MOSAM CAPITAL CORP.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

OCTOBER 31, 2006

(Unaudited – Prepared by Management)

MOSAM CAPITAL CORP.

(the “Company”)

INTERIM FINANCIAL STATEMENTS
Nine months ended October 31, 2006

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

“Marc E. Levy””	*“Tony M. Ricci”*
Marc E. Levy CEO	Tony M. Ricci CFO

December 18, 2006

MOSAM CAPITAL CORP.

Balance Sheet
(Expressed in Canadian dollars)

October 31, 2006
(Unaudited – Prepared by Management)

		2006
Assets		
Current assets:		
Cash and cash equivalents	$	471,278
GST recoverable		2,230
		473,508
Deferred finance costs (note 3)		54,681
	$	528,189
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$	15,350
Shareholders' equity:		
Share capital (note 4)		510,000
Retained earnings		2,839
		512,839
	$	528,189

Nature of operations (note 1)

See accompanying notes to financial statements.

MOSAM CAPITAL CORP.

Statements of Operations and Retained Earnings
(Expressed in Canadian dollars)

Nine months ended October 31, 2006
(Unaudited – Prepared by Management)

	Three months ended October 31, 2006	Nine months ended October 31, 2006
Expenses:		
Bank charges and interest	$ 105	$ 188
Office	178	178
Professional fees	–	927
Regulatory fees	665	945
Transfer agent	540	540
	1,488	2,778
Other item:		
Interest	3,108	5,617
Net income	1,620	2,839
Retained earnings, beginning of period	1,219	–
Retained earnings, end of the period	$ 2,839	$ 2,839
Basic and diluted earnings per common share	$ –	$ –
Weighted average number of common shares outstanding	3,750,000	3,013,187

See accompanying notes to financial statements.

MOSAM CAPITAL CORP.

Statements of Cash Flows
(Expressed in Canadian dollars)

Nine months ended October 31, 2006
(Unaudited – Prepared by Management)

	Three months ended October 31, 2006	Six months ended October 31, 2006
Cash provided by (used in):		
Operations:		
Income for the period	$ 1,620	$ 2,839
Change in non-cash working capital:		
GST recoverable	(1,597)	(2,230)
Accounts payable	(3,210)	15,350
Due to related parties	(1,000)	–
Net cash used in operations	(4,187)	15,959
Financing:		
Increase in deferred finance costs	(36,681)	(54,681)
Shares issued for cash	–	510,000
	(36,681)	455,319
Increase in cash during the period	(40,868)	471,278
Cash and cash equivalents, beginning of period	512,146	–
Cash and cash equivalents, end of period	$ 471,278	$ 471,278
Supplementary information:		
Cash paid during the period:		
Interest	$ –	$ –
Income taxes	–	–

See accompanying notes to financial statements.

1. Nature of operations

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

The Company has applied to become 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 will be 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 approvals.

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) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase.

(c) Financial instruments

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

2. Summary of significant accounting policies (continued)

(d) 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 period. 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.

(e) Stock-based compensation

The Company has a stock-based compensation plan which is described in note 4(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 change 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.

(Expressed in Canadian dollars)

2. Summary of significant accounting policies (continued)

(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. Deferred finance costs

Deferred finance costs are recorded at cost and include direct and incremental costs relating to the listing of the Company on the Exchange and undertaking an initial public offering (note 5). Upon completion of the initial public offering, these costs will be recorded as a reduction of share capital. If the initial public is not successfully completed, these costs will be charged to the statement of operations.

4. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

	Number of Shares		Amount
Balance, February 1, 2006	–	$	–
Common shares issued for cash	3,750,000		510,000
Balance, October 31, 2006	3,750,000	$	510,000

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 and will be deposited with a trustee under an escrow agreement.

4. Share capital (continued)

(b) Issued and fully paid (continued)

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.

(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. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. 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

Upon completion of the Initial Public Offering (note 5), the Company intends to grant 875,000 incentive stock options to its directors and officers at a price of $0.20 per share which shall expire five years from the date the common shares of the Company commence trading on the Exchange. In addition, the Company intends to grant 87,000 incentive stock options to three charitable organizations at a price of $0.20 per share which shall expire ten years from the date the common shares of the Company commence trading on the Exchange.

5. Initial public offering

Subsequent to October 31, 2006, the Company has closed its initial public offering of 5,000,000 common shares of the Company 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 up to 500,000 common shares at an exercise price of $0.20 per common share exercisable for a period of 24 months from the date the Company's common shares are listed for trading on the Exchange. The agent was also reimbursed by the Company for other agent's expenses incurred pursuant to the offering, including legal fees estimated at $10,000. Until completion of the Qualifying Transaction and except as otherwise allowed by regulations, a maximum of 30% of the gross proceeds realized may be used for purposes other than evaluating businesses or assets. If the minimum subscriptions are not raised, subject to certain criteria, all subscription funds may be returned to subscribers.

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.

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.

5. Related party transaction

Included in deferred finance costs is $15,000 paid or accrued for legal fees to a company controlled by an officer of the Company.