ROXMARK
MINES LIMITED

Annual Report 2007

ROXMARK MINES LIMITED

Report to Shareholders

2007 was a year of significant achievements for Roxmark, including:

- Completion of our share listing on the TSX Venture exchange;
- Negotiation of an important joint venture agreement with Premier Gold Mines Limited to ensure active exploration and development of properties in the Geraldton Camp;
- Outlining of high-grade gold at the Northern Empire property, near our mill in the Beardmore Camp, as the first step toward re-opening the mine;
- Further delineation of promising gold deposits at the Nortoba-Tyson property in the Beardmore Camp;
- Further assessment of our molybdenum resources, and mining and production techniques to economically harvest it, following the shipping in January of production from our bulk sample;
- Initiation of a field measurement program to gauge our ability to utilize what appears to be attractive wind power technology as a means of reducing ongoing energy costs; and
- Completion of more than $3.2 million in flow-through financing to support Roxmark field programs.

All contributed to maintaining momentum for Roxmark toward early commercial development of our gold resources—momentum which continues into 2008 with ongoing exploration programs, by Roxmark at the Northern Empire Mine and, Nortoba-Tyson property and by the Premier/Roxmark joint venture at the Little Long Lac and Magnet Mine properties. In fact, significant discoveries were announced by Premier Gold in March, April and May of this year.

Premier Gold has, as expected, proven to be an ideal working partner with whom we have shared one of our senior people and who assisted us in locating a drill on more favourable terms for our 2008 exploration program.

Looking ahead, with the assistance of the Greenstone Development Corporation, we will be acquiring our own diamond drill rig and training local First Nations people to operate it. This will make exploration programs above and below ground more flexible and cost efficient.

The loss of Stan Malouf after the end of the year only strengthens our resolve to see his vision through to fruition. In that regard, I want to thank our head office and field staffs for their hard work and dedication.

The advantages we cited last year—proven gold production, an onsite mill, and closeness to infrastructure and manpower—are intact. But we can now add another: an established and committed joint venture partner. We continue to believe this is a recipe for success.

On behalf of the Board of Directors, I want to thank you for sharing our vision.

Monir Younan,
President

Roxmark Mines Limited
Management's Discussion and Analysis
For the financial year ended December 31, 2007

Management's Discussion and Analysis of the operating results and financial condition of Roxmark Mines Limited for the financial years ended December 31, 2007 and 2006 was prepared as of April 25, 2008 and should be read in conjunction with the accompanying audited financial statements and notes for the years ended December 31, 2007 and December 31, 2006 and Management's Discussion and Analysis for that year. All financial information in the MD&A is prepared in accordance with Canadian generally accepted accounting principles. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

Roxmark is a Canadian-based junior integrated gold mining company incorporated under the laws of the Province of Ontario and a reporting issuer in that province. Common shares of Roxmark are listed for trading on the TSX Venture Exchange under the symbol "RMK". The Company carries out exploration and development programs on its gold and molybdenum properties in the Geraldton-Beardmore Greenstone Belt of Northern Ontario, Canada, located approximately 200 km northeast of Thunder Bay and served by the Trans-Canada Highway. The Belt is a promising high-grade gold district that has seen relatively little exploration over the past several decades. It is host to past-producing mines and numerous targets in a district that has had more than 4.1 million ounces of historic gold production.

Roxmark assets include 13 properties covering 18,700 acres and including six formerly highly productive gold mines which produced nearly two million ounces of gold from high-grade ore, but were closed primarily due to a $35/oz. gold price and boundary issues the Company has since eliminated by consolidating land holdings. Three of these mines in the Beardmore Camp processed a total of 1.5 million tons of ore that produced in excess of one million ounces of gold, with an average recovered grade of 0.70 oz. Au/ton.

Roxmark's Northern Empire mine has a fully-permitted 200 TPD onsite mill (expandable to 500 TPD) which processed gold and molybdenum ores in 2005 and 2006, respectively. The Nortoba-Tyson molybdenum property is an important new molybdenum/gold prospect. Existing infrastructure above and below ground at these mines can provide important advantages in developing additional gold-bearing mineral resources. Currently, the Company has no producing properties but continues to maintain, acquire and develop its holdings with an emphasis on advancing the development of resource properties to generate cash flow. During the past three years, the Company has been carrying on its activities in the Beardmore Camp. The Town of Beardmore is located approximately 200 km northeast of Thunder Bay and is serviced by the Trans-Canada Highway. In 2007, the Company signed a Letter of Intent with Premier Gold Mines Limited to further explore and develop certain of its holdings in the Geraldton Camp and jointly acquire additional properties in the area.

