NEVORO INC. (FORMERLY "DENROY RESOURCES CORPORATION")
(AN EXPLORATION STAGE COMPANY)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN US$)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2007
(UNAUDITED)

NEVORO INC. (FORMERLY "DENROY RESOURCES CORPORATION")
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(EXPRESSED IN US$)

	September 30, 2007	December 31, 2006 (Note 2)
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	$ 6,708,558	$ -
Amounts receivable, prepaids and other	114,272	2,771
	6,822,830	2,771
MINERAL INTERESTS (Note 6)	10,746,618	1
EQUIPMENT (Note 5)	56,884	-
	$ 17,626,332	$ 2,772
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	$ 254,556	$ 34,599
Advances from shareholder	-	17,162
	254,556	51,761
FUTURE INCOME TAX LIABILITY (Notes 4 and 8)	3,222,000	-
	3,476,556	51,761
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 7(b))	14,928,988	524,887
WARRANTS (Note 7(c))	364,831	-
ACCUMULATED OTHER COMPREHENSIVE INCOME	18,985	18,985
STOCK OPTIONS (Note 7(d))	2,901,354	-
DEFICIT	(4,064,382)	(592,861)
	14,149,776	(48,989)
	$ 17,626,332	$ 2,772

NATURE OF OPERATIONS (Note 1)

COMMITMENTS (Note 6, Note 11 and Note 13)

APPROVED ON BEHALF OF THE BOARD:

Signed, *"Victor Bradley"*

Director

Signed, *"Philip Martin"*

Director

see accompanying notes to the interim unaudited consolidated financial statements

NEVORO INC. (FORMERLY "DENROY RESOURCES CORPORATION")
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(UNAUDITED)
(EXPRESSED IN US$)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006 (Note 2)	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006 (Note 2)
EXPENSES				
Stock-based compensation	$ 2,901,354	$ -	$ 2,901,354	$ -
Management and consulting fees	71,642	-	170,366	-
Salaries and benefits	115,979	-	141,415	-
Filing, listing and transfer agent fees	47,755	-	77,815	-
Travel	30,313	-	77,357	-
Office and general	25,314	9,392	70,109	36,664
Professional fees	16,721	-	45,064	-
Occupancy costs	23,121	-	29,633	-
Investor relations	19,463	-	29,152	-
Insurance	9,832	-	19,524	-
Amortization	4,011	-	7,853	-
Foreign exchange (gain)	(16,562)	-	(39,106)	-
Loss before the undernoted	3,248,943	9,392	3,530,536	36,664
Interest income	(68,486)	-	(105,816)	-
General exploration (Note 6(c))	36,273	-	202,404	-
Loss before income taxes	3,216,730	-	3,627,124	36,664
Income tax (recovery) (Note 8)	72,393	-	(155,603)	-
NET LOSS FOR THE PERIOD	3,289,123	9,392	3,471,521	36,664
Other comprehensive (income) (Note 2)	-	(17,517)	-	(17,517)
COMPREHENSIVE LOSS (INCOME)	$ 3,289,123	$ (8,125)	$ 3,471,521	$ 19,147
DEFICIT, beginning of period	$ 775,259	$ 561,120	$ 592,861	$ 533,848
NET LOSS FOR THE PERIOD	3,289,123	9,392	3,471,521	36,664
DEFICIT, end of period	$ 4,064,382	$ 570,512	$ 4,064,382	$ 570,512
NET LOSS PER SHARE basic and diluted	$ 0.04	$ 0.01	$ 0.08	$ 0.04
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	74,586,585	912,485	43,441,493	912,485

see accompanying notes to the interim unaudited consolidated financial statements

