



April 11, 2008

## 2007 ANNUAL REPORT

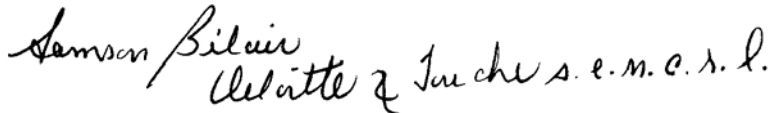
RADISSON MINING RESOURCES INC.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Radisson Mining Resources Inc. as at December 31, 2007 and 2006 and the statements of deferred exploration expenditures, earnings and comprehensive income, deficit and of accumulated other comprehensive income and cash flows for the years 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 audits.

We conducted our audits 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 December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



*Samson Bilvaire*  
*Deloitte & Touche s. e. n. c. s. l.*

Chartered Accountants

Rouyn-Noranda, Canada  
March 7, 2008  
(April 14, 2008 for note 14)

# RADISSON MINING RESOURCES INC.

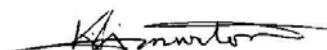
Balance Sheets

As at December 31

	2007	2006
<b>Assets</b>		
Current assets:		
Cash	\$ 16,733	\$ 206,786
Term deposits, maturing until September 8, 2008, bearing interest at 4.40% (note 3)	172,038	322,458
Accounts receivable and tax credits for mining exploration expenditures	101,488	179,799
Prepaid expenses	9,922	4,944
	300,181	713,987
Restricted cash for exploration expenditures (note 4)	1,727,962	282,542
Investments (note 5)	5,500	-
Fixed assets (note 6)	3,605	5,150
Mining properties (note 7)	849,868	394,941
Deferred exploration expenditures (note 8)	4,732,859	4,124,567
	\$ 7,619,975	\$ 5,521,187
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 123,515	\$ 74,981
Future income and mining taxes (note 9)	1,047,178	913,752
	1,170,693	988,733
Shareholders' equity:		
Capital stock (note 10)	29,261,045	26,763,088
Contributed surplus (note 11)	2,019,305	1,102,736
Warrants and broker options (note 12)	1,076,923	1,096,323
Deficit	(25,906,741)	(24,429,693)
Accumulated other comprehensive income (loss)	(1,250)	-
	6,449,282	4,532,454
Commitments (note 13)		
Subsequent events (note 14)		
	\$ 7,619,975	\$ 5,521,187

See notes to financial statements.

On behalf of the Board:



Kenneth G. Murton, B. Comm.  
Director



Donald Lacasse, ing.  
Director

# RADISSON MINING RESOURCES INC.

## Statements of Deferred Exploration Expenditures

For the years ended December 31

	2007	2006
Exploration costs:		
Drilling	\$ 250,601	\$ 224,052
Geology	229,735	243,255
Analysis	69,828	25,306
Line cutting	59,120	-
General exploration expenditures	81,107	39,754
	<u>690,391</u>	<u>532,367</u>
Other:		
Recovery of tax credit for mining exploration expenditures	(35,812)	(124,815)
Exploration expenditures on an optioned property	(8,620)	-
Write-off of deferred exploration expenditures	(37,667)	-
	<u>(82,099)</u>	<u>(124,815)</u>
Increase in deferred exploration expenditures	608,292	407,552
Balance, beginning of year	4,124,567	3,717,015
Balance, end of year	<u>\$ 4,732,859</u>	<u>\$ 4,124,567</u>

See notes to financial statements.

