

INDICATOR MINERALS INC.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2006 and 2005

In Canadian Funds

AUDITORS' REPORT

To the Shareholders of Indicator Minerals Inc.:

We have audited the balance sheet of Indicator Minerals Inc. (the "Company") as at November 30, 2006 and the statements of loss and deficit 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 audit.

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 November 30, 2006 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 November 30, 2005 and for the year then ended were audited by predecessor auditors who expressed an opinion without reservation on those statements in their report dated March 21, 2006.

(Signed) PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, B.C.

March 13, 2007

Indicator Minerals Inc.
(An Exploration Stage Company)
Balance Sheets
As at November 30

Canadian Funds

Statement 1

ASSETS	2006	2005
Current		
Cash and cash equivalents	\$ 555,962	\$ 725,864
Restricted cash (Note 5)	292,065	262,438
Cash calls receivable	1,994,356	101,743
Advance to related party	-	3,000
Marketable securities (Note 6)	25,000	-
GST receivable	-	88,064
Prepaid expenses	6,740	1,740
	2,874,123	1,182,849
Permits (Note 7)	341,754	560,695
Property and Equipment (Note 8)	103,882	45,196
Resource Property Costs (Note 9) – Schedule	5,476,456	4,801,385
	\$ 8,796,215	\$ 6,590,125
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 779,628	\$ 449,448
Due to related parties (Note 12)	130,644	1,337
GST payable	23,726	-
	933,998	450,785
Continued Operations and Going Concern (Note 2)		
Income Taxes (Note 13)		
SHAREHOLDERS' EQUITY		
Share Capital (Note 10)	12,397,731	8,880,532
Contributed Surplus (Note 11)	2,867,328	1,580,364
Deficit - Statement 2	(7,402,842)	(4,321,556)
	7,862,217	6,139,340
	\$ 8,796,215	\$ 6,590,125

ON BEHALF OF THE BOARD:

“Bruce Counts”, President & CEO _____, Director

“Sean Mager” _____, Director

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)
Statements of Loss and Deficit
For the Years Ended November 30
Canadian Funds

Statement 2

	2006	2005 (restated – note 17)
Expenses		
Advertising and promotion	\$ 128,961	\$ 51,476
Amortization	25,501	14,464
Conference and meetings	152,435	106,776
Corporate listing and filing fees	10,546	14,198
Investor relations	67,736	95,452
Office and administration	68,661	40,949
Professional fees	104,341	77,256
Rent	33,729	26,559
Stock-based compensation (Note 10e)	964,962	346,240
Transfer agent fees	11,880	11,356
Wages and consulting fees	278,888	149,991
Loss before the undernoted	(1,847,640)	(934,717)
Other Income (Expenses)		
Operator's fees	261,881	-
Interest	39,932	16,578
Recovery of bad debt	27,500	-
Write-off of leasehold improvements	(2,684)	-
Write-down of marketable securities	(2,500)	-
Write-off of permits not renewed	(123,998)	-
Write-off of resource property costs (Note 9a)	(1,811,627)	(2,459,517)
	(1,611,496)	(2,442,939)
Loss before income taxes	(3,459,136)	(3,377,656)
Future income tax recovery (Note 10f)	377,850	876,884
Net loss for the year	(3,081,286)	(2,500,772)
Deficit - Beginning of Year, Restated (Note 17)	(4,321,556)	(1,820,784)
Deficit - End of Year, Restated (Note 17)	\$ (7,402,842)	\$ (4,321,556)
Basic and Diluted Loss per Share	\$ (0.06)	\$ (0.09)
Weighted Average Number of Shares Outstanding	44,739,380	28,555,625

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)
Statements of Cash Flows
For the Years Ended November 30
Canadian Funds

Statement 3

	November 30, 2006	November 30, 2005
Cash Flows from Operating Activities		
Net loss for the year	\$ (3,081,286)	\$ (2,500,772)
Items not affected by cash:		
Future income tax recovery	(377,850)	(876,884)
Stock-based compensation	964,962	346,240
Amortization	25,501	14,464
Shares received for recovery of bad debt	(27,500)	-
Write-off of leasehold improvements	2,684	-
Write-down of marketable securities	2,500	-
Write-off of permits not renewed	123,998	-
Write-off of resource property costs	1,811,627	2,459,517
	<u>(555,364)</u>	<u>(557,435)</u>
Change in non-cash working capital:		
Cash calls receivable	108,947	-
GST receivable	111,790	116,973
Prepaid expenses	(5,000)	(1,740)
Accounts payable and accrued liabilities	(348,248)	4,071
	<u>(687,875)</u>	<u>(438,131)</u>
Cash Flows from Investing Activities		
Increase in restricted cash	(29,627)	(237,438)
Increase in property and equipment, net	(86,871)	(40,078)
Decrease (Increase) in permits and bonds	94,943	(74,095)
Resource property costs	(3,651,186)	(2,855,552)
	<u>(3,672,741)</u>	<u>(3,207,163)</u>
Cash Flows from Financing Activities		
Issuance of share capital, net	4,189,051	3,258,202
Repayment of (Loan to) related parties	1,663	(49,427)
	<u>4,190,714</u>	<u>3,208,775</u>
Net Decrease in Cash	(169,902)	(436,519)
Cash and Cash Equivalents- Beginning of Year	725,864	1,162,383
Cash and Cash Equivalents - End of Year	\$ 555,962	\$ 725,864
Supplemental Schedule of Non-Cash Investing and Financial Activities		
Cash calls receivable, accounts payable and accrued liabilities and amounts due to related parties included in resource property costs	\$ 1,190,927	\$ 116,856
Shares received on bad debt recovery	\$ 27,500	\$ -
Fair value of stock based compensation relating to options exercised	\$ 161,154	\$ -
Issuance of shares for property	\$ 28,000	\$ 62,000
Fair value of bonus warrants issued for property	\$ -	\$ 44,969