NEVORO INC. (FORMERLY "DENROY RESOURCES CORPORATION")
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(EXPRESSED IN US$)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006 (Note 2)	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006 (Note 2)
CASH FLOWS USED OPERATING ACTIVITIES				
Net (loss) for the period	$ (3,289,123)	$ (9,392)	$ (3,471,521)	$ (36,664)
Add:				
Amortization	4,011	-	7,853	-
Future income tax (recovery)	72,393	-	(155,603)	-
Stock-based compensation	2,901,354	-	2,901,354	-
Changes in non-cash working capital items:				
Amounts receivable, prepaids and other	(20,024)	676	(110,151)	(1,074)
Accounts payable and accrued liabilities	63,254	(12,864)	17,106	4,133
	(268,135)	(21,580)	(810,962)	(33,605)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Mineral interests	(559,395)	-	(1,114,964)	-
Equipment	(12,238)	-	(61,729)	-
Cash acquired on business combination, net of costs (Note 4)	-	-	44,443	
Purchase of short-term investments	649,636	-	-	-
	78,003	-	(1,132,250)	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares, net of costs	472,970	-	8,668,932	-
Advances from shareholder	-	-	(17,162)	17,162
	472,970	-	8,651,770	17,162
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	282,838	(21,580)	6,708,558	(16,443)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	6,425,720	21,580	-	16,443
CASH AND CASH EQUIVALENTS END OF PERIOD	$ 6,708,558	$ -	$ 6,708,558	$ -
SUPPLEMENTAL INFORMATION				
Interest paid	$ -	$ -	$ -	$ -
Common shares issued for business combination	-	-	6,100,000	-
Change in accrued exploration expenditures	20,329	-	81,061	-
Warrants issued for services rendered	-	-	364,830	-
Change in accrued share issue and transaction costs	-	-	100,000	-

see accompanying notes to the interim unaudited consolidated financial statements

1. NATURE OF OPERATIONS

Nevoro Inc. (formerly "Denroy Resources Corporation") (the “Company” or "Nevoro") was incorporated under the laws of the Province of Ontario, was inactive since 1991 and was searching for new business opportunities. During the nine month period ended September 30, 2007, the Company entered into an agreement with the shareholders of Goodsprings Development Corporation (“Goodsprings”) to acquire 100% of the issued and outstanding shares of Goodsprings, a private mineral exploration corporation incorporated in the State of Nevada, USA. Goodsprings has an interest in a portfolio of precious metal exploration projects located in Nevada, USA (see Notes 4 and 6).

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non compliance with regulatory requirements.

Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing year as they fall due, to fund cash payments as discussed in Note 6, Note 11 and Note 13, and to fund current planned exploration programs.

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). They do not include all the information and disclosures required by Canadian GAAP for annual financial statements. The preparation of these interim consolidated financial statements is based on accounting principles and practices consistent with those used in the annual financial statements, except as disclosed in Note 2. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three and nine month periods ended September 30, 2007 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2007. For further information, see the audited financial statements including the notes thereto for the year ended December 31, 2006.

2. CHANGE IN ACCOUNTING POLICIES

Financial instruments, comprehensive income, hedges and accounting changes

In January 2005, the CICA issued Handbook Sections, "Financial Instruments, Recognition and Measurement", "Comprehensive Income", "Hedges" and "Accounting Changes". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. The Company has adopted these new standards effective January 1, 2007. The Financial Instruments Section prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets are measured at fair value subsequent to initial recognition;
- All financial liabilities are measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- All derivative financial instruments are measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

The Comprehensive Income Section introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available- for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations. For the period ended September 30, 2007, the Company did not have other comprehensive income or loss, therefore the comprehensive loss for the period was equal to the net loss for the period.

The Hedges Section provides alternative treatments for entities, which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in the section for "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

The Accounting Changes Section requires that voluntary changes in accounting policy are made only if the changes result in financial statements that provide more reliable and more relevant information. It also requires prior period errors to be recorded retrospectively.

The Company has determined that the adoption of these new policies had no material impact on its consolidated financial statements as at and for the period ended September 30, 2007, except as discussed in Note 4.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short term investments with original maturities of 90 days or less.

Short-term investments

Short-term investments are investments with original maturities between 91 days and one year. There are no short-term investments as at September 30, 2007.

Foreign currency translation

The interim consolidated financial statements of the Company are presented in U.S. dollars. The operations of the subsidiary, Nevoro Nevada Inc. (formerly Goodsprings Development Corporation), are in U.S. dollars. The operations of the parent, Nevoro Inc. are translated into U.S. dollars as follows: monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date; non-monetary items and any related amortization of such items are translated at the rate of exchange in effect when the assets were acquired or obligations incurred; and all income and expense items are translated at average exchange rates prevailing during the period. Exchange gains and losses are included in net loss for the period.