# RADISSON MINING RESOURCES INC.

## Statements of Earnings and Comprehensive Income

For the years ended December 31

	2007	2006
Revenues:		
Interest	\$ 27,983	\$ 27,414
Other	-	3,783
Options on mining property	18,378	-
	46,361	31,197
Administration costs:		
Salaries and employee benefits (note 10a))	1,025,989	179,791
Experts and subcontractors (note 10a))	231,035	134,446
Professional fees	117,853	92,310
Travelling and promotion	34,353	52,330
Information to shareholders	24,273	24,293
Promotional film	68,500	-
Listing and registration fees	39,635	34,309
Rent and occupancy costs	4,800	3,850
Stationery and office supplies	9,623	9,726
Insurance, taxes and licenses	16,766	23,841
Interest and bank charges	1,418	8,971
Interest on long-term debt	-	56
General administration expenses	23,901	32,025
Depreciation of fixed assets	1,545	1,617
Write-off of deferred exploration expenditures	37,667	-
Write-off of mining property	15,800	-
	1,653,158	597,565
Loss before income and mining taxes	1,606,797	566,368
Income and mining taxes (note 9)	(129,749)	(24,491)
<b>Net loss</b>	<b>\$ 1,477,048</b>	<b>\$ 541,877</b>
Basic and diluted loss per share	\$ (0.04)	\$ (0.02)
<b>Other comprehensive income</b>		
Changes in unrealized gains and losses on available-for-sale investments		
Unrealized loss arising during the period	\$ (1,250)	\$ -
<b>Comprehensive income (loss)</b>	<b>\$ (1,250)</b>	<b>\$ -</b>

See notes to financial statements.

# RADISSON MINING RESOURCES INC.

Statements of Deficit and Accumulated Other Comprehensive Income

For the years ended December 31

	2007	2006
<b>Deficit</b>		
Balance, beginning of year	\$ 24,429,693	\$ 23,887,816
Net loss	1,477,048	541,877
Balance, end of year	\$ 25,906,741	\$ 24,429,693
<b>Accumulated other comprehensive income (loss)</b>		
Balance, beginning of year	\$ -	\$ -
Other comprehensive income (loss)	(1,250)	-
Balance, end of year	\$ (1,250)	\$ -

# RADISSON MINING RESOURCES INC.

## Statements of Cash Flows

For the years ended December 31

	2007	2006
Cash flows related to:		
Operating activities:		
Net loss	\$ (1,477,048)	\$ (541,877)
Items not affecting cash:		
Depreciation of fixed assets	1,545	1,617
Stock-based compensation	899,869	81,141
Income and mining taxes	(129,749)	(24,491)
Write-off of deferred exploration expenditures	37,667	-
Write-off of mining property	15,800	-
Option on mining property	(18,378)	-
Net change in non-cash working capital items	157,679	(107,872)
	(512,615)	(591,482)
Investing activities:		
Variation of restricted cash for exploration expenditures	(1,445,420)	(272,542)
Variation of term deposits	150,420	(68,425)
Acquisition of fixed assets	-	(2,750)
Acquisition of mining properties	(116,000)	(15,336)
Increase in deferred exploration expenditures	(652,295)	(532,367)
Proceed from option on mining property	25,000	-
	(2,038,295)	(891,420)
Financing activities:		
Repayment of long-term debt	-	(970)
Issuance of capital stock and warrants	2,529,000	1,907,500
Capital stock issue expenses	(168,143)	(250,878)
	2,360,857	1,655,652
Increase (decrease) in cash	(190,053)	172,750
Cash, beginning of year	206,786	34,036
Cash, end of year	\$ 16,733	\$ 206,786

Additional disclosure of cash flows (note 16)

See notes to financial statements.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

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The Company, incorporated under the Canada Business Corporations Act, is in the process of exploring mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Management of the Company periodically reviews its decision to keep properties in its portfolio.

The recoverability of amounts shown for mining properties and related deferred exploration expenses and the capacity of the Company to meet its obligations depend upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

## 1. Changes in accounting policies

### a) Financial instruments:

On January 1, 2007, the Company adopted, retroactively and without restatement of prior years figures, the new recommendations of CICA Handbook Sections 1530, "Comprehensive Income", 3251, "Equity", 3855, "Financial Instruments – Recognition and Measurement", 3861, "Financial Instruments – Disclosure and Presentation" and 3865, "Hedges". These new sections of the CICA Handbook contain, among other things, comprehensive standards for the recognition, measurement, presentation and disclosure for financial instruments and describe when and how hedge accounting may be applied. No adjustment to the financial statements was required as a result of the implantation of these new standards.

In summary, these new standards:

- require a Company to record its financial assets and liabilities at fair value at each closing date, unless exception;
- establish rules determining when a financial asset or liability has to be recorded in the balance sheet;
- establish specific standards for the recognition and presentation of transaction costs relating to financial assets and liabilities, as well as the subsequent expensing thereof;
- establish the standards for hedge accounting; and
- introduce a new measurement of results – comprehensive income – which is the change in equity or net assets of a company during a period of transactions from non-owner sources.

