Blue Ribbon Capital Corporation
(A capital pool corporation)

Financial Statements

For the Year Ended December 31, 2007

D M C T

AUDITORS' REPORT

To the Shareholders of
Blue Ribbon Capital Corporation

We have audited the balance sheet of **Blue Ribbon Capital Corporation (A capital pool corporation)** as at **December 31, 2007** and the statements of operations and deficit and cash flows for the year ended **December 31, 2007**. 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 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 **December 31, 2007** and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

DMCT, LLP

DMCT, LLP, Licensed Public Accountants

April 14, 2008
Toronto, Ontario

Blue Ribbon Capital Corporation

(A capital pool corporation)
Balance Sheet
As at December 31, 2007

	Note	
Assets		
Current		
Cash	4	$ 131,693
Short term investments		706,257
Amounts receivable		8,687
Prepaid expenses		6,417
		$ 853,054
Liabilities		
Current		
Accounts payable and accrued liabilities		$ 31,980
Shareholders' Equity		
Capital stock	5	885,948
Contributed surplus	6	149,965
Deficit		(214,839)
		821,074
		$ 853,054

Approved by the Board **Ennio D'Angela** Director **Kevin Xuereb** Director
(Signed) (Signed)

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)
Statement of Operations and Deficit
For the Year Ended December 31, 2007

Expenses	
Stock based compensation	$ 97,405
Professional fees	94,793
General and administrative	16,378
Travel	12,520
Less: interest income	(6,257)
Net loss	(214,839)
Retained earnings at beginning of year	-
Deficit at end of year	$ (214,839)
Basic and diluted loss per share	$ (0.09)
Weighted average common shares outstanding	2,279,548

See accompanying notes.

Blue Ribbon Capital Corporation

(A capital pool corporation)
Statement of Cash Flows
For the Year Ended December 31, 2007

Cash flows used in operating activities	
Net loss	$ (214,839)
Add item not affecting cash	
Stock-based compensation	97,405
	(117,434)
Changes in non-cash working capital items	
Amounts receivable	(8,687)
Accounts payable and accrued liabilities	31,980
Prepaid expenses	(6,417)
	(100,558)
Cash flows from investing activity	
Purchase of short term investments	(706,257)
Cash flows from financing activities	
Issuance of capital stock	1,105,000
Share issuance costs	(166,492)
	938,508
Cash at end of year	$ 131,693

See accompanying notes.

1. NATURE OF OPERATIONS

Blue Ribbon Capital Corporation (the "Company") is a Capital Pool Company that has not commenced commercial operations and has no assets other than a minimum amount of cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined under the policies of the TSX Venture Exchange (the "Exchange"). The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Ontario) on September 12, 2006. The Company was inactive until June 30, 2007 and therefore has not shown any comparative figures.

On September 27, 2007, the Company announced that it had entered into a Letter Agreement (the "Agreement") with Kilo Goldmines Inc. ("KILO"), a private company involved in the exploration of mineral properties in the Democratic Republic of Congo. Pursuant to the Agreement, the Company may acquire all of the issued and outstanding shares of KILO (the "Transaction"). The Transaction is an arm's length transaction pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Transaction will constitute the Company's "Qualifying Transaction" as such term is defined in the Exchange Policy 2.4, and upon completion, will result in the listing of the Company as a Tier 2 Mining Issuer. The letter agreement was set to expire on January 31, 2008 but the expiry date has been extended to August 30, 2008.

2. ADOPTION OF NEW ACCOUNTING POLICIES

(i) Accounting Changes

Effective January 1, 2007, the Company has adopted the new recommendations of the Canadian Institute of Chartered Accountants' Handbook Section 1506, Accounting Changes. These new recommendations permit voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, require changes in accounting policy to be applied retrospectively unless doing so is impracticable, require prior period errors to be corrected retrospectively and require enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued but not yet effective (see Note 3).

2. ADOPTION OF NEW ACCOUNTING POLICIES (Cont'd)

(ii) Financial Instruments

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 1530, Comprehensive Income, Section 3855, Financial Instruments - Recognition and Measurement, and Section 3865, Hedges.

