proceeds reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>(21,779)</u>	<u>(74,884)</u>	<u>(247,928)</u>	<u>(21,779)</u>	<u>(50,437)</u>	<u>(72,216)</u>
<b>Cumulative Mineral Property Costs</b>	<u>\$ 637,101</u>	<u>\$ 72,413</u>	<u>\$ 709,514</u>	<u>\$ 637,101</u>	<u>\$ 72,413</u>	<u>\$ 709,514</u>

- Other mineral properties include Canadian Creek, Carruthers Pass, Pat, Chilko and Cowtrail.

**CARIBOO ROSE RESOURCES LTD.**  
Notes to Financial Statements  
August 31, 2007

**1. NATURE OF OPERATIONS**

Cariboo Rose Resources Ltd. (the "Company") is incorporated in the Province of British Columbia and its principal business activities are the acquisition and exploration of gold, copper and other precious and base metal properties.

The Company entered into a plan of arrangement with Wildrose Resources Ltd. ("Wildrose") on November 30, 2006 to acquire cash and certain mineral properties for shares. Pursuant to the arrangement, each issued and outstanding common share of Wildrose was exchanged for one new common share and one reorganization share of Wildrose. Each reorganization share was exchanged by the shareholders of Wildrose for one common share of the Company. Wildrose then redeemed and cancelled all of the reorganization shares held by the Company in exchange for \$1,000,000 in cash and the following mineral properties valued at \$473,089: Woodjam, Carruthers Pass, Canadian Creek, Cowtrail and Pat. As a result of this plan of arrangement, holders of common shares of Wildrose now hold common shares in both the Company and Wildrose. In addition, upon exercise of outstanding share purchase warrants issued by Wildrose prior to November 30, 2006, the Company will receive 20 per cent of the proceeds and issue an equal number of shares as Wildrose to the warrant holders.

These financial statements have been prepared on the basis that the Company is a going concern, which presumes that the company will continue operations for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issue of treasury shares and from loans and on meeting the requirements, from time to time, of any lenders. These consolidated financial statements do not reflect any adjustments or reclassifications which would be necessary if the Company was unable to continue operations.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which include the following significant policies:

**Investments**

Investments in companies over which the Company does not exercise significant influence are accounted for using the cost method, whereby income is included in operations when received or receivable.

The carrying values of investments are written down to their estimated net realizable values when declines in value are significant and other than temporary.

**Financial Instruments**

In April 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855 of the Handbook entitled Financial Instruments - Recognition and Measurement and Section 1530 entitled Comprehensive Income. These sections build upon Handbook Section 3861, Financial Instruments - Disclosure and Presentation, by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how gains and losses on financial instruments are to be presented in financial statements.

Financial instruments are classified into various categories. Held to maturity investments, loans and receivables are measured at amortized cost, with amortization of premium or discounts, losses and impairment included in current period interest income or expense. Held for trading financial assets and liabilities are measured at fair market value with all gains and losses included in operations in the period in which they arise. Available for sale financial assets are measured at fair market value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet, and losses due to impairment are included in operations. All other financial liabilities are to be carried at amortized cost.

The Company has adopted these standards for the fiscal year ending February 29, 2008.

The fair value of the Company's investments, which are classified as available for sale, was \$76,800 at May 31, 2007.

At present, the Company's most significant financial instruments are cash and cash equivalents, accounts receivable, receivable from related parties or affiliates, investments and accounts payable. The Company considers its investments to be available for sale financial assets; accordingly, the carrying amounts of these investments will be adjusted to their fair market value and this adjustment will be included in other comprehensive income.

## **CARIBOO ROSE RESOURCES LTD.**

Notes to Financial Statements

August 31, 2007

### **Gain (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 period. This calculation proved to be anti-dilutive for the years presented. Loss per share is calculated using the weighted average number of shares outstanding during the year.