The adoption of these standards requires classifying all of the Company's financial assets and liabilities in categories for which clearly defined rules determine the standards to be applied. The Company has made following classifications:

- Cash, term deposits and restricted cash for exploration expenditures are classified as financial assets held for trading. They are measured at fair value and the gains/losses arising on the revaluation at the end of each period are included in revenues;
- Accounts receivable and tax credit for mining exploration expenditures are classified as loans and receivables. Initially, they are recorded at fair value and thereafter, at amortized cost;
- Investments are classified as financial assets available for sale. They are measured at fair value and the gains/losses arising from the revaluation at the end of each period are recorded in the comprehensive income. The transaction costs associated to the financial assets available for sale increase these financial assets;
- Accounts payable and accrued charges are classified as other financial liabilities. Initially, they are recorded at fair value and thereafter, at amortized cost.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

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## 1. Changes in accounting policies (continued)

### b) Accounting changes:

In July 2006, the Canadian Institute of Chartered Accountants (CICA) issued a new version of Section 1506 of the CICA Handbook, "Accounting changes". This new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors. This new section was adopted by the Company on January 1, 2007 with no impact on results.

### c) Accounting policy choice for transaction costs:

On June 1, 2007, CICA Emerging Issues Committee issued Abstract no.166, "Accounting Policy Choice for Transaction Costs" (EIC-166). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, EIC-166 requires that the same accounting policy is applied to all similar financial instruments classified as other than held-for-trading, but permits the application of a different method of accounting for financial instruments that are not similar. EIC-166 requires retroactive application to all transaction costs accounted in accordance with Section 3855. The current recognition policy for transaction costs is consistent with this guidance.

## Future accounting changes

### Financial Instruments

In December 2006, the CICA issued Section 3862, Financial Instruments - Disclosures; Section 3863, Financial Instruments - Presentation; and Section 1535, Capital Disclosures. All three Sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2007. Accordingly, the Company will adopt the new standards for its fiscal year beginning January 1, 2008. Section 3862 on financial instruments disclosures, requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861. Section 1535 on capital disclosures requires the disclosure of information about an entity's objectives, policies and processes for managing capital.

The Company is currently evaluating the impact of the adoption of these new Sections on its financial statements

## 2. Significant accounting policies:

### a) Financial statements:

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

### b) Fixed assets and depreciation:

Fixed assets are recorded at cost. Depreciation of computer equipment is calculated using the diminishing balance method at a rate of 30%.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

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## 2. Significant accounting policies (continued):

### c) Mining properties and deferred exploration expenses:

Mining properties are recorded at cost. Exploration and development costs, net of related government assistance, are deferred. When a decision is made to bring an orebody into production, the costs related to this orebody, recorded in mining properties and deferred exploration expenditures, are transferred to fixed assets. They will then be amortized, based on the units of production of the year and the probable and proven ore reserves. When a project is abandoned, the related costs are charged to current operations. Options or sale of mining properties are accounted for by applying the proceeds from such sales to the carrying costs of the property and then to the carrying costs of deferred exploration expenses on this property. Any surplus is accounted in the revenues.

These assets are revalued for impairment when no more work is being planned in the foreseeable future or in the absence of work during an exceeding three-year period.

### d) Flow-through shares:

When the Company commits the proceeds from the issuance of flow-through shares to exploration expenses, the future income tax cost related to the resulting temporary difference is recorded as a share issue expense in favour of investors when the Company waives its right to the related deductions.

### e) Income taxes and mining taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to difference between the carrying amounts and tax bases of assets and liabilities. They are measured by applying substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

Mining duties claimed are recorded when cashed.

