

PUGET VENTURES INC.

FINANCIAL STATEMENTS
(Unaudited)

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008

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PUGET VENTURES INC.

BALANCE SHEETS

	January 31, 2008 (Unaudited)	April 30, 2007 (Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 215,194	\$ 103,689
GST receivable	6,098	-
Prepaid expenses	17,058	5,197
	238,350	108,886
Mineral property (Note 4)	10,000	-
Incorporation costs	1,267	1,267
	\$ 249,617	\$ 110,153

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 13,538	\$ 11,790
Shareholders' equity		
Capital stock (Note 5)	323,222	112,000
Contributed surplus (Note 5)	10,143	-
Deficit	(97,286)	(13,637)
	236,079	98,363
	\$ 249,617	\$ 110,153

Going-Concern (Note 2)

Subsequent Events (Note 9)

On behalf of the Board:

“Erin Airton” Director “Raymond Castelli” Director
Erin Airton Raymond Castelli

PUGET VENTURES INC.
STATEMENTS OF OPERATIONS AND DEFICIT

	Three-Month Period ended January 31, 2008 (Unaudited)	Nine-Month Period ended January 31, 2008 (Unaudited)	Initial 52 day Period ended April 30, 2007 (Audited)
Interest revenue	\$ 1,847	\$ 2,186	\$ -
EXPENSES			
Professional fees	22,879	31,693	11,513
Filing and registration fees	11,987	15,568	-
Stock based compensation	8,117	8,117	-
Office overhead	7,026	20,347	1,148
Rent	2,700	8,100	976
Travel	923	2,010	-
	53,632	85,835	13,637
Net loss for the period	\$ (51,785)	\$ (83,649)	\$ (13,637)
Deficit, opening	45,501	13,637	-
Deficit, ending	97,286	97,286	13,637
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding	5,730,000	3,769,417	377,712

PUGET VENTURES INC.
STATEMENTS OF CASH FLOWS

	Three-Month Period ended January 31, 2008 (Unaudited)	Nine-Month Period ended January 31, 2008 (Unaudited)	Initial 52 day Period ended April 30, 2007 (Audited)
Cash flows from operating activities			
Loss for the period	\$ (51,785)	\$ (83,648)	\$ (13,637)
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities	(27,505)	1,748	11,789
Prepaid expenses	(11,486)	(11,861)	(5,197)
GST recoverable	(1,758)	(6,098)	-
Stock based compensation	8,117	8,117	-
Share issue costs in trust account	4,740	4,740	-
	(79,677)	(87,002)	(7,045)
Cash flows from investing activities			
Incorporation costs	-	-	(1,267)
Mineral property purchase	(10,000)	(10,000)	-
	(89,677)	(97,002)	(8,312)
Cash flows from financing activities			
Capital stock issued for cash	-	208,507	112,000
Increase (decrease) in cash	(89,677)	111,505	103,688
Cash, beginning of Period	304,871	103,689	-
Cash, end of period	\$ 215,194	\$ 215,194	\$ 103,688
Cash paid during the period for interest	\$ -	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -	\$ -

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007

1. INCORPORATION

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 9, 2007 and is classified as a capital pool corporation ("CPC") defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company successfully completed its initial public offering ("IPO") and began trading on the TSX-V on October 31, 2007 under the symbol PVS.P.

2. GOING-CONCERN

The Company's ability to continue as a going-concern is dependent upon the Company's ability to identify, evaluate and complete a qualifying transaction. Until completion of a qualifying transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential qualifying transaction. With the consent of the TSX-V, the Company may raise additional funds in order to finance an acquisition. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities, which might be necessary should the Company be unable to identify or complete a suitable qualifying transaction within the time frame prescribed by the CPC policy of the TSX-V.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include term deposits, guaranteed investment certificates, treasury bills and investment grade commercial paper with maturities of 90 days or less from the date of purchase. Interest income is recorded as earned at the stated rate of interest of the term deposit over the term to maturity.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 period. Areas requiring the use of estimates include the recoverability of mineral property interests, the assumptions used in the determination of the fair value of stock-based compensation and the determination of valuation allowance for future income tax assets and accruals. Management believes the estimates are reasonable; however, actual results could differ from those estimates and would impact future results of operations and cash flows.

Comprehensive income or loss

The Company has no items of other comprehensive income or loss in any period presented. Therefore, net loss as presented in the Company's Statement of Operations equals comprehensive loss.

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007**

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

Income taxes

Income taxes are recorded using the asset and liability method whereby 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 basis. 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 enactment or substantive 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.

