



International Frontier Resources Corporation
Interim Consolidated Financial Statements
For The Three and Nine Month Periods Ended
September 30, 2007

Contents

	<u>Page</u>
National Instrument 51-102 Notice	1
Consolidated Balance Sheets	2
Consolidated Statements of Loss and Deficit	3
Consolidated Statements of Comprehensive Income (Loss)	4
Consolidated Statements of Cash Flows	5
Notes to the Consolidated Financial Statements	6-14

International Frontier Resources Corporation

Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006

(Unaudited)

National Instrument 51-102 Notice

The consolidated financial statements of International Frontier Resources Corporation (“the Company”) for the three and nine month periods ended September 30, 2007 and 2006 have been compiled by management.

These consolidated financial statements have not been reviewed or audited on behalf of the shareholders by the Company’s independent external auditors.

International Frontier Resources Corporation

Consolidated Balance Sheets

	September 30, 2007 (unaudited)	December 31, 2006 (audited)
Assets		
Current		
Cash and cash equivalents	\$ 29,056,150	\$ 11,853,540
Receivables	1,704,395	456,190
Inventory	82,125	82,125
Prepays	<u>173,200</u>	<u>31,590</u>
	31,015,870	12,423,445
Restricted cash on deposit (Note 8)	1,912,430	1,538,125
Property and equipment	14,608,445	12,237,085
Intangibles	<u>36,250</u>	<u>40,000</u>
	\$ <u>47,572,995</u>	\$ <u>26,238,655</u>
Liabilities		
Current		
Payables and accruals	\$ 1,384,610	\$ 1,075,270
Asset retirement obligations	162,050	239,045
Future income taxes	1,550,520	1,655,510
Convertible debentures	<u>62,650</u>	<u>62,650</u>
	<u>3,159,830</u>	<u>3,032,475</u>
Shareholders' Equity		
Share capital (Note 4b)	43,749,785	26,410,600
Warrants (Note 4e)	3,358,300	-
Contributed surplus (Note 4f)	6,732,940	4,474,570
Equity component of convertible debentures	2,350	2,350
Deficit	<u>(9,430,210)</u>	<u>(7,681,340)</u>
	<u>44,413,165</u>	<u>23,206,180</u>
	\$ <u>47,572,995</u>	\$ <u>26,238,655</u>

Contingent liabilities (Note 8)

See accompanying notes to the interim consolidated financial statements.

International Frontier Resources Corporation

Consolidated Statements of Loss and Deficit

(Unaudited)

	<u>Three Months ended September,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue				
Oil and gas	\$ 240,025	\$ 268,225	\$ 568,520	\$ 774,185
Less: royalties	<u>(53,110)</u>	<u>(58,230)</u>	<u>(116,960)</u>	<u>(161,310)</u>
	186,915	209,995	451,560	612,875
Interest	260,935	132,280	807,380	318,725
Prospect fee income	<u>-</u>	<u>172,500</u>	<u>-</u>	<u>172,500</u>
	<u>447,850</u>	<u>514,775</u>	<u>1,258,940</u>	<u>1,104,100</u>
Expenses				
Field operating costs	90,260	113,825	362,600	298,605
Depletion and depreciation	43,395	519,980	112,885	935,360
Accretion	3,330	5,335	14,085	16,225
Foreign exchange loss	127,990	9,580	184,260	9,780
General and administration	151,585	104,115	587,245	408,280
Stock based compensation	<u>-</u>	<u>229,860</u>	<u>1,851,725</u>	<u>424,540</u>
	<u>416,560</u>	<u>982,695</u>	<u>3,112,800</u>	<u>2,092,790</u>
Earnings (loss) before Income taxes	31,290	(467,920)	(1,853,860)	(988,690)
Future income tax expense (reduction)	<u>10,000</u>	<u>4,980</u>	<u>(104,990)</u>	<u>(163,050)</u>
Net earnings (loss)	\$ 21,290	\$ (472,900)	\$ (1,748,870)	\$ (825,640)
Deficit, beginning of period	<u>(9,451,500)</u>	<u>(6,804,435)</u>	<u>(7,681,340)</u>	<u>(6,451,695)</u>
Deficit, end of period	<u>\$ (9,430,210)</u>	<u>\$ (7,277,335)</u>	<u>\$ (9,430,210)</u>	<u>\$ (7,277,335)</u>

Earnings (loss) per share (Note 6)

See accompanying notes to the interim consolidated financial statements.