### f) Stock-based compensation:

The Company uses the fair value method to account for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is either charged to operations or capitalized to exploration expenditures, with an offsetting credit to contributed surplus, over the vesting period of the option. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

### g) 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. During the fiscal periods presented, management has made a number of significant estimates and valuation assumptions, including estimates of the net realizable value of accounts receivable and tax credits for mining exploration expenditures, the recoverability of mining properties and deferred exploration expenditures, valuation of stock-based compensation, valuation of future income taxes and the fair value of financial assets and liabilities. These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business and economic conditions. If the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 2. Significant accounting policies (continued):

### h) Loss per share:

Loss per share has been calculated using the weighted average number of shares outstanding during the year. For the years ended December 31, 2007 and 2006, the weighted average number of common shares outstanding was 41,001,345 and 36,765,008 respectively. Fully diluted loss per share has not been presented as it is antidilutive.

## 3. Term deposits:

	2007	2006
Term deposits	\$ 900,000	\$ 605,000
Restricted cash for exploration expenditures	(727,962)	(282,542)
Term deposits, end of year	\$ 172,038	\$ 322,458

## 4. Restricted cash for exploration expenditures:

Restricted funds for exploration expenditures represent the limited-use proceeds of public financing and limited-use mining tax credits. According to the restrictions imposed by the public financing, the Company must use those funds for exploration of mining properties.

On December 31, 2007, the Company had the following amounts to spend in exploration work in order to comply with the requirements of flow-through financing:

	2007	2006
Term deposits	\$ 727,962	\$ 282,542
Cash – in Trust	1,000,000	-
	\$1,727,962	\$ 282,542

## 5. Investments:

	2007	2006
50,000 shares of Arianne Resources Inc., a public company	\$ 5,500	\$ -

## 6. Fixed assets:

	2007		2006	
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	\$ 10,394	\$ 6,789	\$ 3,605	\$ 5,150

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 7. Mining properties:

	Balance December 31, 2006	Acquisition *	Option payment and write-off	Balance December 31 2007
Mining properties and related assets:				
O'Brien	\$ 342,789	\$ -	\$ -	\$ 342,789
Kewagama	9,950	-	-	9,950
Douay	840	-	-	840
Highway	23,730	19,605	-	43,335
Massicotte	4,752	-	4,752	-
Grave Lake	12,880	7,763	15,800	4,843
La Reine	-	113,370	-	113,370
Preissac	-	8,721	-	8,721
RM Nickel	-	313,784	-	313,784
Potrack	-	12,236	-	12,236
	\$ 394,941	\$ 475,479	\$ 20,552	\$ 849,868

	Balance December 31, 2005	Acquisition *	Option payment and write-off	Balance December 31 2006
Mining properties and related assets:				
O'Brien	\$ 342,789	\$ -	\$ -	\$ 342,789
Kewagama	9,950	-	-	9,950
Douay	-	840	-	840
Highway	13,930	9,800	-	23,730
Massicotte	2,256	2,496	-	4,752
Grave Lake	3,680	9,200	-	12,880
	\$ 372,605	\$ 22,336	\$ -	\$ 394,941

\* Tax effect of temporary differences between book value and tax basis is included in the acquisition of the year if applicable.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 8. Deferred exploration expenditures:

Mining properties	Balance December 31, 2006	Exploration costs	Option payment and write-off	Tax credits recovery	Balance December 31 2007
O'Brien	\$ 3,365,209	\$ 421,735	\$ -	\$ (23,930)	\$ 3,763,014
Kewagama	557,823	53,759	-	(3,050)	608,532
Douay	15,476	-	-	-	15,476
Highway	111,536	52,774	-	-	164,310
Massicotte	3,740	4,880	(8,620)	-	-
Olsen Bay	18,855	538	(19,393)	-	-
Harper Lake	17,736	538	(18,274)	-	-
Grave Lake option	34,192	538	-	-	34,730
RM Nickel	-	145,694	-	(8,267)	137,427
La Reine	-	9,035	-	(513)	8,522
Potrack	-	900	-	(52)	848
	\$ 4,124,567	\$ 690,391	\$ (46,287)	\$ (35,812)	\$4,732,859