2. CHANGE IN SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in functional and reporting currency

Effective April 1, 2007, the functional currency of the Company changed from Canadian dollars to U.S. dollars. In general, this change resulted from the increase in the overall proportion of business activities conducted in U.S. dollars, as a result of the acquisition of Goodsrings, as well as the private placements that were denominated in U.S dollars. Concurrent with this change in the functional currency, the Company adopted the U.S dollar as its reporting currency.

The change was effected for prior periods as follows: assets and liabilities were translated at the spot rate on that date; income and expense items for those periods were translated at the average rate for each period; and equity transactions were translated at historic rates. The resulting net translation adjustment has been posted to the cumulative other comprehensive income account.

Stock-based compensation

The Company accounts for stock-based compensation expense using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this standard, stock-based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to stock options under shareholders' equity. When stock options are exercised, the corresponding fair value is transferred from stock options to capital stock.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	September 30, 2007	December 31, 2006
Cash	$ 695,201	$ -
Cash equivalents with an average interest rate of 3.7%	6,013,357	-
	$ 6,708,558	$ -

(EXPRESSED IN US$)

4. BUSINESS COMBINATION, RESTATEMENT OF PURCHASE PRICE ALLOCATION AND FUTURE TAX LIABILITIES

The shareholders of Goodsprings and Nevoro entered into an agreement of purchase and sale dated February 5, 2007, whereby Nevoro acquired 100% of the issued and outstanding shares of Goodsprings for the issuance of 24.4 million common shares of Nevoro. This acquisition closed February 15, 2007. The closing of the business combination was subject to regulatory and shareholder approvals. This business combination is accounted for using the purchase method of accounting, with Nevoro being identified as the acquirer and Goodsprings as the acquiree. In accordance with the purchase method of accounting, the purchase cost was allocated to the underlying assets acquired based on their fair values at the date of acquisition. The purchase consideration of $6,100,000 and the costs of the transaction of $155,224 for a total of $6,255,224 exceeded the carrying value of the net liabilities assumed by $6,272,692, which was applied to increase the carrying value of the interest in mineral properties. The excess amount will not increase the carrying value of the underlying assets for tax purposes resulting in a temporary difference between accounting and tax values. The resulting estimated future income tax liability associated with the temporary difference of $6,272,692 was applied to increase the carrying value of the mineral property by $3,377,603 using the combined US income tax rate of approximately 35%.

The allocation of the purchase cost to assets and liabilities acquired is as follows:

Purchase Price Allocation

	Cash	$	151,640
	Amounts receivable		1,350
	Equipment		3,008
	Interest in mineral properties		9,941,581
	Accounts payable and accrued liabilities		(121,790)
	Advances		(342,962)
	Future income tax liabilities		(3,377,603)
		$	6,255,224
Consideration			
	24,400,000 Common shares	$	6,100,000
	Transaction costs		155,224
		$	6,255,224

The interim unaudited consolidated financial statements assume the cost of acquisition is the fair value of the Nevoro common shares issued based on the issuance of 24,400,000 Nevoro common shares at $0.25, providing total purchase consideration of $6,100,000. The value of the Nevoro common shares was calculated based on the price of the last financing completed prior to the combination.

The Company discovered an error related to its financial statements for the interim periods ended June 30, 2007 and March 31, 2007. In those previously released financial statements, the Company had underestimated the future income tax liabilities related to its acquisition of Goodsprings. These consolidated financial statements have been restated to give effect to the adjustment to the purchase price allocation and the related future income tax liabilities arising from this acquisition. The value attributed to the underlying mineral properties has been increased by $1,111,907 to reflect additional future tax liabilities of $1,111,907. This non-cash adjustment has no impact on the net loss for the periods ended September 30, 2007, the net cash flows, cash balances or shareholders' equity as previously reported. All amounts included within these financial statements and accompanying notes have been adjusted to reflect this restatement.