International Frontier Resources Corporation
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	<u>Three Months ended September,</u>		<u>Nine Months Ended September 30,</u>	
	2007	2006	2007	2006
Net earnings (loss)	\$ 21,290	\$ (472,900)	\$ (1,748,870)	\$ (825,640)
Other comprehensive income, net of tax	-	-	-	-
Comprehensive income (loss)	<u>\$ 21,290</u>	<u>\$ (472,900)</u>	<u>\$ (1,748,870)</u>	<u>\$ (825,640)</u>

See accompanying notes to the interim consolidated financial statements.

International Frontier Resources Corporation

Consolidated Statements of Cash Flows

(Unaudited)

	<u>Three Months ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	2007	2006	2007	2006
Increase (decrease) in cash and cash equivalents				
Operating				
Net earnings (loss)	\$ 21,290	\$ (472,900)	\$ (1,748,870)	\$ (825,645)
Depletion and depreciation	43,395	519,980	112,885	935,360
Accretion	3,330	5,335	14,085	16,225
Abandonment costs incurred	(5,505)	-	(91,080)	-
Stock based compensation	-	229,860	1,851,725	424,540
Future income taxes	10,000	4,980	(104,990)	(163,050)
	72,510	287,255	33,755	387,430
Change in non-cash operating working capital (Note 7)	(215,960)	(197,040)	(478,160)	381,805
	<u>(143,450)</u>	<u>90,215</u>	<u>(444,405)</u>	<u>769,235</u>
Investing				
Additions to property and equipment	(1,646,405)	(347,240)	(2,074,045)	(4,504,010)
Restricted cash on deposit	-	58,575	(374,305)	(96,800)
Change in non-cash investing working capital (Note 7)	(393,935)	(463,210)	(602,125)	742,790
	<u>(2,040,340)</u>	<u>(751,875)</u>	<u>(3,050,475)</u>	<u>(3,858,020)</u>
Financing				
Private placements	-	101,250	22,700,000	2,990,565
Share issue costs	-	-	(2,002,515)	-
	-	101,250	20,697,485	2,990,565
Increase (decrease) in cash and cash equivalents	(2,183,790)	(560,410)	17,202,605	(98,220)
Cash and cash equivalents, beginning of period	31,239,940	13,368,100	11,853,545	12,905,910
Cash and cash equivalents, end of period	\$ 29,056,150	\$12,807,690	\$ 29,056,150	\$ 12,807,690
Cash and cash equivalents are comprised of:				
Cash on hand	(2,183,790)	\$ 4,973,460	17,202,605	\$ 4,973,460
Short-term Banker's Acceptances	31,239,940	24,082,690	11,853,545	24,082,690
Total	\$ 29,056,150	\$12,807,690	\$ 29,056,150	\$ 12,807,690

Supplemental cash flow information (Note 7)

See accompanying notes to the interim consolidated financial statements.

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

1. Nature of operations

The Company, since inception, is engaged primarily in the exploration for and development of petroleum and natural gas reserves. These activities are conducted in two geographical areas, being Canada and the United Kingdom.

2. Principles of presentation

These unaudited interim consolidated financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in Canada following the same accounting policies and methods of application as the consolidated financial statements of the Company for the year ended December 31, 2006, except as disclosed in Note 3 below. The disclosures provided below are incremental to those included in the Company's annual consolidated financial statements. The unaudited interim consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and notes for the year ended December 31, 2006.

The unaudited interim consolidated financial statements include the accounts of the Company and its subsidiaries and are presented in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and should be read in conjunction with the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2006 as filed on SEDAR at www.sedar.com. Except as noted below, these financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the year ended December 31, 2006. The disclosures provided below are incremental to those included with the year end financial statements.

3. Changes in accounting policies

- (a) On January 1, 2007, the Company adopted new Canadian accounting standards for financial instruments and other comprehensive income. Prior periods have not been restated.

Financial instruments

CICA Section 3855 outlines new standards for recognizing and measuring financial instruments on the balance sheet and standards for reporting gains and losses in the financial statements. Financial assets classified as loans and receivables and financial liabilities classified as other liabilities have to be measured initially at fair value. The adoption of this standard has not had a material impact on the Company's financial statements.

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

3. Changes in accounting policies (Continued)

Comprehensive income (loss)

CICA Section 1530 incorporates the addition of a statement entitled "Consolidated Statement of Comprehensive Income (Loss)" to the Company's Consolidated Statement of Income (Loss) and Deficit. Comprehensive income (loss) consists of net income plus "other comprehensive income (loss)". Other comprehensive income (loss) will include gains or losses resulting from the adoption of Section 3855 as outlined above. Accumulated other comprehensive income (loss) will be presented separately as a component of shareholder's equity.