Stock-based compensation

The Company accounts for stock-based compensation expense using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this standard, stock-based payments are recorded as an expense in the period the option vests or when the awards or rights are granted with a corresponding increase to contributed surplus. When stock options are exercised, the corresponding fair value is transferred to capital stock.

Asset retirement obligation

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production basis over the life of the proved reserves. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Flow-through shares

The Company may from time to time issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholder the income tax attributes of resource exploration costs financed by such shares. The effect of such renouncement is to reduce future income tax deductions, which is considered to be a share issue cost that is recorded as a reduction to capital stock and a corresponding increase in future income tax liability.

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007

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

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 loss per common 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.

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

4. MINERAL PROPERTY

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, the property is sold or the Company's mineral rights are allowed to lapse.

All capitalized costs are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option) or when, in the Company's Assessment, it will be unable to sell the property for an amount greater than the deferred costs, the property is written down for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Capitalized costs are depleted over the useful lives of the properties upon commencement of commercial production, or written off if the properties are abandoned or the applicable mineral rights are allowed to lapse.

The Company paid \$10,000 to acquire an option agreement and 60% interest in Trout Bay property (Note 9(a)).

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007

5. CAPITAL STOCK

	Number of Shares	Amount	Contributed Surplus
Authorized Unlimited common shares without par value			
Issuance of common shares for cash	2,240,000	\$ 112,000	\$ -
Balance at April 30, 2007	2,240,000	112,000	-
Issuance of common shares from private placement	990,000	49,500	-
Issuance of common shares from IPO	2,500,000	250,000	-
Share issuance costs		(88,278)	2,026
Stock-based compensation	-	-	8,117
Balance at January 31, 2008	5,730,000	\$ 323,222	\$ 10,143

During the period ended April 30, 2007, the Company issued 2,240,000 common shares pursuant to a private placement, at a price of \$0.05 per common share for total proceeds of \$112,000. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a qualifying transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

During August 2007 the Company issued completed a private placement for 990,000 common shares at a price of \$0.05 per common share for total proceeds of \$49,500.

During October 2007, the Company completed an IPO for 2,500,000 common shares at a price of \$0.10 per common share for total gross proceeds of \$250,000. Share issue costs of \$88,278 have been incurred for the IPO.

The private placement common shares and 120,000 common shares of the 2,500,000 common shares from the IPO will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a qualifying transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred assigned or otherwise dealt with without the consent of the regulatory authorities. Share issue cost of \$88,278, including \$2,026 for the fair value of agent's options, have been incurred for the IPO.

If the Company does not complete a qualifying transaction, the shares will not be released from escrow and if the Company is de-listed, the shares will be cancelled.

Stock option plan

The Company adopted a stock option plan (the "Plan") whereby it can grant options to directors, officers, employees and technical consultants of the Company. The maximum number of shares may not exceed 573,000, which is limited to 10% of the issued common shares of the Company prior to completion of a qualifying transaction and after the closing of the Company's IPO. Vesting will be determined by the board of directors.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
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5. CAPITAL STOCK (cont'd...)

Stock option plan (cont'd...)

Options have been granted under the Plan during the period ended January 31, 2008 for 425,000 shares at \$0.10 per share. The options are exercisable for a period of up to five years at a price of \$0.10 per share, expiring on October 31, 2012. As of January 31, 2008, 425,000 stock options are outstanding with a weighted average exercise of \$0.10.

Agent's option

The Company granted to the Canaccord Capital Corporation (the "Agent") a non-transferable option to acquire up to 10% of common shares, issued in the IPO, for a period of 24 months from the date the Company's shares are listed for trading on the TSX-V, at an exercise price of \$0.10. As of January 31, 2008, 250,000 options are outstanding with a weighted average exercise price of \$0.10. The fair value of \$2,026 has been included in share issue cost for the agent's options issued.

Stock-based compensation

The Company uses the fair value method for determining stock-based compensation for all options granted during the fiscal periods. The fair value was determined using the Black-Scholes option pricing model based on the following assumptions:

	Nine-Month Period ended January 31, 2008
Expected life (years)	5
Interest rate	4.23%
Volatility	0.01%
Dividend yield	0.00%

During the period ended January 31, 2008, stock-based compensation expense related to options granted was \$8,117 (2007 - \$nil) and was included in the determination net loss for the period.

6. FINANCIAL INSTRUMENTS

Effective March 9, 2007, the Company adopted the Canadian Institute of Chartered Accountants Handbook Section 3855 "financial instruments-recognition and measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. On the date of adoption, the Company measured its financial assets and liabilities as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007

6. FINANCIAL INSTRUMENTS (cont'd...)

Effective October 1, 2006, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "financial instruments-recognition and measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The Company classifies its debt and marketable equity securities into held-to-maturity, trading, or available-for-sale categories. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Debt securities for which the Company does not have the intent or ability to hold to maturity are classified as available for sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on contractual maturity date and are stated at amortized cost. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt and marketable equity securities, not classified as held-to-maturity or as trading, are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in shareholders' equity.

