MOSAM CAPITAL CORP.

FINANCIAL STATEMENTS
(Stated in Canadian Dollars)

JANUARY 31, 2007

MINNI, CLARK & COMPANY
CERTIFIED GENERAL ACCOUNTANTS

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** Incorporated Professional*

AUDITORS' REPORT

To the Directors,
Mosam Capital Corp.

We have audited the balance sheets of MOSAM CAPITAL CORP. as at January 31, 2007 and the statements of loss, 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 January 31, 2007 and the results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"MINNI, CLARK & COMPANY"
CERTIFIED GENERAL ACCOUNTANTS

Vancouver, Canada
May 17, 2007

MOSAM CAPITAL CORP.

BALANCE SHEET AS AT JANUARY 31, 2007

ASSETS

CURRENT	
Cash	$ 1,327,190
GST receivable	4,847
	$ 1,332,037

LIABILITIES

CURRENT	
Accounts payable and accrued liabilities	$ 4,000
Due to related parties	3,049
	7,049

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 3)	164,156
CONTRIBUTED SURPLUS	1,297,532
DEFICIT	(136,700)
	1324,988
	$ 1,332,037

Nature of Operations (Note 1)

APPROVED BY THE DIRECTORS:

"MARC LEVY"

"ROBERT BAXTER"

The accompanying notes are an integral part of these financial statements.

MOSAM CAPITAL CORP.

STATEMENT OF INCOME AND DEFICIT

FOR THE YEAR ENDED JANUARY 31, 2007

REVENUE	
Interest	$ 12,351
EXPENSES	
Bank charges and interest	239
Directors fees:	
Stock-based compensation	108,765
Office and rent	3,072
Professional fees	19,129
Regulatory fees	945
Transfer agent	1,619
Travel and promotion:	
Incurred	1,461
Stock-based compensation	13,821
	149,051
NET INCOME AND DEFICIT FOR THE YEAR	$ (136,700)
Basic and diluted earnings per common share	$ (0.03)
Weighted average number of common shares outstanding	4,075,616

The accompanying notes are an integral part of these financial statements.

MOSAM CAPITAL CORP.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2007

OPERATING ACTIVITIES	
Net loss for the year	$ (136,700)
Item not involving cash:	
Stock-based compensation	122,586
Changes in non-cash working capital items:	
GST receivable	(4,847)
Accounts payable and accrued liabilities	4,000
Due to related parties	3,049
	(11,912)
FINANCING ACTIVITIES	
Proceeds from common shares subscriptions	1,510,000
Share issue costs	(170,898)
	1,339,102
CASH, END OF YEAR	$ 1,327,190

SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid during the year:	
Interest	$ -
Income taxes	$ -
Financing activity:	
Share issue costs	$ 41,570

The accompanying notes are an integral part of these financial statements.

MOSAM CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

JANAURY 31, 2007

1. NATURE OF OPERATIONS

The Company was incorporated under the provisions of the Business Corporations Act (British Columbia) on February 1, 2006.

The Company is a capital pool company pursuant to the policies of the TSX Venture Exchange ("Exchange"). The Company is in the development stage and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the Exchange. Such a transaction will be subject to shareholder and regulatory approval.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate a Qualifying Transaction. If the Qualifying Transaction is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on reasonable terms.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates used in the financial statements.

(b) Financial instruments

The carrying amounts of cash and cash equivalents, GST receivable, accounts payable and accrued liabilities and due to related parties approximate fair value because of the short-term maturity of these items.

(c) Earnings (Loss) per share

The Company uses the treasury stock method for the computation and disclosure of earnings (loss) per share. Basic earnings (loss) per share is computed by dividing the earnings (loss) by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds received from in-the-money stock options and warrants are used to acquire common shares at the average market price during the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(d) Stock-based compensation

The Company has a stock-based compensation plan which is described in note 3(c) .The Company accounts for all stock-based payments and awards under the fair value based method.

Under the fair value based method, stock-based payments to non-employees 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 fair value of stock-based payments to non-employees is periodically re-measured until counterparty performance is complete, and any charge therein is recognized over the vesting period of the award and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of stock-based payments to non-employees that are fully vested and non-forfeitable at the grant date is measured and recognized at that date.

Compensation cost attributable to awards to employees is measured at fair value at the grant date and recognized over the vesting period. Compensation cost attributable to awards to employees that call for settlement in cash or other assets is measured at intrinsic value and recognized over the vesting period. Changes in intrinsic value between the grant date and the measurement date result in a change in the measure of compensation cost. Compensation cost is generally recognized on a straight-line basis over the vesting period.