Forward-Looking Statements

This MD&A may contain certain "forward-looking statements". All statements regarding the exploration and development of the Company's properties, the Company's beliefs and expectations regarding its properties, assets and exploration plans, the possible exercise of warrants, estimation of program dates and any future plans are forward-looking statements that involve risks and uncertainties including, but not limited to, political risk, title risk, commodity price and currency exchange risk, operating and environmental hazards encountered in the mining business, general industry and economic conditions, changes in regulatory requirements, future capital expenditures and the availability of financing. The results or events predicted in these forward-looking statements may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this MD&A and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be placed on such statements due to the inherent uncertainty therein.

Overall performance and strategy

The Company's main focus is to develop its holdings in the Geraldton-Beardmore Camp. In the Beardmore area, it is focussed on advancing resource definition activities on the Northern Empire gold mine and the Nortoba-Tyson molybdenum property. In the Geraldton area, it is carrying out exploration activities under a Letter of Intent with Premier Gold Mines Limited, where Premier is exploring the "Geraldton Project".

Roxmark has completed a diamond drilling program on the Northern Empire property to establish NI 43-101 gold resources prior to reopening the mine to extract ore to be processed at the on-site permitted mill. During the past two years, Roxmark has completed bulk samples of gold and molybdenum ore from its properties and processed the extracted tonnage at the Northern Empire mill.

Overview of Performance

Northern Empire Gold Mine

The property is located approximately one half mile from the centre of the Town of Beardmore, Ontario. During the summer of 2007, a 26-hole program was completed for a total of 2,711 metres. The program was to delineate the extent of the Contact and Power Zones above the diabase sill, both in the eastern extension on the main vein located 700 to 912 metres east of the shaft. This was in addition to the 30 holes (16,805 metres) completed in 1986-1987. The program was planned based on data compilation and on extensive digitization of historic data and 3-D modelling of the mine.

All holes intersected the Power and Contact Zones, with gold mineralization persisting over a strike length of 212.5 metres. The ore occurs in silicified sediments above the diabase sill. Another zone of mainly quartz stringers has been outlined parallel to the Contact Zone and will be further investigated from the underground. This Footwall Zone has been intersected in certain holes along the strike. The Contact Zone is parallel to the previously mined Power Zone and just north of the shaft and mine workings.

The Northern Empire Mine was operated successfully by Newmont Mines from 1934 to 1941. The mine was serviced by a shaft to a depth of 2,640 feet and produced 149,000 ounces of gold from 426,000 tons of ore at a recovered grade of 0.35 oz/t Au.

In 2006, SRK Consulting was commissioned to digitize available drilling and other information on the mine and to develop a 3D mineralization model which outlined 150,000 ounces of potential gold resources in the mine area. The SRK assessment is not NI 43-101 compliant.

The most significant gold intersections are:

Section	Hole Number	From (m)	To (m)	Width (m)	Gold g/t	Zone intersected
9+12.5E	07-24	65.20	65.48	0.28	4.63	Power
		75.94	76.22	0.28	1.79	Contact
9+00E	07-23	33.60	34.05	0.45	2.40	New Zone
		107.64	108.49	0.85	6.27	Power
		122.50	122.59	0.09	0.08	Contact
	07-22	63.70	64.30	0.60	3.22	Power
		74.70	75.65	0.95	1.17	Contact
8+87.5E	07-21	62.80	63.30	0.50	2.81	Power
		72.00	72.75	0.75	3.12	Contact
	or	72.00	73.55	1.55	2.15	Contact
	07-20 included	79.75 80.09	81.24 81.24	1.49 1.15	9.54 12.00	Power
		90.75	91.54	0.79	7.52	Contact
8+62.5E	07-19	57.87	59.44	1.57	1.60	Power
		70.45	71.84	1.39	8.48	Contact
	07-18 included	76.08 76.39	76.58 76.58	0.50 0.19	13.47 35.40	Power
		86.95	87.08	0.13	11.80	Contact

7+87.5 E	07-08	92.00	93.43	1.43	20.57	Power
		105.90	108.00	2.10	8.23	Contact
8+12.5 E	07-11	89.47	92.00	2.53	16.80	Power & Contact
8+37.5 E	07-15	64.88	65.25	0.37	5.01	Power
		78.23	79.93	1.70	25.20	Contact

An NI 43-101 report, including resource calculation for only the 200 metre strike length from section 7+00E to 9+00E, was prepared by Peter Bevan ("Bevan"), consulting geologist and a Qualified Person under NI 43-101. The report dated December 12, 2007 was posted on SEDAR on January 3, 2008. A copy of the report is also available on the Company's website. The calculation of the resource was made to above the diabase sill to the second level (300 feet) only, although mineralization continues at depth and along strike.