On the date of adoption, the Company remeasured its financial assets and liabilities as appropriate. Any adjustment of the previous carrying amount is recognized as an adjustment of the balance of retained earnings at the beginning of the fiscal year, except when a financial asset is classified as available for sale. For available-for-sale financial assets, the adjustment has been included as the opening balance as a separate component of accumulated other comprehensive income, which will be subsequently recognized in net income when the financial assets are disposed of.

The fair value of substantially all securities is determined by quoted market prices. Gains or losses on securities sold are based on the specific identification method.

(a) Fair value

The carrying values of cash, term deposit, and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

(b) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(c) Credit risk

The Company is exposed to credit risk with respect to its cash and term deposit; however, this is minimized as cash and term deposit are placed with a major Canadian financial institution.

7. RELATED PARTY TRANSACTIONS

During the period, the Company incurred professional fees in the amount of \$2,911 (April 30, 2007 - \$nil) that were paid to a shareholder and an officer's company.

The transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007

8. INCOME TAXES

The reconciliation of income tax attributable to continuing operations at the statutory tax rates to income tax expense is:

	Nine-Month Period ended January 31, 2008	Initial 52-Day Period ended April 30, 2007
Income tax benefit computed at Canadian statutory rates	\$ (28,541)	\$ (4,637)
Non-deductible stock-based compensation	2,770	-
Share issuance costs	(5,886)	-
Meal and entertainment expenses	289	-
Unrecognized tax losses	31,368	4,637
	\$ -	\$ -

The Company has non-capital losses available that may be carried forward to apply against future income for Canadian tax purposes. The losses start to expire as follows:

2027	\$ 13,637
2028	91,934
	\$ 105,571

The potential benefit of these loss carry-forwards has not been recorded in these financial statements.

Future income tax assets reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The applicable tax rate to be expected is 31%. Significant components of the Company's future tax assets are as follows:

	Nine-Month Period ended January 31, 2008	Initial 52-Day Period ended April 30, 2007
Future income tax assets		
Tax value over book value of share issuance costs	\$ 21,390	\$ -
Book value over tax value of incorporation costs	(98)	-
Non-capital loss carry-forwards	32,727	4,637
	54,019	4,637
Valuation allowance	(54,019)	(4,637)
Net future income tax assets	\$ -	\$ -

The valuation allowance reflects management's belief that it is less likely than not that the future tax asset will be realized.

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JANUARY 31, 2008 (UNAUDITED) AND
THE PERIOD ENDED APRIL 30, 2007

9. SUBSEQUENT EVENTS

- (a) On December 18, 2007, the Company entered into agreements with Goldcorp Inc. ("Goldcorp.") and West Timmins Mining Inc. to acquire the option to earn an undivided 60% interest in the mineral properties known as Trout Bay property located in Red Lake, Ontario. Pursuant to the terms of agreements with West Timmins and Goldcorp., and subject to completion of a concurrent financing (Note 9(b)) and receipt of applicable regulatory approvals, the Company intends to acquire the option in exchange for 285,000 common shares of the Company, and a cash payment of \$145,500, representing a reimbursement of expenditures made by West Timmins to the Trout Bay property. A payment of \$10,000 has been paid in connection with the transfer of the option to the Company.

Upon acquisition of West Timmins' interest, the Company shall be entitled to earn a 60% undivided ownership interest in Trout Bay property from Goldcorp by completing aggregate exploration expenditures of \$4,854,499, on or before November 30, 2012.

- (i) Approximately \$604,499 on or before November 2008;
- (ii) An additional \$750,000 on or before November 30, 2009;
- (iii) An additional \$1,000,000 on or before November 30, 2010;
- (iv) An additional \$1,000,000 on or before November 30, 2011; and
- (v) An additional \$1,500,000 on or before November 30, 2012.

The Company will be the operator of the properties during the option period.

- (b) On January 24, 2008, the Company has arranged a brokered private placement through an agreement with the Agent where 1,500,000 units and 1,500,000 flow-through shares will be issued for total gross proceeds of \$1,500,000. The unit price will be \$0.50 and one-half of a common share purchase warrant, exercisable into a common share at \$0.75 within an 18 month period. Each flow-through share is priced at \$0.50. The Company will pay the Agent 8% of the gross proceeds payable in cash and issue agent's options of 8% of the units in the private placement. Upon closing, the Company will issue to the agent 50,000 units for corporate finance fee and pay \$10,000 for administration fees.