(e) Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the method, future income taxes are recognized for the future income tax consequences attributable to differences between financial statement carrying values and their corresponding tax values (temporary differences) and tax loss carry forwards. Future income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply when the temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized is limited to the amount that, in the opinion of management, is more likely than not to be realized.

(f) Risk management

The Company has not yet generated significant revenues and as a result is not exposed to significant credit concentration risk. The Company is not exposed to significant interest rate risk.

The Company's functional currency is the Canadian dollar. All current operations occur within Canada. There is currently no significant foreign exchange risk to the Company.

3. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares without par value.

(b) Issued and fully paid:

	Number of Shares	Amount	Contributed Surplus
Balance, February 1, 2006	-	$ -	$ -
Common shares issued for cash	3,750,000	510,000	-
Initial public offering	5,000,000	1,000,000	-
Share issue costs	-	(212,468)	-
Stock-based compensation	-	-	122,586
Agents options issued	-	-	41,570
Balance, January 31, 2007	8,750,000	$ 1,297,532	$ 164,156

Pursuant to common share subscription agreements dated February 1, 2006 and June 30, 2006, 2,400,000 common shares at a price of $0.10 per share were issued to directors and officers of the Company and 1,350,000 common shares at a price of $0.20 per share were issued to associates of directors and officers of the Company for gross proceeds of $510,000. Pursuant to an escrow agreement, all of the 2,400,000 common shares issued at a price of $0.10 per share will be held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow following issuance of the final Exchange bulletin ("Final Exchange Bulletin") upon completion of the Qualifying Transaction and 15% will be released every six months thereafter over a period of thirty six months. If the Company meets the Exchange's Tier 1 status after receipt of the Final Exchange Bulletin, the release of escrow shares is accelerated.

During the year ended January 31, 2007, the Company completed an initial public offering of 5,000,000 common shares at $0.20 per share for gross proceeds of $1,000,000. The agent received a commission of 10% of the gross proceeds of the offering or $0.02 per share and an administration fee of $10,000. The Company also granted the agent non-transferable options ("agent's options") to acquire 500,000 common shares at an exercise price of $0.20 per common share exercisable for a period of 2 years expiring November 30, 2008. The estimated fair value of the agent's options of $41,570 is included in share issue costs and was valued with an option valuation model using the following assumptions:

Risk free interest rate	3.81%
Expected dividend yield	0%
Stock price volatility	73%
Expected life of options	2 years

3. SHARE CAPITAL - continued

A total of 50% of the common shares held pursuant to the exercise of the agent's options may be sold prior to the completion of the Qualifying Transaction, and the remaining 50% may be sold after completion of the Qualifying Transaction. The agent was also reimbursed by the Company for other agent's expenses incurred pursuant to the offering, including legal fees of $9,906.

All common shares of the Company that may be acquired by non arm's length parties to the Company, including common shares under the offering and all common shares of the Company acquired by any person or company who becomes a control person under the secondary market prior to the completion of the Qualifying Transaction are required to be deposited in escrow.

(c) Stock options and charitable options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to 5 years from the date of grant.

In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Any common shares acquired pursuant to the exercise of options prior to completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

During the year ended January 31, 2007, the Company granted 875,000 incentive stock options to its directors and officers at a price of $0.20 per share for a period of 5 years expiring November 30, 2011. In addition, the Company granted 87,000 incentive stock options to three charitable organizations at a price of $0.20 per share for a period of 10 years expiring November 30, 2016.

During the year ended January 31, 2007 under the fair value based method, $122,586 in compensation expense was recorded in the statement of operations for these options. The compensation costs reflected in these financial statements were calculated using Black-Scholes option pricing model using the following weighted average assumptions:

Risk free interest rate	3.75%
Expected dividend yield	0%
Stock price volatility	73%
Expected life of options	5.45 years

3. SHARE CAPITAL - continued

The weighted average fair value of options granted during the year ended January 31, 2007 was $0.13 per option.

4. RELATED PARTY TRANSACTIONS

During the year ended January 31, 2007, the Company entered into the following transactions with related parties:

a) Paid or accrued $23,273 for legal fees to a company controlled by an officer of the Company.

b) Paid or accrued $1,500 for rent and office expenses to a company having directors and officers in common.

5. INCOME TAXES

At January 31, 2007 the tax effects of the significant components with the Company's future income tax assets are as follows:

Future income tax assets	
Non-capital losses	$ 16,903
Share issue costs	47,851
	64,754
Less:	
Valuation allowance	(64,754)
Net future income tax assets	$ -

The Company has non-capital tax loss carry forwards of approximately $48,294 and share issue costs of $136,718 that are available to reduce taxable income in future periods. These tax loss carry forwards expire in 2017.

Due to uncertainty surrounding the realization of future income tax assets, the Company has recognized a 100% valuation allowance against its future income tax assets.