- See Accompanying Notes -

Indicator Minerals Inc.
(An Exploration Stage Company)
Schedule of Resource Property Costs

Schedule

Canadian Funds

	For the Year Ended November 30, 2006			For the Year Ended November 30, 2005		
	Acquisition Costs	Deferred Exploration	Total	Acquisition Costs	Deferred Exploration	Total
Mineral Interests						
Hunter Properties						
Acquisition costs	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Bonus warrants issued re bond	-	-	-	44,969	-	44,969
Claims and staking	338,776	-	338,776	71,056	-	71,056
Analytical and sampling	-	309,227	309,227	-	913,525	913,525
Airborne geophysics	-	9,041	9,041	-	676,834	676,834
Consulting	-	58,713	58,713	-	219,088	219,088
Fieldwork	-	526,639	526,639	-	124,452	124,452
	388,776	903,620	1,292,396	116,025	1,933,899	2,049,924
Committee Bay Properties						
Acquisition costs	-	-	-	-	-	-
Claims and staking	96,086	-	96,086	1,474	-	1,474
Analytical and sampling	-	146,441	146,441	-	251,209	251,209
Consulting	-	14,854	14,854	-	45,914	45,914
Fieldwork	-	17,860	17,860	-	37,385	37,385
	96,086	179,155	275,241	1,474	334,508	335,982
International Samuel JV Property						
Claims and staking	20	-	20	161	-	161
Analytical and sampling	-	43,444	43,444	-	81,806	81,806
Consulting	-	2,756	2,756	-	21,678	21,678
Fieldwork	-	10	10	-	5,826	5,826
	20	46,210	46,230	161	109,310	109,471
Lokgwabe Property						
Acquisition costs	28,000	-	28,000	84,205	-	84,205
Airborne geophysics	-	139,098	139,098	-	82,595	82,595
Analytical and sampling	-	13,873	13,873	-	10,261	10,261
Consulting	-	22,498	22,498	-	-	-
Ground geophysics	-	41,644	41,644	-	-	-
Fieldwork	-	128,660	128,660	-	58,077	58,077
	28,000	345,773	373,773	84,205	150,933	235,138
Indicator Property						
Claims and staking	167,737	-	167,737	-	-	-
Analytical and sampling	-	28,281	28,281	-	-	-
Consulting	-	3,974	3,974	-	-	-
Fieldwork	-	12,636	12,636	-	-	-
	167,737	44,891	212,628	-	-	-
Generative						
Claims and staking	41,743	-	41,743	-	-	-
Analytical and sampling	-	38,120	38,120	-	-	-
Consulting	-	38,142	38,142	-	-	-
Fieldwork	-	168,425	168,425	-	9,971	9,971
	41,743	244,687	286,430	-	9,971	9,971
Resource Costs for the Year	722,362	1,764,336	2,486,698	201,865	2,538,621	2,740,486
Mineral Property Costs Written Off (Note 9a)	(807,838)	(1,003,789)	(1,811,627)	(1,569,418)	(890,099)	(2,459,517)
Costs, Beginning of the Year	1,731,164	3,070,221	4,801,385	3,098,717	1,421,699	4,520,416
Balance, End of the Year	\$ 1,645,688	\$ 3,830,768	\$ 5,476,456	\$ 1,731,164	\$ 3,070,221	\$ 4,801,385

- See Accompanying Notes -

Indicator Minerals Inc.

(An Exploration Stage Company)

Notes to Financial Statements

November 30, 2006

Canadian Funds

1. Nature of Operations

Indicator Minerals Inc. ("Indicator" or the "Company") is an exploration stage enterprise and is currently exploring its mineral interests in Nunavut, Canada in order to bring the properties to the extraction and processing stage. The Company is listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol IME.

2. Continued Operations and Going Concern

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the year, the Company incurred an operating loss of \$3,081,286 (2005 - \$2,500,772) over the past several fiscal years and has an accumulated deficit of \$7,402,842 at November 30, 2006 (2005- \$4,321,556).

The Company is a development stage company that engages principally in the acquisition, exploration and development of mineral properties. As a development stage company, it is currently unable to self-finance its operations. As discussed in the following notes to the financial statements, the recovery of the Company's investment in its resource properties and attainment of profitable operations is dependent upon the discovery, development and sale of diamond reserves, the ability to joint venture or sell its resource properties and the ability to raise sufficient capital to finance this operation. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used. The adjustments could be material.

3. Significant Accounting Policies

a) Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with maturities at point of purchase of 90 days or less. The Company places its cash with institutes of high credit worthiness.

b) Resource Property Costs

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable.

Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economically feasible diamond ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Financial Statements

November 30, 2006

Canadian Funds

3. Significant Accounting Policies – Continued:

b) Resource Property Costs – Continued:

The recoverability of the amount capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof. In addition, the resource property costs are evaluated on an annual basis for impairment and where impairment occurs, related resource costs are written off.

Title to resource properties 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 resource properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

c) Asset Retirement Obligations

Effective December 1, 2005, the Company adopted the recommendations of Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, Asset Retirement Obligations. This new section requires recognition of a legal liability for obligations relating to retirement of property and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement costs must be recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life.