Mining properties	Balance December 31, 2005	Exploration costs	Option payment and write-off	Tax credits recovery	Balance December 31 2006
O'Brien	\$ 3,245,581	\$ 182,156	\$ -	\$ (62,528)	\$ 3,365,209
Kewagama	434,228	185,122	-	(61,527)	557,823
Douay	15,476	-	-	-	15,476
Highway	19,480	92,056	-	-	111,536
Massicotte	2,250	2,250	-	(760)	3,740
Olsen Bay	-	18,855	-	-	18,855
Harper Lake	-	17,736	-	-	17,736
Grave Lake option	-	34,192	-	-	34,192
	\$ 3,717,015	\$ 532,367	\$ -	\$ (124,815)	\$4,124,567

## 9. Income and mining taxes:

Income and mining tax recovery consist of:

	2007	2006
Future income taxes	\$ (129,749)	\$ (24,491)

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 9. Income and mining taxes (continued):

Income tax benefit differs from the amounts computed by applying the combined federal and provincial effective income tax rate of 32.02% (2006, 30.9%) to the loss before income and mining taxes as a result of the following:

	2007	2006
Loss before income and mining taxes	\$ (1,606,797)	\$ (566,368)
Expected tax recovery	(514,496)	(175,008)
Increase (reduction) in income taxes resulting from:		
Resource allowance deduction	-	23,309
Tax benefits of losses not recognized	214,177	156,886
Change in tax rates	(143,359)	(47,312)
Stock-based compensation	288,077	25,073
Non-deductible expenses – other	451	974
Previous years' assessment	13,716	-
Revenue taxable at different rates	11,685	(8,413)
Total income and mining tax benefit	\$ (129,749)	\$ (24,491)

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

	2007	2006
<b>Future tax assets:</b>		
Capital and non-capital losses carried forward	\$ 949,142	\$ 923,109
Share issue expenses	87,609	67,946
Fixed assets	60,932	69,314
Future tax assets	1,097,683	1,060,369
Valuation allowance	(1,036,751)	(991,055)
Net future tax assets	60,932	69,314
<b>Future tax liabilities:</b>		
Mining properties and deferred exploration expenditures	(1,108,110)	(983,066)
Net future tax liability	\$ (1,047,178)	\$ (913,752)

As at December 31, 2007, the Company had the following tax losses available to reduce future taxable income:

Losses carried forward available for tax purposes:

2008	\$ 235,328
2009	181,845
2010	463,785
2014	298,367
2015	434,645
2026	537,650
2027	802,631
	\$ 2,954,251

In accordance with EIC 146, the Company recognizes the tax effect of flow through shares issued only when the Company files, to the tax authorities, the tax credit renunciation documents associated with the expenditures. The tax effect of flow through shares issued in 2007 amounts to \$542,392 (2006, \$114,000) and will be recorded in March 2008.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 10. Capital stock:

Authorized:

Unlimited number of class A shares, voting and participating, no par value

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1 and 5%, non-participating, non-voting, redeemable at the option of the Company for an amount equal to the price paid plus any dividend declared and unpaid, no par value

	2007		2006	
	Class A shares	Amount	Class A shares	Amount
Issued and paid:				
Balance at beginning	39,392,851	\$ 26,763,088	33,258,760	\$ 26,176,389
For cash	1,333,334	400,000	3,884,783	649,063
Flow-through shares	5,555,556	2,100,000	2,179,308	296,028
Commission to broker	-	-	40,000	8,400
Mining properties acquisition	735,152	248,400	30,000	7,000
Warrants	100,000	31,700 (2)	-	-
Issue expenses	-	(282,143)	-	(373,792)
<b>Balance at the end (1)</b>	<b>47,116,893</b>	<b>\$ 29,261,045</b>	<b>39,392,851</b>	<b>\$ 26,763,088</b>

(1) 37,500 class A shares are held in escrow and cannot be transferred, mortgaged, pledged or otherwise disposed without the consent of the Autorité des marchés financiers and the TSX Venture Exchange.