(EXPRESSED IN US$)

5. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value September 30, 2007	Net Book Value December 31, 2006
Furniture and fixtures	$ 21,837	$ (1,668)	$ 20,169	$ -
Computer equipment	37,100	(4,229)	32,871	-
Software	6,185	(2,341)	3,844	-
	$ 65,122	$ (8,238)	$ 56,884	$ -

6. MINERAL INTERESTS

For the period ended September 30, 2007, the Company had incurred acquisition costs and exploration expenditures on its mineral properties as follows:

	St. Elmo Project	Silver King Project	Cross Project	Eagleville Project	Other Projects	Total
Balance, December 31, 2006	$ -	$ -	$ -	$ -	$ 1	$ 1
Additions during the period						
Acquisition costs	5,547,236	1,185,933	905,002	896,818	1,584,859	10,119,848
Exploration costs						
Consulting	68,352	17,924	8,524	5,381	54,183	154,364
Geological	-	11,534	-	902	812	13,248
Legal	12,864	-	-	-	-	12,864
Exploration support	30,375	7,619	738	1,410	12,962	53,104
Travel	2,907	1,188	-	1,636	16,005	21,736
Land maintenance	53,375	32,375	21,250	13,375	57,375	177,750
Field supplies	358	357	-	-	774	1,489
Salaries	25,830	30,380	-	11,000	7,150	74,360
Geophysical	49,936	58,328	-	-	-	108,264
Reclamation	29,800	8,915	-	-	-	38,715
Databases	-	875	-	-	-	875
Recoveries	-	-	-	-	(30,000)	(30,000)
Exploration costs	273,797	169,495	30,512	33,704	119,261	626,769
Exploration and acquisition costs	5,821,033	1,355,428	935,514	930,522	1,704,120	10,746,617
Balance, September 30, 2007	$ 5,821,033	$ 1,355,428	$ 935,514	$ 930,522	$ 1,704,121	$10,746,618

6. MINERAL INTERESTS (continued)

(a) St. Elmo Project

The St. Elmo Project consists of the Happy Tracks Property and the Diamond Jim Property.

On April 13, 2006, Goodsprings (See Note 4) entered into a mining lease and option to purchase agreement with four arm's length individuals (collectively, the "Owners"), whereby Goodsprings was granted a five-year lease with an option to purchase unpatented lode mining claims and water rights comprising the Happy Tracks Property, located in the State of Nevada, USA.

Goodsprings was granted the exclusive right to explore the Happy Tracks Property during the term of the lease for the following consideration:

- $25,000 due upon signing (paid)
- $30,000 due April 13, 2007 (paid)
- $35,000 due April 13, 2008
- $40,000 due April 13, 2009
- $45,000 due April 13, 2010

Goodsprings has the option to purchase the entire interest in the Happy Tracks Property for the sum of $1,075,000. This option is exercisable at any time during the agreement. If, during the term of the Agreement, Goodsprings decides to purchase the Happy Tracks Property prior to the fifth anniversary of the signing of the Agreement, the purchase price may be reduced by $100,000 for each full year left in the agreement.

Goodsprings shall pay the Owners a production royalty equal to 2.5% of any and all net smelter returns from the production or sale of minerals from the Happy Track Property. A 2.5% net smelter returns royalty will be payable on all previously mined materials originating from the Happy Tracks Property, shipped or milled by Goodsprings. The 2.5% net smelter return royalty would cease upon acquisition of the property by Goodsprings.

On December 1, 2006, Goodsprings entered into a mining lease and option to purchase agreement with an arm's length individual (the "Owner"), whereby it was granted a five-year lease with an option to purchase the Diamond Jim Project unpatented lode mining claims, located in the State of Nevada, USA.

Goodsprings was granted the exclusive right to explore the Diamond Jim Project during the term of the lease for the following consideration:

- $30,000 due upon signing (paid)
- $30,000 due on the first anniversary of the effective date and each subsequent anniversary of the effective date during the term of the agreement.

Goodsprings has the option to purchase the entire interest in the Diamond Jim Project for the sum of $400,000.

The Company shall pay the Owner a production royalty equal to 3.0% of the net smelter returns from the production or sale of minerals from the property, of which the Company can purchase one third of the royalty (representing 1%) for $1,000,000.