The recommendations in Section 3855 establish standards for recognizing and measuring financial instruments, which include financial assets, financial liabilities, derivatives and embedded derivatives. Under these recommendations, all financial instruments are to be recorded initially at fair value. In subsequent periods, all financial instruments are re-measured based on the classification adopted for the financial instrument: held-to-maturity, loans and receivables, held for trading, available-for-sale or other liability.

Financial assets

Held for trading

Financial assets that are held with the intention of generating profits in the near term and derivative contracts that are financial assets, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

Held-to-maturity

Financial assets that have a fixed maturity date and which the Company has a positive intention and the ability to hold to maturity are classified as held-to-maturity, which are subsequently re-measured at amortized cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specified date, or on demand, usually with interest. Loans and receivables are subsequently re-measured at amortized cost using the effective interest rate method.

Available-for-sale

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are subsequently re-measured at fair value with the changes in fair value recorded in other comprehensive income.

2. ADOPTION OF NEW ACCOUNTING POLICIES (Cont'd)

(ii) Financial Instruments (Cont'd)

Financial liabilities

Held for trading

Financial liabilities that are held with the intention of generating profits in the near term and derivative contracts that are financial liabilities, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial liabilities can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

Other liabilities

Non-derivative financial liabilities that have not been designated as held for trading are classified as other liabilities, which are subsequently re-measured at amortized cost using the effective interest rate method.

CICA Handbook Section 3865, Hedges, replaces CICA Handbook Accounting Guideline 13, Hedging Relationships, which establishes standards for when and how hedge accounting may be applied. Consistent with financial instruments, it requires that all derivatives, including those designated as hedges, be measured at fair value. Changes in the fair value of a derivative which hedges the Company's exposure to changes in the fair value of an asset or liability, a fair value hedge, are recognized in net income together with those of the respective offsetting hedged item. Changes in the fair value of a derivative which effectively hedges the Company's exposure to changing cash flows, a cash flow hedge, are accumulated in other comprehensive income until the transaction being hedged affects net income.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and short term investments	Held for trading
Amounts receivable	Loans and receivable
Accounts payable and accruals	Other financial liabilities

CICA Handbook Section 1530, Comprehensive Income, establishes new measurements of earnings in the financial statements. Other comprehensive income consists of changes to unrealized gains and losses on available-for-sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not presented a statement of comprehensive income as it has no other comprehensive income.

Section 3251 establishes standards for the presentation of equity and changes in equity.

3. SIGNIFICANT ACCOUNTING POLICIES

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws that are expected to be in effect when the differences are likely to reverse. Future income tax assets are recorded in the financial statements if realization is considered more likely than not.

Stock-Based Compensation

The Company applies a fair value based method of accounting to all stock-based payments, as set out in the CICA handbook section 3870 "Stock-Based Compensation and Other Stock-Based Payments".

Accordingly, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable. The offset is credited to contributed surplus. Consideration received upon the exercise of stock options is credited to share capital and the related contributed surplus is transferred to share capital.

Loss Per Share

Basic loss per share is calculated based on the weighted average number of shares outstanding. The treasury stock method is used to compute the dilutive effect of options, warrants and similar instruments.

Use of 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 date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

Recent Accounting Pronouncements Issued and Not Yet Applied

The Accounting Standards Board of the CICA approved a set of disclosure and presentation requirements which include Handbook Section 1535, Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed. The standard requires disclosure of: an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for the Company for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The Company has not yet determined the impact that the adoption of this change will have on the disclosure in its financial statements.

CICA Handbook Section 3862, Financial Instruments – Disclosures, increases the disclosures currently required that will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about liquidity risk and market risk. The quantitative disclosures must also include a sensitivity analysis for each type of market risk to which an entity is exposed, showing how net income and other comprehensive income would have been affected by reasonably possible changes in the relevant risk variable. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company has not yet determined the impact that the adoption of this change will have on the disclosure in its financial statements.

CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on presentation of financial instruments which have been carried forward unchanged to this new section. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company has determined that there is no impact on the disclosure in the financial statements on the adoption of this change.

CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on presentation of financial instruments which have been carried forward unchanged to this new section. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company has not yet determined the impact that the adoption of this change will have on the disclosure in its financial statements.