(2) This amount includes the fair value of warrants exercised for an amount of \$2,700.

a) Class A stock options:

On June 28, 2007, the Company obtained the authorization from the TSX Venture Exchange to modify the stock options plan in favour of the directors, management employees and consultants. An aggregate number of 6 millions class A shares has been reserved for potential issuance under the plan. The exercise price of each option is the market price of the Company's stock at the date of grant of options and the maximum term of a new option is 5 years. Options granted under the modified plan are immediately vested.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 10. Capital stock (continued):

### a) Class A stock options (continued):

A summary of the situation as at December 31, 2007 and 2006 is presented below:

Options	2007		2006	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at beginning	2,692,830	\$ 0.34	2,942,830	\$ 0.34
Granted	4,025,000	0.30	250,000	0.33
Expired	(960,000)	0.41	(500,000)	0.34
Outstanding at the end	5,757,830	\$ 0.30	2,692,830	\$ 0.34
Options exercisable at the end	5,757,830	\$ 0.30	2,625,534	\$ 0.34

The following table summarizes the information relating to the stock options as at December 31, 2007:

Number of options outstanding	Exercise price	Weighted average remaining life (years)	Number of options exercisable
257,830	\$ 0.15	2.2	257,830
800,000	0.235	4.3	800,000
300,000	0.27	0.2	300,000
2,400,000	0.30	4.26	2,400,000
1,750,000	0.33 to 0.34	2.71	1,750,000
250,000	0.41	0.3	250,000
5,757,830	\$ 0.30		5,757,830
Other options granted outside the plan			
656,876 (1)	\$ 0.33	1.7	164,219

(1) These options were granted during the year to a consultant for services regarding investors' relation.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 10. Capital stock (continued):

### a) Class A stock options (continued):

The following table presents the stock-based compensation expense, the weighted average fair value at grant date and the weighted average assumptions used to determine the stock-based compensation expense recorded in administrative expenses using the Black & Scholes option pricing model for the years ended December 31:

	2007	2006
Stock-based compensation expense is recorded in the following items:		
Salaries and employee benefits through grant of stock options	\$ 838,008	\$ 69,831
Experts and subcontractors – consideration by stock options	<u>61,861</u>	<u>11,310</u>
	<u>\$ 899,869</u>	<u>\$ 81,141</u>
Expected volatility	88%	98%
Risk-free interest rate	4.47%	4.27%
Expected dividend rate	0%	0%
Estimated duration	5 years	5 years
Weighted average fair value at grant date	\$ 0.21	\$ 0.23

### b) Warrants and broker options:

As December 31, 2007, the following warrants and broker options were outstanding and exercisable:

	Number of broker options	Number of warrants
Outstanding at December 31, 2005	-	3,325,708
Granted	606,409	6,064,091
Expired	<u>-</u>	<u>(2,592,375)</u>
Outstanding at December 31, 2006	606,409	6,797,424
Exercised	-	(100,000)
Expired	<u>-</u>	<u>(633,333)</u>
Outstanding at December 31, 2007	<u>606,409</u>	<u>6,064,091</u>

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 10. Capital stock (continued):

### b) Warrants and broker options (continued):

Exercise price	Number of warrants outstanding	Maturity date
\$ 0.30	434,783	April 2008
\$ 0.40	1,379,308	April 2008
\$ 0.45	3,450,000	May 2008
\$ 0.40	800,000	December 2008
	6,064,091	

Exercise price	Number of broker options outstanding	Maturity date
\$ 0.23	43,478	April 2008
\$ 0.29	137,931	April 2008
\$ 0.35	345,000	May 2008
\$ 0.40	80,000	December 2008
	606,409	

The following table presents the weighted average assumptions used to determine the fair value of warrants and broker options granted using the Black & Scholes option pricing model for the years ended December 31:

	2007	2006
Broker options value	\$ -	\$ 114,514
Warrants value	\$ -	\$ 962,409
Expected volatility	-	79.36%
Risk-free interest rate	-	4.13%
Expected dividend rate	-	0%
Estimated duration	-	2 years

## 11. Contributed surplus:

	2007	2006
Balance, beginning	\$ 1,102,736	\$ 840,695
Stock-based compensation	899,869	81,141
Warrants expired	16,700	180,900
Balance, end of year	\$ 2,019,305	\$ 1,102,736

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 12. Warrants and broker options:

	2007	2006
Balance, beginning	\$ 1,096,323	\$ 200,300
Warrants granted	-	962,409
Broker options granted	-	114,514
Warrants expired	(16,700)	(180,900)
Warrants exercised	(2,700)	-
Balance, end of year	\$ 1,076,923	\$ 1,096,323

## 13. Commitments:

### Properties located in Québec

#### *O'Brien and Kewagama properties:*

On March 15, 1999, a purchase and sale agreement was signed by the Company, Breakwater Resources and 3064077 Canada Inc., a subsidiary of Breakwater Resources Inc., for the purchase by the Company of the O'Brien and Kewagama properties. By this agreement, the Company has acquired all rights on both properties including all the infrastructures on site.