There is no material impact on the financial statements resulting from the adoption of Section 3110 either in the current or prior years presented. At November 30, 2006 there are no asset retirement obligations for the Company.

d) Marketable Securities

Marketable securities are classified as portfolio securities, which are reported at the lower of cost or market value. At the end of each reporting period, management determines if there has been a decline in the market value of each individual security which is other than temporary and records a write down to market value.

e) Amortization

The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property and equipment over the estimated useful lives. One-half of the rate is taken in the year of acquisition. The annual amortization rates are as follows:

Computer equipment	30 %
Computer software	100 %
Field Equipment	20 %
Office furniture and equipment	20 %

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Financial Statements

November 30, 2006

Canadian Funds

3. Significant Accounting Policies – Continued:

f) Income Taxes

The asset and liability method is used for determining future income taxes. Under the asset and liability method, the change in the net future tax asset or liability is included in income. The income tax effects of temporary differences in the time when income and expenses are recognized in accordance with Company accounting practices and the time they are recognized for income tax purposes are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using statutory rates that are expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. A valuation allowance is established, as needed, to reduce the future income tax asset to the amount that is more likely than not to be realized.

g) Share Capital

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

h) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

i) Impairment of Long-Lived Assets

The Company follows the CICA Handbook Section 3063, "Impairment of Long-Lived Assets" ("HB 3063"). HB 3063 requires the Company to assess the impairment of long-lived assets, which consist primarily of property and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the asset to its fair value. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value. The amount of the impairment is charged to income in the period when the impairment is determined.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Financial Statements

November 30, 2006

Canadian Funds

3. Significant Accounting Policies – Continued:

j) Loss per Share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share by application of the treasury stock method. The treasury stock method assumes that the options and/or warrants are exercised at the beginning of the year (or issue date if later) and the proceeds are used to repurchase outstanding shares of common stock.

k) Management's Estimates

The preparation of financial statements in conformity 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 dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. In particular, resource property costs may be affected. Actual results could differ from those estimates.

l) Flow-Through Shares

The Company follows the recommendations of the Emerging Issues Committee, relating to flow-through shares, effective for all flow-through share agreements dated after March 19, 2004. Under the terms of Canadian flow-through share legislation, the tax attributes of qualifying expenditures are renounced to subscribers. To recognize the foregone tax benefits, share capital is reduced and a future income tax liability is recognized as the related expenditures are renounced. This future income tax liability is then reduced by the recognition of previously unrecorded future income tax assets on unused tax losses and deductions.

Although flow-through shares were issued during the fiscal year ended 2006, there has been no recognition of the forgone tax benefits on the expenditures as they were not renounced in the 2006 fiscal year. Such expenses were renounced in the 2007 calendar year and thus will be recognized in fiscal 2007. The current year's recovery related to the renouncement of the prior year's flow through expenditures.

4. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, cash calls receivable, advance to/due to related parties, marketable securities, GST receivable and payable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The Company has a concentration of cash calls receivable from one joint exploration partner such that substantially all cash calls receivable are from a single entity. The Company has experienced no bad debts resulting from transactions with this entity.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Financial Statements

November 30, 2006

Canadian Funds

5. Restricted Cash

Restricted cash is comprised of:

- a) a deposit of \$25,000, which the Company has provided as security to the Company's bank for electronic funds transfer services and corporate MasterCard liabilities. This deposit bears interest at approximately 2% per annum.
- b) proceeds remaining from the Company's flow-through share issuance totalling \$267,065, which must be spent on eligible Canadian Exploration Expenditures before December 31, 2007 (November 30, 2005 - \$237,438, which was spent on Canadian Exploration Expenditures before December 31, 2006).

6. Marketable Securities

	November 30, 2006		November 30, 2005	
	Market Value	Cost	Market Value	Cost
Common shares of a public company, representing less than a 5% interest of the company	\$ 25,000	\$ 25,000	\$ -	\$ -

7. Permits

Prospecting permit deposits paid in the amount of \$0.10 per acre are recoverable at the rate of \$0.10 per acre of exploration spending within the first year of permit ownership upon filing of requisite geological assessment reports. If the spending commitments are not met the deposits are forfeited.

During the year ended November 30, 2005, Hunter Exploration Group ("Hunter") posted a \$287,355 bond with the Nunavut Mining Recorder on behalf of the Company to keep the prospecting permits, located near Kugaaruk and Taloyoak in Nunavut, in good standing for an additional one-year period (see Note 9(b)). The Company repaid Hunter for this bond in August 2005.

The balance consists of:

	November 30, 2006	November 30, 2005
Hunter Property permits	\$ -	\$ 29,520
Committee Bay permits	149,748	243,820
Hunter Property permits (extended)	167,882	287,355
Indicator Minerals permits	24,124	-
	\$ 341,754	\$ 560,695

The Company has been filing reports with the Territorial authorities. These reports may result in a refund of amounts paid by the Company. Any such proceeds will be used to reduce the amount of permits on the Company's books with any non-refunded amounts being either written off or transferred to resource property costs. Since November 30, 2005, a total of \$528,266 of refunds were processed for the Hunter and Committee Bay permits.