CICA Handbook Section 3064, Goodwill and Intangible Assets, replaces Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. This section also addresses when an internally developed intangible asset meets the criteria for recognition as an asset. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company does not expect the adoption of this standard to have a material impact on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recent Accounting Pronouncements Issued and Not Yet Applied (Cont'd)

International Financial Reporting Standards

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian generally accepted accounting principles for publicly accountable enterprises will be converged with International Financial Reporting Standards ("IFRS") effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. The conversion to IFRS will be required, for the Corporation, for interim and annual financial statements beginning on January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences on recognition, measurement and disclosures. In the period leading up to the conversion, the AcSB will continue to issue accounting standards that are converged with IFRS such as IAS 2 "Inventories" and IAS 38 "Intangible assets", thus mitigating the impact of adopting IFRS at the mandatory transition date. The Corporation has not yet determined the impact of the adoption of IFRS on its financial statements.

4. CASH RESTRICTION

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

5. CAPITAL STOCK

Authorized
unlimited common shares

Issued

	Number	Value
Issued for cash (i)	1,050,000	$ 105,000
Issuance for cash pursuant to initial public offering (ii)	5,000,000	1,000,000
Share issuance costs	-	(219,052)
Balance at December 31, 2007 and 2006	**6,050,000**	**$ 885,948**

(i) The 1,050,000 issued Common Shares of the Corporation are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

(ii) The Company completed an initial public offering on September 14, 2007 by issuing 5,000,000 units at $0.20 per unit for gross proceeds of $1,000,000. The Company also granted options to acquire an aggregate of 605,000 common shares at an exercise price of $0.20 per share to directors and officers of the Company and agent's options to acquire an aggregate of 450,000 common shares at an exercise price of $0.20 per share for a period of 24 months to Union Securities. Union Securities received an administration fee and a cash commission equal to 9% of the proceeds of the offering.

6. STOCK OPTIONS

(i) Stock options

Stock options were granted pursuant to an agency agreement relating to the initial public offering for the benefit of the agent.

The Company also has a stock option plan. Under the plan, the Company's directors are authorized to grant options to its directors, officers, employees or consultants for the purchase of up to 10% of the issued and outstanding common shares. The Company granted options to directors pursuant to the plan as detailed below.

The Company issued stock options to acquire common shares as follows:

	Number of Options	Weighted Average Exercise Price
Beginning balance	-	$ -
Granted to directors	605,000	$0.20
Granted to agents	450,000	$0.20
Ending balance	1,055,000	$0.20
Exercisable at year-end	1,055,000	$0.20

The Company had the following stock options outstanding at December 31, 2007:

Number of Options	Exercisable	Exercise Price	Expiry Date
605,000	605,000	$0.20	September 14, 2012
450,000	450,000	$0.20	September 14, 2009

The above options were not included in the computation of diluted net loss per share as they are anti-dilutive.

(ii) Stock-Based Compensation

The fair value of options granted using the Black-Scholes option pricing model resulted in a stock-based compensation expense of $97,405 for options granted to the directors of the Company, which was also recorded as contributed surplus on the balance sheet. It also resulted in a share issuance cost of $52,560 for options granted to the agent which was also recorded as contributed surplus. The fair value of the options issued in the year has been estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 110%; (iii) risk free interest rate of 4.5%; (iv) expected life of 2 to 5 years for agent options. The Company has assumed no forfeiture rate as adjustments for actual forfeitures are made in the year they occur. The weighted-average grant date fair values of options was $0.16 (directors) and $0.12 (agents).

7. INCOME TAXES

(i) Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

Loss before income taxes	$ (214,839)
Statutory rate	36.1 %
Expected income tax recovery	$ (77,557)
Non-deductible expenses	35,448
Share issuance costs	(48,283)
Valuation allowance	65,200
Change in tax rates	4,100
Income tax expense	$ (21,092)

(ii) Future Income Taxes

The temporary differences that give rise to future income tax assets and future income tax liabilities are presented below:

Amounts related to tax loss carryforwards	$ 19,700
Share issuance costs	45,500
Net future tax asset	65,200
Less: Valuation allowance	(65,200)
	$ -

(iii) Loss Carryforwards

If not utilized, non-capital losses of approximately $68,000 will expire in 2027.

The potential tax benefit relating to these losses has not been reflected in these financial statements.

8. FINANCIAL INSTRUMENTS

The carrying value of amounts receivable and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.