In consideration, the Company agreed to pay \$1,000,000 in cash upon starting commercial production less the costs that could be incurred to restore the tailing ponds.

A 2% royalty on net smelter return is payable to a third party in the event of commercial production of the Kewagama property.

#### *Massicotte property:*

Pursuant to an agreement signed between the Company and Van Horne, a subsidiary of PanCanadian Resources, and because of the non-participation of the partner, the interest of Van Horne has been reduced to 39.40%, whereas the Company holds 60.60%.

The financing of subsequent work must be done on a prorata basis or the undivided interest of the non-participating party will be reduced. If the interest of either party is diluted to 10%, the diluted interest will then be transferred to the other party in consideration of a 1% net smelter return royalty (as defined in the agreement) derived from the commercial production on the property in question.

In the event that one of the partners does not contribute to two consecutive annual programs for a total of at least \$750,000, the refusal to contribute in any other supplementary program will result automatically in the transfer of the partner's interest into a 1% net smelter return royalty.

In June 2007, the Company signed an agreement with Arianne Resources Inc. to sell a 50% interest in that property. In order to comply with the agreement, Arianne Resources Inc. must spend \$1,500,000 in exploration expenditures, has to make payments in cash for \$75,000 and has to issue 300,000 shares to Radisson Mining Resources Inc., on a three year period. As at December 31, 2007, the Company had received \$25,000 in cash and 50,000 shares.

#### *La Reine and Preissac properties*

In June 2007, the Company has signed an option agreement with two prospectors to acquire a 100% interest in the La Reine property in the Preissac Township in Quebec. In order to comply to this agreement, the Company must make a cash payment of \$15,000 and has to issue 800,000 shares of its treasury to the vendors on a three-years period. On December 31, 2007, the Company had issued 200,000 shares and had made a cash payment of \$15,000. On June 26, 2008, 2009 and 2010, the Company will have to issue 200,000 shares each year. When the interest will be acquired and in the event of commercial production on this property, a 2% net smelter return royalty will be payable to the vendors of the La Reine property. This royalty is redeemable for a cash consideration of \$1,000,000.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

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## 13. Commitments (continued):

### Properties located in Québec (continued)

#### *Potrack property*

In September 2007, the Company has signed an option agreement with two prospectors to acquire a 100% interest in Potrack property in the Queylus Township in Quebec. In order to comply to this agreement, the Company must make a cash payment of \$30,000, has to issue shares for \$30,000 of its treasury to the vendors and realize exploration expenditures for a amount of \$500,000 over a three-year period. On December 31, 2007, the Company had issued 15,152 shares and had made a cash payment of \$5,000. Over the next two years, the Company will have to issue shares for \$25,000 and make cash payments for \$25,000. When the interest will be acquired and in the event of commercial production on this property, a 2% net smelter return royalty will be payable to the vendors of the Potrack property.

#### *RM Nickel property*

In October 2007, the Company has signed an option agreement with a prospector to acquire a 100% interest in the RM Nickel property in the Beauchastel Township in Quebec. In order to comply to this agreement, the Company must make cash payments for \$250,000, has to issue 2,000,000 shares of its treasury to the vendors over a two-year years period. On December 31, 2007, the Company had issued 500,000 shares and had made a cash payment of \$75,000 under the agreement. On February 29, 2008, the Company issued 1,000,000 shares and made a cash payment of \$100,000 and on August 31, 2008, the Company will have to issue 500,000 shares and make a cash payment of \$75,000. When the interest will be acquired and in the event of commercial production on this property, a 2% net smelter return royalty will be payable to a vendor on the RM Nickel property. This royalty is redeemable for a cash consideration of \$1,000,000.