### **Mineral Properties**

The Company accounts for its mineral properties whereby costs relative to the acquisition, exploration and development of these properties are capitalized by property. All sales and option proceeds received are first credited against the cost of the related property with any excess credited to earnings. Once commercial production has commenced, these net costs are charged to future operations using the unit-of-production method based on estimated recoverable reserves by property. The net costs of abandoned properties are charged to earnings. The recoverability of the amounts shown for mineral properties and related costs are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain the necessary financing to successfully complete their development and to meet the requirements, from time to time, of lenders who are providing this financing and upon future profitable production.

### **Income Taxes**

The Company follows the liability method of accounting for income taxes. Using this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between amounts reported in the financial statements of the Company and their respective tax bases, using enacted income tax rates. The effect of a change in income tax rates on future tax liabilities and assets is recognized in income in the period in which the change occurs. A future income tax asset is recorded when the probability of the realization is more likely than not.

### **Flow-through Shares**

The Company may from time to time issue flow-through shares to finance some of its exploration activities. These shares are issued for cash in exchange for the Company giving up the tax benefits arising from the exploration expenditures, in accordance with tax legislation. The Company will record these share issues by crediting share capital for the full value of cash consideration received.

### **Share-based Compensation**

The Company issues options to purchase shares under the terms described in Note 3. When options to purchase shares are issued to employees or directors, the fair value of the options on the date of the grant are recognized as compensation expense, with a corresponding increase in contributed surplus, over the period during which the related options vest.

The Company issues options to purchase shares under the terms described in Note 3. When options to purchase shares are issued to employees or directors, the fair value of the options on the date of the grant are recognized as compensation expense, with a corresponding increase in contributed surplus, over the period during which the related options vest.

When options to purchase shares are granted to non-employees in return for goods and services, the fair value of the options issued are recognized as an expense, with a corresponding increase in contributed surplus, in the period in which the goods or services are received or are expected to be received.

The consideration received on the exercise of share options is credited to share capital.

### **Mineral Property Reclamation Obligations**

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of mineral property interests, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

## CARIBOO ROSE RESOURCES LTD.

Notes to Financial Statements

August 31, 2007

### 3. SHARE CAPITAL

Authorized unlimited common shares without par value  
Issued and fully paid

	<u>Aug 31, 2007</u>		<u>Feb 28, 2007</u>	
	Number of Shares	Amount	Number of Shares	Amount
Balance, Beginning of period	20,805,148	\$1,486,454	-	-
Issued for cash, net of share issue costs	-	(1,664)	-	-
Issued for mineral properties	-	-	20,683,648	\$ 3,194,044
Exercise of vested options and warrants	<u>533,429</u>	<u>128,033</u>	<u>121,500</u>	<u>13,365</u>
Balance, end of period	<u>21,338,577</u>	<u>\$ 1,612,823</u>	<u>20,805,148</u>	<u>\$1,486,454</u>

The Company issues share purchase options to directors, officers and employees of the Company and persons who provide ongoing services to the Company under an incentive stock option plan. Under the plan, the Company has reserved 10% of issued shares for the issue of share purchase options. Options will normally vest on the date of grant for directors and employees and at the rate of 25% every three months from the date of grant for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

The following options to purchase 2,025,000 common shares are outstanding at the date of these financial statements:

Number of Shares	Price Per Share	Expiry Date
1,925,000	\$0.20	December 12, 2011
100,000	\$0.20	April 17, 2012

No warrants were outstanding at the date of these financial statements. Warrants were exercised during the period for the purchase of 533,429 shares of each of Wildrose Resources Ltd. and the Company with the Company receiving \$0.25 per share of warrant proceeds for 355,959 shares and receiving \$0.22 per share of warrant proceeds for 177,470 shares. Warrants for the purchase of 607,369 shares expired unexercised on May 17, 2007.

### 4. RELATED PARTY TRANSACTIONS

During the three months ended August 31, 2007, geological and exploration services provided by Mincord Exploration Consultants Ltd. ("Mincord") totalled \$5,177.52. Mincord is a geological service company owned by two directors of the Company. Mincord's relationship is non-exclusive and without retainer and is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. The amounts for geological and exploration services also include payments for services on properties managed by the company on behalf of joint venturers.