- (b) Effective January 1, 2008, two new accounting standards will come into effect that require additional disclosure in the Company's financial statements in connection with financial instruments and capital. In addition, there is another new standard related to the measurement and disclosure of inventory which will be applied retrospectively, effective January 1, 2008. Management is currently assessing the impact of these changes on the Company's consolidated financial statements.

4. Share capital

a) Authorized:

Unlimited common shares
Unlimited preferred shares

b) Issued:

	<u>September 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Number of Shares</u>	<u>Amount</u>	<u>Number of Shares</u>	<u>Amount</u>
Common shares				
Beginning of period	42,041,465	\$ 26,410,600	40,245,215	\$ 25,111,255
Issued for cash	12,400,000	15,500,000	-	-
Value attributed to warrants	-	(3,358,300)	-	-
Issued upon exercise of warrants	-	-	1,521,250	2,814,315
Issued upon exercise of options	-	-	275,000	399,625
Flow-through shares	4,800,000	7,200,000	-	-
Share issue costs	-	(2,002,515)	-	-
Balance, end of period	<u>59,241,465</u>	<u>\$ 43,749,785</u>	<u>42,041,465</u>	<u>\$ 26,410,600</u>

In conjunction with a bought deal financing on February 22, 2007 the Company issued 12,400,000 units at a price of \$1.25 per unit, for gross proceeds of \$15,500,000. Each unit is comprised of one common share and one-half warrant. On the same date, the Company issued 4,800,000 flow-through shares at a price of \$1.50 per share, for gross proceeds of \$7,200,000.

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

4. Share capital (Continued)

c) Flow-through share obligation information:	September 30, <u>2007</u>	December 31, <u>2006</u>
Balance, beginning of period	\$ -	\$ 5,337,725
Flow-through share proceeds	7,200,000	-
Expenditures incurred	<u>(1,013,485)</u>	<u>(5,337,725)</u>
Balance, end of period	\$ <u>6,186,515</u>	\$ -

d) Stock options:

The Company has a stock option plan available to consultants, officers, directors, and employees of the Company. The exercise price of each option approximates the market price for the common shares on the date the option was granted. As at September 30, 2007, 5,855,000 common shares were reserved for issuance under the plan. Options granted under the plan vest upon granting and have a term of five years to expiry.

<u>Outstanding and exercisable</u>	<u>September 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Balance, beginning of period	3,355,000	\$ 1.42	3,320,000	\$ 1.34
Granted	2,500,000	\$ 0.97	500,000	\$ 1.57
Expired	-	\$ -	(190,000)	\$ 1.37
Exercised	-	\$ -	<u>(275,000)</u>	<u>\$ 0.64</u>
Balance, end of period	<u>5,855,000</u>	<u>\$ 1.23</u>	<u>3,355,000</u>	<u>\$ 1.42</u>

<u>Expiry dates</u>	<u>September 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Number of Options</u>	<u>Price</u>	<u>Number of Options</u>	<u>Price</u>
December 23, 2008	465,000	\$ 0.45	465,000	\$ 0.45
January 26, 2009	90,000	\$ 0.50	90,000	\$ 0.50
April 1, 2009	75,000	\$ 0.45	75,000	\$ 0.45
November 16, 2009	525,000	\$ 1.50	525,000	\$ 1.50
December 23, 2009	800,000	\$ 1.60	800,000	\$ 1.60
February 11, 2010	800,000	\$ 1.85	800,000	\$ 1.85
September 15, 2010	100,000	\$ 1.35	100,000	\$ 1.35
January 5, 2011	150,000	\$ 1.95	150,000	\$ 1.95
June 30, 2011	350,000	\$ 1.40	350,000	\$ 1.40
January 9, 2012	800,000	\$ 1.30	-	\$ -
June 26, 2012	<u>1,700,000</u>	<u>\$ 0.82</u>	-	\$ -
	<u>5,855,000</u>	<u>\$ 1.23</u>	<u>3,355,000</u>	<u>\$ 1.42</u>

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

4. Share capital (continued)

d) Stock options (continued):

Exercise Price	Options Outstanding			Options Exercisable	
	Options Outstanding	Weighted Average Contractual Life (years)	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercisable Price
\$0.45 - \$0.82	2,330,000	3.81	\$ 0.72	2,330,000	\$ 0.72
\$1.30 - \$1.95	<u>3,525,000</u>	<u>2.93</u>	<u>\$ 1.56</u>	<u>3,525,000</u>	<u>\$ 1.56</u>
	<u>5,855,000</u>	<u>3.28</u>	<u>\$ 1.23</u>	<u>5,855,000</u>	<u>\$ 1.23</u>