6. MINERAL INTERESTS (continued)

(b) Silver King, Cross and Eagleville Projects

During the year ended December 31, 2006, Goodsprings entered into three mining lease and option to purchase agreements with lease terms of ten years expiring on various dates to August 31, 2016.

Pursuant to these agreements, the Company is responsible for the following rental payments:

- $12,000 during the year ended December 31, 2006 (paid)
- $34,000 during the year ended December 31, 2007
- $51,000 during the year ended December 31, 2008
- $68,000 during the year ended December 31, 2009
- $73,000 during the year ended December 31, 2010
- $98,000 during the years ended December 31, 2011 through 2016

On the first and all subsequent anniversaries of the exercise of the purchase option, the Company shall make minimum advance royalty payments of $50,000 until sustained commercial production begins. Minimum advance royalty payments will be creditable against the Company's royalty payment obligations.

Goodsprings can exercise the purchase option for any of the properties by making a payment of $300,000 per property, subject to a 3% net smelter return royalty.

(c) Other Projects

The Company has the following additional projects in Nevada, all of which are wholly owned or optioned:

Warm Springs, Stealth, Dome Hill, Black Warrior, Jenny Hill, Cedar and Germany Canyon.

The Company has leased out the Warm Springs and Stealth Projects to arm's length third parties for cash payments and royalties.

The Company is required to make the following rental payments on the Dome Hill Project:

- $10,000 during the year ended December 31, 2007 (paid subsequent to the period end)
- $10,000 during the year ended December 31, 2008
- $15,000 during the year ended December 31, 2009

The Black Warrior project was written off during the period as it was determined that the project was no longer viable.

During the period ended September 30, 2007, the Company entered into a mining lease and option to purchase agreement from arm's length individuals, with respect to the Jenny Hill Property, situated in Nevada's Walker Lane structural belt. The basic lease terms call for a payment of $11,700 (paid) on signing with payments of $15,000, $25,000, $35,000 and $50,000 due on subsequent anniversaries. The Company is required to purchase the claims for $500,000 before mining activity begins. Up to $300,000 of previously made payments will be credited towards the $500,000 purchase price. A 3% NSR royalty to the original owner survives the purchase of the claims, and one third of this royalty can be purchased for $1,000,000.

The Cedar and Germany Canyon project currently do not have any activity..

(EXPRESSED IN US$)

7. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares

(b) Issued

74,586,585 common shares

	Number of Shares	Amount
Balance, December 31, 2006	912,485	524,887
Private placement (i)	2,000,000	2,000
Private placement (ii)	2,500,000	62,500
Private placement (iii)	11,025,000	551,250
Private placement (iv)	16,440,000	4,110,000
Business combination (Note 4)	24,400,000	6,100,000
Private placement (iv)	14,385,000	3,596,250
Private placement (iv)	290,000	72,500
Private placement (iv)	2,592,700	648,175
Finder's fee (iv)	41,400	10,350
Share issue costs - cash	-	(373,743)
Share issue costs - warrants (iv)	-	(364,831)
Share issue costs - common shares (iv)	-	(10,350)
Balance, September 30, 2007	74,586,585	$ 14,928,988

During the nine month period ended September 30, 2007, the Company completed four non-brokered private placement financings for total gross proceeds of $9,042,675. The proceeds of these private placements will be used to explore and develop gold and precious metal exploration properties in Nevada and for working capital.

The Company began trading on the Toronto Stock Exchange on September 17, 2007.

(i) The first private placement consisted of the sale of 2,000,000 common shares at $0.001 per share for total gross proceeds of $2,000 pursuant to a non-brokered arm's length private placement. The private placement was sold to members of the new management team of the Company.

(ii) The second private placement consisted of the sale of 2,500,000 common shares at $0.025 per share for total gross proceeds of $62,500 pursuant to a non-brokered arm's length private placement. The private placement was sold to a founding investor group, which included certain members of the new management team of the Company. Directors and related persons, and officers of the new management team of the Company subscribed for a total of 1,500,000 common shares for gross proceeds of $37,500 pursuant to this private placement.