### 5. MINERAL PROPERTY INTERESTS

Effective November 30, 2006, certain mineral properties from Wildrose Resources Ltd. were transferred to the Company pursuant to a plan of arrangement corporate reorganization (Note 1). The properties transferred included Canadian Creek, Woodjam, Carruthers Pass, Cowtrail and Pat.

#### Canadian Creek Project, Whitehorse Mining District - Yukon

The Company holds an 86% interest in the Ana claims and a 100% interest in the Aztec, Koffee, Nice and Maya claims in the Whitehorse Mining District, subject to a requirement to pay 10% of all option payments and monetary benefits received and to an underlying 5.0 % net profits interest in certain claims on the property. A third Company owns approximately 16% of the Ana claims, which will be reduced if it does not pay its proportionate share of exploration and other payments on the property.

This property was optioned to Veraz Petroleum Ltd. (formerly known as North American Vanadium Inc.) on February 22, 2005, as amended May 8, 2006. Veraz can earn a 60% interest in the property by paying \$150,000 in cash, issuing 200,000 shares and expending \$1,500,000 in exploration by October 31, 2009.

## **CARIBOO ROSE RESOURCES LTD.**

Notes to Financial Statements

August 31, 2007

### **5. MINERAL PROPERTY INTERESTS (continued)**

#### **Woodjam Property, Cariboo Mining Division - British Columbia**

The Company granted an option to Fjordland Minerals Ltd under which Fjordland had, on March 19, 2006, earned a 60% joint venture interest with the Company retaining a 40% joint venture interest to further explore the Woodjam property.

#### **Carruthers Pass, Omineca Mining Division - British Columbia**

On May 15, 2003, the Company obtained an option from Phelps Dodge Corporation of Canada Limited to earn a 100% interest in the 3,250 hectare Carruthers Pass property. The Company can exercise the option by completing \$750,000 in exploration and issuing \$100,000 worth of shares or cash on or before May 15, 2009. Phelps Dodge has reserved a 2.5% net smelter royalty interest, which may be reduced to 1% with a cash payment of \$1,500,000. Phelps Dodge retains certain back-in or other royalty privileges in respect to the property.

The Company had granted Maxtech Ventures Inc. an option to earn a 60% interest in the Carruthers Pass property which was terminated on January 15, 2006. On May 31, 2006, the Company entered into a subsequent option agreement with Hawthorne Resources Inc. ("Hawthorne") whereby Hawthorne may earn a 60% interest in the Carruthers Pass property by making staged issuances of cash or shares totalling \$140,000 and incurring \$1.0 million in exploration expenditures over a five-year period.

#### **Cowtrail Property, Cariboo Mining Division - British Columbia**

On August 25, 2005, the Company granted an option to Dajin Resources Corp. ("Dajin") to earn a 65% interest in the Cowtrail property. Dajin can exercise the option by completing \$1,000,000 in exploration expenditure and issuing 50,000 shares and \$110,000 in cash on or before November 30, 2010.

#### **Pat Claims, Cariboo Mining Division - British Columbia**

On November 2, 2005, the Company granted an option to MaxTech Ventures Inc. to earn a 60% interest in the Pat property. The agreement with MaxTech Ventures Inc. was terminated in early 2007, and the property was subsequently optioned to Alder Resources Ltd. on June 25, 2007. Alder can earn a 60% interest in the property by issuing 200,000 shares, paying \$150,000 in cash and incurring \$1,200,000 of exploration by June 25, 2011.

#### **Chilko Property, Cariboo Mining Division - British Columbia**

In August, 2007 the Company staked the Chilko property based on a release of regional lake sediment survey results by Geoscience BC.

### **6. INCOME TAXES**

As at February 28, 2007, the Company had non-capital losses available of approximately \$120,000 for deduction against future years' taxable incomes. The Company also has other deductions available for tax purposes amounting to approximately \$541,000 which have no expiry date. The future benefits arising from these deductions have not been included in these financial statements.

### **7. FINANCIAL INSTRUMENTS**

The carrying value of cash, accounts receivable and accounts payable on the balance sheet approximate their fair values.

### **8. ENVIRONMENTAL**

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. The ultimate amount of reclamation and other future site restoration costs to be incurred for existing mineral property interests is uncertain.