Indicator Minerals Inc.
(An Exploration Stage Company)
Notes to Financial Statements

November 30, 2006

Canadian Funds

8. Property and Equipment:

Details are as follows:

	As at November 30, 2006			As at November 30, 2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 31,299	\$ (9,249)	\$ 22,050	\$ 14,718	\$ (3,352)	\$ 11,366
Computer software	25,213	(19,198)	6,015	13,183	(11,265)	1,918
Field equipment	36,198	(3,620)	32,578	-	-	-
Office furniture and equipment	56,154	(12,915)	43,239	34,092	(4,864)	29,228
Leasehold improvements	-	-	-	3,728	(1,044)	2,684
	\$ 148,864	\$ (44,982)	\$ 103,882	\$ 65,721	\$ (20,525)	\$ 45,196

9. Resource Property Costs:

a) Details are as follows:

	Acquisition Costs	Exploration Costs	Balance as at November 30, 2006	Balance as at November 30, 2005
Hunter Property, Nunavut Canada	\$ 1,258,006	\$ 3,449,088	\$ 4,707,094	\$ 4,251,437
Committee Bay Property, Nunavut, Canada	219,945	336,789	556,734	314,810
Lokgwabe Property, Botswana, Africa	-	-	-	235,138
Indicator Property, Nunavut, Canada	167,737	44,891	212,628	-
	\$ 1,645,688	\$ 3,830,768	\$ 5,476,456	\$ 4,801,385

In November 2006, the Company did not renew the permits on certain claims. Accordingly, the Company's resource property costs were written down effective November 30, 2006. Details of the write-offs of the resource property costs associated with the claims are as follows:

	Acquisition Costs	Exploration Costs	Total Written Down as at November 30, 2006
Hunter Property, Nunavut, Canada	\$ 653,870	\$ 182,869	\$ 836,739
Committee Bay Property, Nunavut, Canada	-	33,317	33,317
International Samuel JV Property, Nunavut, Canada	20	46,210	46,230
Lokgwabe Property, Botswana, Africa	112,205	496,706	608,911
General	41,743	244,687	286,430
	\$ 807,838	\$ 1,003,789	\$ 1,811,627

Indicator Minerals Inc.
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Notes to Financial Statements

November 30, 2006

Canadian Funds

9. Resource Property Costs - Continued:

During the year ended November 30, 2005, the Company decided not to renew the permits on certain claims. Accordingly, the Company's resource property costs were written down effective November 30, 2005. Details of the write-offs of the resource property costs associated with the claims are as follows:

	Acquisition Costs	Exploration Costs	Total Written Down as at November 30, 2005
Hunter Property, Nunavut, Canada	\$ 857,293	\$ 165,497	\$ 1,022,790
Committee Bay Property, Nunavut, Canada	286,939	515,784	802,723
International Samuel JV Property, Nunavut, Canada	425,186	198,847	624,033
General	-	9,971	9,971
	\$ 1,569,418	\$ 890,099	\$ 2,459,517

b) Hunter Property

General

On February 26, 2004, the Company entered into a letter agreement to acquire an 80% interest in the diamond rights to several parcels of land that total 3,298,437 acres from Hunter Exploration Group ("Hunter"), an arms length party. Hunter retains a 20% carried interest in the properties until a feasibility study is completed. The properties consist of 54 prospecting permits and 24 mineral claims located near the communities of Kugaaruk and Taloyoak in Nunavut Territory. As consideration for the properties, Indicator issued 3,000,000 common shares at a price of \$0.40 per share and reimbursed Hunter \$1,056,678 (plus \$63,433 GST) for property acquisition costs and \$242,780 for work deposits on the permits. The outstanding conditions were cleared and the deal was closed effective July 19, 2004. In addition, the Company funded a regional diamond exploration program identified by Hunter and also paid Hunter a consulting fee of \$75,000 during the year ended November 30, 2005. The properties are subject to a gross overriding royalty of up to 2%. As of May 1, 2006 Indicator pays an annual advance royalty of \$25,000 to each Hunter and to International Royalty Corp., should Indicator elect to retain any of the original properties subject to the Hunter agreement.

On March 9, 2005, the TSX Venture Exchange accepted for filing the proposal by the Company to issue 359,193 bonus warrants to Hunter in consideration for the posting of a \$287,355 bond with the Nunavut Mining Recorder. The posting of the bond by Hunter on behalf of Indicator kept the prospecting permits, located near Kugaaruk and Taloyoak in Nunavut, in good standing for an additional one-year period. Under the terms of a letter agreement dated January 26, 2005, the bonus warrants are exercisable by Hunter at a price of \$0.45 per common share until January 26, 2007. Hunter was reimbursed for the bond in August 2005. To November 30, 2006 the Company had written off a total of \$1,859,529 capitalized resource property costs (November 30, 2005 - \$1,022,790) on these properties related to its decision to not renew prospecting claims covering over 800,000 acres.

Indicator Minerals Inc.
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Notes to Financial Statements

November 30, 2006

Canadian Funds

9. Resource Property Costs - Continued:

Baumann

On March 31, 2005, Indicator entered into a Letter of Intent with Stornoway Diamond Corporation (SWY: TSX) ("Stornoway") whereby Stornoway had an option to earn a 41% interest in the 2.8 million acre Baumann Project located on Ellesmere Island, Nunavut by spending \$1.0 million before December 31, 2008 and incurring 100% of the cost of staking mineral claims.

In December 2006 the Company was notified that Stornoway was relinquishing the mineral permits for the Baumann property, consequently the Company also decided not to renew the permits on this property and accordingly, all associated, capitalized resource property costs were written off effective November 30, 2006.