### Property located in Ontario

#### *Highway property*

In August 2005, the Company signed an option agreement with two prospectors to acquire a 100% interest in the Highway property in the Dryden area in Ontario. In order to comply with this agreement, the Company must make cash payments of \$50,000 over a three-year period, in addition to issuing 50,000 shares of its treasury to the vendors. On December 31, 2007, the Company had issued 30,000 shares (10,000 in 2007) in addition to having made a cash payment of \$30,000 (\$17,000 in 2007) under the agreement. Starting on September 1, 2008, the Company will have to make cash payments of \$20,000 as well as issue 20,000 shares. A 2% net smelter return royalty is payable to the vendors on the Highway property, in the event of commercial production on this property. This royalty is redeemable for a cash consideration of \$1,000,000.

## 14. Subsequent events:

- a) On March 14, 2008, the Company completed a private placement comprising of 2,000,000 units at a price of \$0.26 each unit, for a total amount of \$520,000. Issue expenses are estimated at \$58,195. Each unit is comprised of one common share together with a stock purchase warrant, each giving the right to subscribe to half of a common share at a price of \$0.32 for a period of 24 months following the issuance date. This transaction is subject to regulatory approval.
- b) April 14, 2008, Radisson agreed to grant Aurizon Mines Ltd. (Aurizon) an option to acquire an undivided 50% interest in O'Brien/Kewagama Property (the Property). The transaction, which is subject to a number of conditions including completion of satisfactory due diligence within 60 days, receipt of all necessary corporate and regulatory approvals and the execution of a definitive agreement, would call for Aurizon to complete a bankable feasibility study to earn the 50% interest in the Property.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2007 and 2006

## 15. Related party transactions:

During the year, the Company incurred rent and occupancy costs with the vice-president of Radisson Mining Resources Inc. These operations totalled \$4,800 (2006, \$3,850). Also, two directors of the Company received \$11,775 for services rendered as experts and subcontractors.

The above transactions occurred within the normal course of business and are measured at the exchange amount, which is the amount of considerations established and agreed by the related parties.

## 16. Other information:

	2007	2006
Cash paid (recovered) during the year for:		
Interest	\$ -	\$ 9,027
Income and mining taxes	(38,096)	-

### Additional cash flows information:

	2007	2006
Non-cash investing and financing activities:		
Issuance of capital stock for mining properties	\$ 248,400	\$ 7,000
Accounts receivable related to tax credit for mining exploration expenditures	35,812	124,815
Issuance expenses relating to flow-through shares	114,000	-
Issuance expenses for brokers options	-	114,514
Commission to brokers by shares issuance	-	8,400
Option on property received in the form of investment	6,750	-

## 17. Financial instruments:

### Credit risk:

The Company's significant exposure to credit risk as at December 31, 2007 is equal to the carrying amounts in its financial statements.

### Fair value of financial instruments:

In 2007, cash, term deposits and restricted cash for exploration are recorded at fair value. In 2006, the carrying amount approximates their fair value because of the near-term maturity of the investments.

The carrying amount for accounts receivable and tax credit for mining exploration expenditures and accounts payable and accrued charges approximates their fair value because of the near-term maturity of the investments.

## 18. Comparative figures:

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

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## GENERAL INFORMATION

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### BOARD OF DIRECTORS

Dale M. Hendrick, P. Eng.<sup>1</sup>  
*Chairman of the Board*

Kenneth G. Murton, B. Comm.  
*President and Chief Executive Officer*

Donald Lacasse, ing.  
*Vice-President, Chief Financial Officer  
and Corporate Secretary*

James A. Stephenson, Q.C., P. Eng.  
*Director*

*Paul Cregheur, geologist*  
*Director*

James Kelleher, PC Q.C.  
*Director*

Jean-Marie Dupont<sup>1</sup>  
*Director*

Luc Simoneau<sup>1</sup>  
*Director*

<sup>1</sup> Audit Committee Member

### OFFICERS

Dale M. Hendrick, P. Eng.  
*Chairman of the Board*

Kenneth G. Murton, B. Comm.  
*President and Chief Executive Officer*

Donald Lacasse, ing.  
*Vice-President, Chief Financial Officer  
and Corporate Secretary*

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