The weighted average fair market value of options granted in the period ended September 30, 2007 is \$0.97 per option (2006 - \$1.46 per option). The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	<u>September 30, 2007</u>	<u>December 31, 2006</u>
Risk-free interest rate	4.37%	4.20%
Expected life of options	5 years	5 years
Volatility in price of the Company's shares	167.46%	151.00%
Dividend yield rate	0%	0%

e) Warrants:

Warrants outstanding are as follows:

	<u>September 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Number of Warrants</u>	<u>Amount</u>	<u>Number of Warrants</u>	<u>Amount</u>
Balance, beginning of period	-	\$ -	1,637,500	\$ -
Issued	7,504,000	3,358,300	-	-
Exercised	-	-	(1,521,250)	-
Expired	-	-	(116,250)	-
Balance, end of period	<u>7,504,000</u>	<u>\$ 3,358,300</u>	<u>-</u>	<u>\$ -</u>

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

4. Share capital (Continued)

e) Warrants (continued):

In conjunction with a bought deal financing on February 22, 2007 the Company issued 12,400,000 units at a price of \$1.25 per unit, for gross proceeds of \$15,500,000. Each unit is comprised of one common share and one-half warrant. One full warrant entitles the holder, on exercise to purchase one additional non-flow through share at a price of \$1.60 per share on or before February 22, 2008. Concurrently with the issuance of the units, the Company issued 1,204,000 underwriter warrants which entitle the holder, on exercise, to purchase one common share at a price of \$1.60 on or before February 22, 2008. In addition, the Company issued 100,000 Corporate Finance Units to the underwriter. Each unit consists of one common share and one warrant. One warrant entitles the holder to acquire one common share at a price of \$1.60 on or before February 22, 2008. The Company has made an application to the TSX-V to extend the expiry date of the warrants from February 22, 2008 to May 22, 2008.

The weighted average fair market value of warrants granted in the period ended September 30, 2007 is \$0.45 per warrant (2006 – \$Nil). The fair value of each warrant granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2007
Risk-free interest rate	4.11%
Expected life of warrants	1 year
Volatility in price of the Company's shares	81%
Dividend yield rate	

f) Contributed surplus:

	September 30, 2007	December 31, 2006
Balance, beginning of period	\$ 4,474,570	\$ 3,928,115
Value attributed to stock options granted	2,258,370	729,830
Value of stock options exercised	<u>-</u>	<u>(183,375)</u>
Balance, end of period	<u>\$ 6,732,940</u>	<u>\$ 4,474,570</u>

At September 30, 2007, \$406,640 (2006 – \$Nil) of the value attributed to stock options granted in the period were capitalized to petroleum and natural gas properties.

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

5. Related party transactions

During the period, the Company paid consulting fees to certain officers and directors as follows:

	Nine months ended <u>September 30, 2007</u>	Year ended <u>December 31, 2006</u>
Director's fees and other compensation	\$ 39,500	\$ 282,500
Royalty expense	<u>-</u>	<u>12,690</u>
	<u>\$ 32,000</u>	<u>\$ 295,190</u>

At September 30, 2007, \$Nil (2006 – \$85,190) of the above amounts were included in payables and accruals.

In addition, during the period \$26,650 (2006 - \$43,600) was paid to a law firm in which a Director of the Company is a partner. Of this amount \$Nil is included in payables and accruals at September 30, 2007. These costs are included in general and administrative expenses on the consolidated statements of loss and deficit.

The above transactions have been recorded at the exchange amounts that were established and agreed upon by the related parties.

6. Earnings (loss) per share

	Three Months ended September,		Nine Months Ended September 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net earnings (loss)	\$ 21,290	\$ (472,900)	\$ (1,748,870)	\$ (825,640)
Weighted average number of shares	<u>45,549,410</u>	<u>40,335,246</u>	<u>45,549,410</u>	<u>40,335,246</u>
Basic earnings (loss) per share	<u>\$ 0.00</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>
Net earnings (loss)	\$ 21,290	\$ (472,900)	\$ (1,748,870)	\$ (825,640)
Weighted average number of shares	45,549,410	40,335,246	45,549,410	40,335,246
Dilutive effect of stock options	<u>276,575</u>	<u>447,510</u>	<u>276,575</u>	<u>47,510</u>
Dilutive weighted average number of shares	<u>49,825,986</u>	<u>40,782,756</u>	<u>49,825,986</u>	<u>40,782,756</u>
Diluted earnings (loss) per share	<u>\$ 0.00</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>