Darby

On June 2, 2006 the Company entered into an agreement with Teck Cominco Limited ("Teck Cominco") whereby Teck Cominco has the option to spend \$14 Million over four years, including reimbursement of limited expenditures by the Company on the property prior to June 2, 2006, to earn a 51% interest in the diamond rights on the Company's 80% owned Darby Project which was part of the properties acquired from Hunter in February 2004. The Company had been operating the exploration activities on the Darby properties for Teck Cominco under a service contract that was renewable annually and was incurring the exploration expenditures and being reimbursed by Teck Cominco monthly. The Company was receiving a 10% administrative fee on all disbursements in addition to payment for all overhead directly attributable to the project. These expenditures and fees are shown as part of cash calls receivable and total \$1,947,802 at November 30, 2006.

c) Committee Bay Property

On April 22, 2004, Indicator signed a letter of intent ("LOI") with Committee Bay Resources Ltd. (CBR:TSX-V) ("CBR"), a company with directors in common, whereby Indicator can earn up to a 70% interest in the diamond rights of CBR's areas of interest in Nunavut Territory, which total more than three million acres of land. The properties included in the LOI are located in the Kivilliq region of Nunavut and comprise more than 400,000 acres of mineral claims and 2.6 million acres of prospecting permits. Under the terms of the LOI, Indicator can earn a 50% interest by spending \$3,000,000 on exploration by December 31, 2006. An additional 20% interest can be earned by spending a further \$2,000,000 by December 31, 2007. Furthermore, Indicator issued 1,000,000 common shares on May 31, 2004 to CBR which have been recorded at a price of \$0.40 per share and reimbursed approximately \$243,820 in work deposits posted by CBR to acquire prospecting permits. The properties are subject to a gross overriding royalty of up to 2%. To November 30, 2006 the Company had written off a total of \$836,040 in capitalized resource property costs (November 30, 2005 – \$802,723) related to its decision not to renew prospecting claims covering over 1.5 million acres. The Company and Committee Bay are in negotiations to amend the terms of the agreement to reduce the required expenditures to keep the agreement in good standing.

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November 30, 2006

Canadian Funds

9. Resource Property Costs – Continued:

d) International Samuel JV Property

On May 31, 2004, Indicator entered into a letter agreement with International Samuel Exploration Corp. ("Samuel") to jointly explore approximately 1.36 million acres of prospecting permits and mineral claims located southwest of Wager Bay, Nunavut Territory.

In February 2006, the Company decided not to renew the permits on this property and accordingly, all associated, capitalized resource property costs were written off effective November 30, 2005. Further costs incurred to November 30, 2006 were written off in the current year.

e) Lokgwabe Property

On February 3, 2005, Indicator entered into a Letter Agreement with Helio Resource Corp. ("Helio" or Vendor), a third party, to earn up to an 80% interest in the Lokgwabe project in Botswana, Africa. The Lokgwabe project is comprised of approximately 750,000 acres of exploration permits in central Botswana.

In December 2006, the Company notified Helio that they have decided not to continue work on this property and accordingly, all associated, capitalized resource property costs were written off effective November 30, 2006.

10. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares		
Issued:		
Balance - November 30, 2004	23,065,720	\$ 6,437,214
Exercise of share purchase warrants	1,107,500	166,125
Private placement – March 2005	2,650,000	795,000
Private placement – August 2005	10,392,695	2,481,960
Issuance for acquisition of resource property (note 9e)	100,000	31,000
Finders fee for resource property	100,000	31,000
Share issuance costs	-	(184,883)
Future income taxes on renoucement of flow-through shares issued (note 10f)	-	(876,884)
Balance - November 30, 2005	37,415,915	8,880,532
Exercise of share purchase warrants	4,179,064	711,881
Issuance for resource property (note 9e)	100,000	28,000
Future income taxes on renoucement of flow-through shares issued (note 10f)	-	(377,850)
Private placement, net of issuance costs - May 2006	6,819,136	3,024,369
Share issuance costs	-	(187,730)
Exercise of stock options	465,000	157,375
Fair value allocation from contributed surplus on exercise of stock options	-	161,154
Balance – November 30, 2006	48,979,115	\$ 12,397,731

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Canadian Funds

10. Share Capital - Continued

b) Private Placements

2006

Private Placement May 2006

During May 2006, the Company completed a brokered and non-brokered private placement. The private placement consisted of 4,713,500 non-flow through units at a price of \$0.50 per unit and 2,105,636 flow-through common shares at a price of \$0.55 per flow-through common share, for total gross proceeds of \$3,514,850, of which \$490,481 (Note 11) was allocated to the fair value of the warrants issued on a prorated basis. Each non-flow through unit consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one common share at \$0.65 per share until February 15, 2007 and at \$0.75 from February 16, 2007 until November 15, 2007. Finders fees relating to the issuance of certain of the units were paid in cash totalling \$175,389 and 320,648 agents warrants were issued which had a fair value of \$42,013 (Note 11). The agents warrants entitle the holder to purchase one common share at \$0.70 to May 15, 2007.

2005

Private Placement March 2005

During March 2005, the Company completed a non-brokered private placement of 2,650,000 units at a price of \$0.30 per unit for gross proceeds of \$795,000. Each unit was comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable for one common share at a price of \$0.45 per share to March 15, 2007. Finders fees concerning the issuance of certain of the units were paid in cash of \$45,750 and 152,500 finders warrants, each warrant entitling the holder to purchase one common share at \$0.45 to March 15, 2007.