(iii) The third private placement consisted of the sale of 11,025,000 common shares at $0.05 per share for total gross proceeds of $551,250 pursuant to a non-brokered arm's length private placement, The private placement was sold to a group of private and institutional investors, which included certain members of the new management team of the Company. Directors and related persons, and officers of the new management team of the Company subscribed for a total of 4,450,000 common shares for gross proceeds of $222,500 pursuant to this private placement.

(EXPRESSED IN US$)

7. CAPITAL STOCK (continued)

(iv) The fourth private placement consisted of five tranches that closed on February 5, 2007, March 7, 2007, April 23, 2007, May 14, 2007 and June 29, 2007 for a total sale of 33,707,700 common shares at $0.25 per share for total gross proceeds of $8,426,925. Westwind Partners Inc. was paid a finder's fee consisting of 1,686,000 common share purchase warrants. Haywood Securities Inc. was paid a finder's fee consisting of cash of $7,500 equal to 6% of the gross proceeds sold, and 30,000 common share purchase warrants. MGI Securities Inc. was paid a finder's fee consisting of cash of $227,216, 41,400 common shares valued at $0.25, and 950,262 common share purchase warrants. Each whole warrant entitles the holder to acquire one common share for $0.25 until February 5, 2009, March 7, 2009, October 7, 2008 and December 29, 2008 respectively. A director and an officer of the Company subscribed for a total of 140,000 common shares for gross proceeds of $35,000 pursuant to this private placement.

The fair value of each warrant granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 4.05% and 3.9% respectively; and an expected life of 2 years and 18 months respectively. The warrants were assigned a fair value of $247,340, $4,410 and $113,081 respectively, and are recorded as a cost of issue.

(c) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2006	-	$ -
Issued (Note 7((b)(iv))	1,686,000	$ 0.25
Issued (Note 7((b)(iv))	30,000	$ 0.25
Issued (Note 7((b)(iv))	950,262	$ 0.25
Balance, September 30, 2007	2,666,262	$ 0.25

As at September 30, 2007, the following warrants were issued and outstanding:

Expiry Date	Fair Value	Number of Warrants	Exercise Price
October 7, 2008	$ 107,635	904,500	$ 0.25
December 29, 2008	5,446	45,762	$ 0.25
February 5, 2009	247,340	1,686,000	$ 0.25
March 7, 2009	4,410	30,000	$ 0.25
	$ 364,831	2,666,262	

(EXPRESSED IN US$)

7. CAPITAL STOCK (continued)

(d) Stock Options

(i) On September 24, 2007, the Company granted stock options that vest immediately upon grant, to acquire up to 9,300,000 common shares of the Company at CDN$0.45 per share on or before September 24, 2012, to directors, officers and consultants.

The fair value of each option granted was estimated at the date of grant using the Black-Scholes option model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 4.50% and an expected life of 5 years. The options were assigned a fair value of $2,901,354 which has been recorded as an expense in these financial statements.

	Number of Stock Options	Weighted Average Exercise Price (CDN$)
Balance, December 31, 2006	-	$ -
Granted (Note 7(d))	9,300,000	$ 0.45
Balance, September 30, 2007	9,300,000	$ 0.45

As at September 30, 2007, the following options were issued and outstanding:

Expiry Date	Fair Value	Stock Options Granted	Stock Options Exercisable	Exercise Price (CDN$)
September 24, 2012	$ 2,901,354	9,300,000	9,300,000	$ 0.45

8. INCOME TAXES

Provision for income taxes

The reconciliation of the income tax provision computed at federal statutory rates of 36% (2006 - 36%) to the reported income tax provision is as follows:

	Nine Months Ended September 30, 2007	2006
Income tax benefit computed at Canadian statutory rates	$ (1,305,765)	$ (9,100)
Stock-based compensation	1,044,487	-
Other	(26,025)	-
Share issue costs	(138,300)	-
Change in valuation allowance	270,000	9,100
Future income tax (recovery)	$ (155,603)	$ -

(EXPRESSED IN US$)

8. INCOME TAXES (Continued)

Future tax balances

The significant components of the Company's future income tax assets and liabilities are as follows:

	September 30, 2007	December 31, 2006
Future tax assets (liabilities)		
Non-capital losses	$ 276,000	$ 36,000
Resource property expenditures	(3,307,000)	3,000
Share issue costs	118,000	-
	(2,913,000)	39,000
Valuation allowance	(309,000)	(39,000)
Future income tax liability	$ (3,222,000)	$ -

The Company has non-capital losses of approximately $771,900 which may be utilized to reduce future taxable income in Canada (CDN$531,560 in Canada) and the United States. The non-capital losses, will expire as follows:

	US	Canada
2007	$ -	$ 3,800
2008	-	4,900
2009	-	2,500
2010	-	1,900
2014	-	4,200
2015	-	38,700
2022	2,300	-
2023	20,000	-
2026	72,500	53,300
2027	147,500	420,300
	$ 242,300	$ 529,600

The valuation allowance is adjusted in the period it is determined to be more likely than not that some portion or all of the future tax assets will be realized.

9. RELATED PARTY TRANSACTIONS

(a) Included in accounts payable and accrued liabilities as at September 30, 2007 is $Nil (December 31, 2006 - $23,275) owing to a corporation controlled by a former officer and director of the Company for certain expenditures incurred by the corporation on behalf of the Company.

(b) Officers, directors, and related persons of the Company subscribed for 8,090,000 shares for gross proceeds of $297,000 pursuant to the private placements described in Note 7(b).

(c) Included in accounts payable and accrued liabilities as at September 30, 2007 is $84,695 (December 31, 2006 -$NIL) owing to certain directors, officers and related persons of the Company.

The above transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

The Company has one operating segment, which is the exploration and development of exploration properties. Geographic segmentation of the Company's assets are as follows: Canada - $7,019,754 (December 31, 2006 - $2,772) and US - $10,606,578 (December 31, 2006 - $NIL).

Substantially all of the Company's operating expenses are incurred in Canada. All exploration expenditures are incurred in the US.

11. COMMITMENTS

The Company leases its office space under a lease agreement which expires on September 30, 2011.

Annual lease payment under the agreement are as follows for the years ending:

December 31, 2007	$	21,067
December 31, 2008		84,269
December 31, 2009		84,269
December 31, 2010		84,269
December 31, 2011		63,202
	$	337,076

12. FINANCIAL INSTRUMENTS

Fair value of financial instruments
Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair values since these instruments have short term maturity dates.

Foreign exchange risk
Certain of the Company's expenditures are incurred in Canadian currency, and are therefore subject to gains or losses due to fluctuations in these currencies. As at September 30, 2007, the Company held cash in Canadian currency of CDN$358,478.

Commodity price risk
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

13. SUBSEQUENT EVENTS

On October 10, 2007, the Company announced the acquisition of the Monarch and Boulderfield projects, situated in Nevada's Walker Lane structural belt.

The Company entered into a Lease with Option to Purchase Agreement with arm's length individuals for the Monarch Project. The basic lease terms call for a $4,000 payment on signing, (paid subsequent to the period end), $25,000 on the first anniversary with a $100,000 payment on the second anniversary. Minimum advance royalty payments of $30,000, $50,000 and $75,000 are due on subsequent anniversaries. A sliding scale net smelter return ("NSR") royalty, from 2.5% to 5% based on the price of copper, and a 3% NSR on other metals, is payable to the original owner and survives the purchase of the claims. Nevoro can purchase a 1% NSR royalty for $1,000,000. Nevoro is required to conduct a gravity survey on the property during the first year.

The Company entered into a Lease with Option to Purchase Agreement with arm's length individuals for the Boulderfield Project. The basic lease terms call for $10,000 on signing, (paid subsequent to the period end)) a $50,000 payment on the first anniversary, and a $100,000 payment on the second anniversary. Minimum advance royalty payments of $40,000, $50,000 and $100,000 are due on subsequent anniversaries. A sliding scale NSR royalty, from 3% to 6% based on the price of gold, payable to the original owner survives the purchase of the claims. Nevoro can purchase a 1% NSR royalty for $1,000,000.

On October 15, 2007, the Company appointed William Schara as President and CEO of the Company, and Victor Bradley as Executive Deputy Chairman.

On October 31, 2007, the Company granted 65,000 options to two consultants at an exercise price of CDN$0.46 that expire on October 31, 2012.