International Frontier Resources Corporation

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2007 and 2006
(Unaudited)

7. Supplemental cash flow information

The components of the change in non-cash working capital is as follows:

	Three Months ended September,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Receivables	\$ (1,405,100)	\$ (364,340)	\$ (1,248,200)	\$ 1,136,560
Prepays	23,965	46,085	(141,615)	58,805
Payables and accruals	771,240	(341,990)	309,530	(70,770)
	\$ (609,895)	\$ (660,245)	\$ (1,080,285)	\$ 1,124,595
	Three Months ended September,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Operating activities	\$ (215,960)	\$ (197,040)	\$ (478,160)	\$ 381,805
Investing activities	(393,935)	(463,210)	(602,125)	742,790
Financing activities	-	-	-	-
	\$ (609,895)	\$ (660,250)	\$ (1,080,285)	\$ 1,124,595
Interest paid	\$ 1,540	\$ 2,315	\$ 3,080	\$ 4,630

8. Commitments and contingencies

- a) The Company has lodged a letters of credit for its share of refundable deposits on NWT Exploration Licenses. The letters of credit are secured by a total assignment of cash of \$1,912,430 (2006 – \$1,538,125). The Company is contingently liable under the letters of credit for its proportionate share of the refundable deposit of \$1,912,430 (2006 - \$1,538,125). The deposits are refundable to the Company upon the Company meeting its work commitments, in whole or in part in the amount of \$7,649,720. The deposits will be refunded by \$1 for every \$4 spent on qualified expenditures on each Exploration License.
- b) The Company is party to an agreement to lease its premises until December 31, 2011. The annual rent of premises consists of a minimum rent plus occupancy costs. Minimum rent payable for premises until the end of the lease are as follows:

2007	\$ 43,285
2008	\$ 86,570
2009	\$ 86,570
2010	\$ 86,570
2011	\$ 86,570

International Frontier Resources Corporation
Notes to the Consolidated Interim Financial Statements
(unaudited) – September 30, 2007

9. Segmented information

The Company's activities are conducted in two geographic segments: Canada and the United Kingdom. All activities relate to exploration for and development of petroleum and natural gas.

a) Earnings (Loss)

Canada

	<u>Three Months ended September,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Oil and gas	\$ 240,025	\$ 268,225	\$ 568,520	\$ 774,185
Less: royalties	<u>(53,110)</u>	<u>(58,230)</u>	<u>(116,960)</u>	<u>(161,310)</u>
	186,915	209,995	451,560	612,875
Interest	254,240	132,280	800,685	318,725
Prospect fee income	<u>-</u>	<u>172,500</u>	<u>-</u>	<u>172,500</u>
	<u>254,240</u>	<u>304,780</u>	<u>800,685</u>	<u>491,225</u>
Earnings (loss) before Income taxes	\$ <u>97,565</u>	\$ <u>(458,515)</u>	\$ <u>(1,785,360)</u>	\$ <u>(969,690)</u>

United Kingdom

	<u>Three Months ended September,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Oil and gas	\$ -	\$ -	\$ -	\$ -
Less: royalties	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
Interest	6,695	-	6,695	-
Prospect fee income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>6,695</u>	\$ <u>-</u>	\$ <u>6,695</u>	\$ <u>-</u>
Earnings (loss) before income taxes	\$ <u>(66,275)</u>	\$ <u>(9,405)</u>	\$ <u>(68,500)</u>	\$ <u>(19,000)</u>

International Frontier Resources Corporation
Notes to the Consolidated Interim Financial Statements
(unaudited) – September 30, 2007

9. Segmented information (continued)

b) Property and equipment

September 30, 2007

	<u>Canada</u>	<u>U.K.</u>	<u>Total</u>
Capital expenditures			
Cash expenditures	\$ 1,049,705	\$ 1,024,340	\$ 2,074,045
Stock options costs	294,800	111,840	406,640
	<u>\$ 1,344,505</u>	<u>\$ 1,136,180</u>	<u>\$ 2,480,685</u>
Property and equipment	<u>\$ 12,478,840</u>	<u>\$ 2,129,605</u>	<u>\$ 14,608,445</u>

September 30, 2006

	<u>Canada</u>	<u>U.K.</u>	<u>Total</u>
Capital expenditures	\$ 4,504,010	\$ 322,950	\$ 4,504,010
Property and equipment	<u>\$ 10,092,380</u>	<u>\$ 498,810</u>	<u>\$ 10,591,190</u>