Private Placement August 2005

During August 2005, the Company completed a non-brokered private placement in two tranches. The first tranche consisted of 2,008,478 non-flow-through units at a price of \$0.23 per unit and 2,062,000 flow-through common shares at a price of \$0.25 per flow-through common share, for total gross proceeds of \$977,450. The second tranche consisted of 3,802,217 non-flow-through units at a price of \$0.23 per unit and 2,520,000 flow-through common shares at a price of \$0.25 per flow-through common share, for total gross proceeds of \$1,504,510. Each non-flow-through unit consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one common share at \$0.35 per share until August 12, 2007 for 2,008,478 warrants and until August 25, 2007 for 3,802,217 warrants. Finders fees totaling \$81,679 cash were paid on certain of the places.

c) Escrow Restrictions

As at November 30, 2006, an aggregate of 262,500 (November 30, 2005 – 787,500) common shares are subject to escrow restrictions and held on deposit with Olympia Trust Company. These shares are to be released on March 1, 2007.

Indicator Minerals Inc.
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10. Share Capital - Continued

d) Share Purchase and Agents Warrants:

	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, November 30, 2004	9,023,360	\$0.40
Issued	7,303,195	\$0.37
Issued as bonus warrant	359,193	\$0.45
Exercised	(1,107,500)	\$0.15
Outstanding warrants, November 30, 2005	15,578,248	\$0.39
Issued	5,034,148	\$0.65
Exercised	(4,179,064)	\$0.17
Expired without exercise	(4,073,360)	\$0.40
Outstanding warrants, November 30, 2006	12,359,972	\$0.49

At November 30, 2006, the following warrants were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life in Years
Agents Warrants:			
March 15, 2007	\$0.45	97,414	0.29
April 1, 2007	\$0.45	15,000	0.33
May 15, 2007	\$0.70	320,648	0.45
Bonus Warrants:			
January 26, 2007 (note 18a)	\$0.45	359,193	0.16
Other Share Purchase Warrants:			
March 15, 2007	\$0.45	1,218,000	0.29
April 1, 2007	\$0.45	75,000	0.33
August 12, 2007	\$0.35	1,789,000	0.70
August 25, 2007	\$0.35	3,802,217	0.73
November 15, 2007*	\$0.65/\$0.75	4,683,500	0.96
Weighted average of exercise price	\$0.49	12,359,972	0.74

* These warrants are exercisable at \$0.65 per share to February 15, 2007

The fair value of warrants, assigned proportionally to warrants issued in the May 2006 private placement, were estimated using the Black-Scholes Option Pricing Model with the following range of assumptions:

Estimated risk-free rate	4.24%
Expected volatility	113.1 %
Estimated annual dividend yield	0.0%
Expected life of warrants	1 to 2 years

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November 30, 2006

Canadian Funds

10. Share Capital- Continued:

d) Share Purchase and Agents Warrants– Continued:

The Company recorded \$44,969 as resource property costs in the fiscal year ended November 30, 2005, related to the estimated fair value of warrants granted to Hunter. The weighted average grant date fair value of \$0.15 per warrant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Estimated risk-free rate (5 year Government of Canada zero coupon bond)	2.81%
Expected volatility	96.0 %
Estimated annual dividend yield	0.0%
Expected life of warrants	2 years

e) Stock Options

The Company has established a stock option plan (the "Plan") for directors, employees, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. No options shall be granted, without regulatory approval, entitling any single individual to purchase in excess of 5% of the then outstanding shares in the Company in any 12 month period and no more than 2% of the optioned shares may be issued to any one consultant in any 12 month period. If the option rights granted under the plan shall expire or terminate for any reason without having been exercised such optioned shares may be made available for other options to be granted under the plan. The shares so reserved by the Board under the Plan shall be authorized but unissued shares.

The options are non-transferable and will expire, if not exercised, immediately upon dismissal by the Company with cause or 90 days following the date the optionee otherwise ceases to be a director, officer, manager, consultant or employee of the corporation for reasons other than death, or one year after the death of an optionee. Pursuant to the policies of the TSX Venture Exchange ("TSXV"), options granted pursuant to the Plan in excess of 10% of the issued and outstanding common shares at the time of the grant must be subject to vesting.

	Number	Weighted Average Exercise Price
Outstanding November 30, 2004	2,279,500	\$0.48
Forfeiture on resignation (director)	(190,000)	\$0.48
Granted	1,425,000	\$0.31
Outstanding November 30, 2005	3,514,500	\$0.41
Cancelled	(40,000)	\$0.36
Granted	1,887,500	\$0.64
Exercised	(465,000)	\$0.34
Outstanding November 30, 2006	4,897,000	\$0.50

Indicator Minerals Inc.
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November 30, 2006

Canadian Funds

10. Share Capital – Continued:

e) **Stock Options - Continued**

Fiscal year ended November 30, 2006 - Grants

The associated stock-based compensation expense for the options granted during the year were calculated based on the following range of assumptions:

Estimated risk-free rate (5 year Government of Canada zero coupon bond)	3.82-4.31%
Expected volatility	73.0%-166.45%
Estimated annual dividend yield	0.0%
Expected life of options	5 years

Fiscal year ended November 30, 2005 - Grants

The associated stock-based compensation expense for the options granted during the year were calculated based on the following range of assumptions:

Estimated risk-free rate (5 year Government of Canada zero coupon bond)	3.56-3.82%
Expected volatility	96.33%-107.39%
Estimated annual dividend yield	0.0%
Expected life of options	5 years

The stock options vest immediately upon issuance except those issued to investor relations consultants whose options vest in the amount of 25% every six months from date of grant. The stock based compensation for those grants not fully vested has been recorded on a straight line basis over the term of the vesting. The associated stock based compensation expenses for options granted during the year are as follows:

Grant Date	No. of Options Granted	Total Expense	Amount of expense recognized or recognizable		
			2005	2006	2007
Nov.21, 2006	150,000	\$ 56,585	\$ -	\$ 56,585	\$ -
Oct.1, 2006	225,000	167,712	-	43,468	124,164
Aug. 3, 2006	837,500	589,245	-	589,245	-
June 1, 2006	125,000	57,997	-	57,997	-
Apr. 11, 2006	400,000	185,094	-	185,094	-
Dec.19, 2005	150,000	32,573	-	32,573	-
Oct. 24, 2005	1,200,000	303,840	303,840	-	-
Apr.25, 2005	225,000	42,400	42,400	-	-
TOTAL	3,312,500	\$ 1,435,446	\$ 346,240	\$ 964,962	\$ 124,164

Indicator Minerals Inc.
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Canadian Funds

10. Share Capital - Continued

e) **Stock Options - Continued**

At November 30, 2006, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
April 19, 2009	\$0.580	1,149,500	2.39
April 19, 2009	\$0.355	180,000	2.39
November 16, 2009	\$0.355	495,000	2.96
April 25, 2010	\$0.230	225,000	3.40
October 23, 2010	\$0.320	980,000	3.90
December 19, 2010	\$0.275	150,000	4.05
April 11, 2011	\$0.580	380,000	4.36
May 31, 2011	\$0.500	125,000	4.50
August 2, 2011	\$0.750	837,500	4.67
October 1, 2011	\$0.790	225,000	4.84
November 20, 2011	\$0.400	150,000	4.98
	\$0.492	4,897,000	3.64

Of the 4,897,000 options issued 4,697,000 had vested at November 30, 2006, with the remaining 200,000 vesting 25% every six months from date of grant (subsequent to November 30, 2006, 150,000 of these unvested options were cancelled).

f) **Flow-Through Shares**

2006

During the year ended November 30, 2006, the Company issued 2,105,636 flow-through common shares for total proceeds of \$1,158,100 which must be used for qualifying exploration expenditures and to be renounced to the flow-through shareholders effective December 31, 2006. The future income tax liability estimated to be \$382,170 (by applying the tax statutory rate of 33.0% of \$1,158,100) resulting from the renunciation of these qualifying expenditures will be recorded when the renunciation tax forms are filed, in accordance with the pronouncement of the CICA Emerging Issues Committee. The unspent balance of this flow-through issuance at November 30, 2006 was \$259,065 (Note 5b) and is included in the Company's restricted cash.

2005

During the fiscal year ended November 30, 2005, the Company issued 4,582,000 flow-through shares for total proceeds of \$1,145,500 which must be used for qualifying exploration expenditures and to be renounced to the flow-through shareholders effective December 31, 2005. The Company had incurred all flow-through spending obligations and the unspent balance of this flow-through issuance at November 30, 2005 is \$nil. The future income tax liability, estimated to be \$377,850 (by applying the tax statutory rate of 33.0% of \$1,145,500) resulting from the renunciation of these qualifying expenditures was recorded in February 2006 when the renunciation tax forms were filed, in accordance with the pronouncement of the CICA Emerging Issue Committee.

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Canadian Funds

10. Share Capital - Continued

f) **Flow-Through Shares - Continued**

2004

During the fiscal year ended November 30, 2004, the Company issued flow-through shares for total proceeds of \$2,570,000, which must be used for qualifying exploration expenditures (as defined under the Income Tax Act) and renounced to the flow-through shareholders effective December 31, 2004 (unspent balance at November 30, 2004 - \$1,734,987). As at November 30, 2005, the Company had incurred the balance of these flow-through spending obligations. The future income tax liability of \$876,884 (Note 13a) (by applying the statutory rate of 34.12% to \$2,570,000) resulting from the renunciation of these qualifying expenditures was recorded in the November 30, 2005 year.

11. Contributed Surplus

Contributed surplus relates to the recognition of the estimated fair value of stock options and agents warrants as follows:

Balance, November 30, 2004	\$ 1,189,155
Fair value of stock-based compensation	346,240
Fair value of bonus warrants issued to Hunter	44,969
Balance, November 30, 2005	1,580,364
Fair value of stock-based compensation on options issued (Note 10e)	964,962
Fair value of stock option recognized on exercise (Note 10e)	(161,154)
Fair value of warrants issued in May 2006 private placement (Note 10b)	490,481
Fair value of agent's warrants issued (Note 10b)	42,013
Warrant issuance costs (Note 10b)	(49,338)
Balance – November 30, 2006	\$ 2,867,328

12. Related Party Transactions

During the year ended November 30, 2006, the Company incurred capitalized mineral interest - fieldwork costs of \$118,895, mineral property costs recoverable of \$546,807 (2005 – \$Nil) and permit costs of \$156,759 from a company with a common director. Of this amount, \$123,249 (2005 - \$1,337) was unpaid at November 30, 2006; these payables are non-interest bearing, unsecured and have no fixed terms of repayment. These transactions are 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.

300,000 of the shares issued on the exercise of options during the year were to directors of the Company.

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12. Related Party Transactions - Continued

350,000 units issued during the May 2006 private placement (Note 10(b)) were to related parties: 320,000 to the CEO/director, and 30,000 to other directors and officers of the Company.

110,000 shares issued during the March 2005 private placement (Note 10(b)) were to related parties: 80,000 to the CEO/director, and 30,000 to a company controlled by a director. 118,500 non-flow-through shares issued during the August 2005 private placement (Note 10(b)) were to directors and officers.

150,000 of the options granted in November 2006, 675,000 of the options granted in August 2006, 125,000 of the options granted in June 2006 and 700,000 of the options granted in October 2005 were to directors and officers of the Company.

13. Income Taxes

a) Reconciliation of accounting and taxable income (rounded to the nearest ,000)

	For the Year Ended November 30, 2006	For the Year Ended November 30, 2005
Net Income (Loss) for the year	\$ (3,081,000)	\$ (2,501,000)
Add:		
Amortization	26,000	14,000
Stock-based compensation	965,000	346,000
Write-off of resource property costs	1,935,000	2,460,000
Future income tax recovery (Note 10f)	(378,000)	(877,000)
Deduct:		
Capital Cost Allowance	-	(16,000)
Share issuance costs	(184,000)	(162,000)
Non-capital loss for tax purposes	\$ (717,000)	\$ (736,000)
Effective tax rate	33%	33%
Current income tax expense	\$ -	\$ -

b) The Company has non-capital losses which may be applied to reduce future years' taxable income. As at November 30, 2006 these amounted to \$2,186,000 (2005 – \$1,469,000). These non-capital losses will begin to expire in 2008.

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13. Income Taxes - Continued

c) The components of the future income tax asset (liability) balances are as follows:

	November 30, 2006	November 30, 2005
Future income tax asset		
Non-capital loss carry-forwards	\$ 2,186,000	\$ 1,469,000
Share issue costs	327,000	473,000
Other	28,000	(1,000)
Resource property costs tax basis in excess of book value (book value in excess of tax costs)	841,000	175,000
	3,382,000	2,116,000
Effective income tax rate	31.0%	33.0%
Future income tax asset	1,048,000	698,000
Allowance for future income tax	(1,048,000)	(698,000)
Future income tax liability	\$ -	\$ -

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse.

14. Segmented Information

The Company's business consists of mineral exploration and development. For the year ended November 30, 2006, details on segments based on geographical region are as follows:

	Net Loss	Identifiable Assets	Resource Property Costs
Canada	\$ 2,434,413	\$ 8,796,215	\$ 5,476,456
United States	37,962	-	-
Botswana, Africa	608,911	-	-
Total	\$ 3,081,286	\$ 8,796,215	\$ 5,476,456

For the year ended November 30, 2005, details on geographic segments are as follows:

	Net Loss	Identifiable Assets	Resource Property Costs
Canada	\$ 2,500,772	\$ 6,354,987	\$ 4,566,247
Botswana, Africa	-	235,138	235,138
Total	\$ 2,500,772	\$ 6,590,125	\$ 4,801,385

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15. Commitments:

a) Lease Commitment:

On May 25, 2005, the Company entered into an operating lease for office premises to be effective July 1, 2005, for 36 months. As inducement for entering into the lease, the Company was given a two month rent-free period (July 1 to August 31, 2005) and contribution (maximum \$7,435) towards leasehold improvements. The monthly lease payments include rent, operating costs and property taxes. Minimum payments are as follows:

2007	41,482
2008	24,198
	<hr/>
	\$ 65,680

The two month rent-free period is recorded as deferred rent inducement (a liability), to be amortized on a straight-line basis over the term of the lease.

b) Service Contracts:

The Company has the following consulting and management service contract commitments:

2007	\$ 104,970
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In addition to the commitments for consulting services above, one of the consulting contracts also contains a potential payment of up to \$51,000 for termination.

16. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

17. Restatement

During the audit of the November 30, 2005 fiscal year, it was determined that an error had been made in the recording of the renunciation of flow-through expenditures. In fiscal 2004, the Company recognized the renunciation of \$1,757,487 Qualifying Canadian Exploration Expenditures, which had been incurred by November 30, 2004 and a corresponding \$591,978 was recognized as a recovery of future income taxes. The flow-through issuances had been completed on April 16, 2004 for \$1,100,000 and on August 18, 2004 for \$1,470,000.

Emerging Issues Committee abstract for discussion 146 ("EIC-146") had an effective date of March 19, 2004. EIC-146 requires the recognition of the renouncement of Qualifying Canadian Exploration Expenditures from the proceeds of flow-through shares on the date of filing of the renouncement documents with the tax authorities. The renouncement documents were filed with the tax authorities for the 2004 fiscal flow-through issuances in February 2005, hence the recognition of the renouncement should have been recognized in fiscal 2005.

Indicator Minerals Inc.
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17. Restatement - Continued

The net effects on the figures at November 30, 2004 are as follows:

	Previously Reported	Adjustment	Restated
Balance Sheet			
Future income taxes liability	\$ 73,091	\$ (73,091)	\$ -
Income Statement			
Future income tax expense (recovery)	\$ (518,887)	\$ 518,887	\$ -
Net loss	\$ (1,154,584)	\$ (518,887)	\$ (1,673,471)
Basic and diluted loss per share	\$ (0.08)	\$ (0.03)	\$ (0.11)
Shareholders' Equity			
Share Capital	\$ 5,845,236	\$ 591,978	\$ 6,437,214
Deficit	\$ (1,301,897)	\$ (518,887)	\$ (1,820,784)

As a result of this prior period adjustment, the future income tax calculation in the statements of loss and deficit for the quarters within the fiscal year November 30, 2005 was restated to account for the adjustments for future income tax liability flowing from 2004. The operating results for the quarter ended August 31, 2005, used for comparison, are restated to reflect a provision for future income tax recovery.

18. Subsequent Event

Subsequent to November 30, 2006, the following events have occurred:

- a) 119,717 share purchase warrants were exercised at \$.45 per share for proceeds of \$53,872 and the remaining 239,476 share purchase warrants with expiry dates of January 26, 2007 expired without exercise.
- b) 75,000 stock options were exercised at \$.32 per share for proceeds of \$24,000.