The report stated that, based on a cut-off grade of 3g/t and a minimum horizontal width of 0.92 metres, indicated and inferred resources for 200 metres of strike length of the Contact and Power Zones are as follows:

	Tonnes	Grade g/t. Au	Grade oz/t. Au	Ounces of gold
Power (Indicated)	12,457	16.72	0.49	6,697
Contact (Indicated)	32,544	12.24	0.35	12,808
Power (Inferred)	4,347	19.79	0.58	2,766
Contact (Inferred)	6,829	14.13	0.41	3,102
Total Indicated	**45,001**	**13.48**	**0.39**	**19,505**
Total Inferred	**11,176**	**16.33**	**0.48**	**5,868**

The potential of the property lies in establishing additional drill-indicated resources on the Contact and Power Zones. The established resource indicates that the Contact Zone contains three times the tonnage of the Power Zone and twice the contained ounces of gold. Bevan's recommendations are to dewater the mine, drift in the two vein structures, conduct an underground bulk sample and carry out underground drilling east and west of the shaft.

The Company is currently carrying out a drilling program to test the additional known strike length of 1,200 metres still undrilled on the west extension of the Contact Zone at its Northern Empire property. The Company is planning to drill 6,200 metres at a budgeted cost of $1.10 million as part of this program.

Northern Empire Mine West Extension

The Company in 2007 entered into three option agreements to acquire the Amedé properties, since named the Northern Empire Mine West Extension. These properties, comprising in aggregate 61 claims covering approximately 1,580 hectares, are located in Summers Township, Northwestern Ontario. The option agreements have a term of four years and require annual payments in cash or shares of Roxmark. An aggregate amount of $30,000 has been paid, of which $3,333 was paid in cash, and 115,940 common shares were issued for consideration of $26,667. A sum of $20,000 is payable on the first anniversary for each option and the sum of $180,000 is payable on the second to the fourth anniversaries. The property will be subject to 3% Net Smelter Return Royalty ("NSR"). Roxmark has the right to purchase up to 2% of NSR under certain conditions.

A surface exploration program was partially completed during the year and will continue in 2008. The program includes data compilation, trenching, channel sampling and geological mapping prior to planning a diamond drilling program.

The geology of the properties is a series of sheared, mineralized mafic volcanic and banded iron formations. Previous work completed on the property outlined 17 gold showings. As reported in the 1996 Annual Report of the operator, Northern Mining Exploration, a limited shallow diamond drilling program was carried out, yielding gold values of 37.0 g/t over 2.1 metres in one hole. Trenching and sampling between 1990 and 1994 uncovered new mineralized horizons containing pyrite, pyrrhotite and arsenopyrite. Historical grab samples yielded grades of gold as high as 36.54 g/t at Buffalo Beardmore and 43.89 g/t at the F showing.

Nortoba-Tyson Molybdenum Property

A surface program is underway to study further the extent of the molybdenum mineralization along trenches No. 1, 2, 4, 5 and 6. Geological mapping, channel sampling and assaying of the area are being carried out. Also, a second bulk sample to extract molybdenum ore from these trenches is continuing. A total of 265 tons were delivered to the mill pad. The projected balance of the sample will be extracted during the summer of 2008.

Another surface exploration program commenced to explore further the gold veins of the Nortoba-Tyson property. The work was directed on veins No. 1, 1a, 2 and 7 including mechanical stripping, mapping, channel sampling and assaying prior to drilling. A diamond drilling program is planned to explore these gold veins.

Historical bulk samples from the gold vein show that 135 tons extracted at Nortoba in 1964 produced 139 ounces of gold, an average of 1.03 ounces of gold per ton. (*Geological Report 122 of the Ministry of Northern Development and Mines, 1975, Mackasey*). These historic data are not compliant with NI 43-101. Several grab samples taken by Roxmark in 2006 from the bottom of the previous bulk sample area assayed at values ranging from 0.17 to 7.64 oz/t.

Geraldton Project

On September 20, 2007, the Company signed a Letter of Intent with Premier Gold Mines Limited (TSX – PG) whereby Premier is to carry out exploration on certain properties of Roxmark Mines in the Geraldton Mining Camp, Northwestern Ontario.

Under the terms of the agreement, Premier has the option to earn a 51% interest in the properties over a four-year period by making cash payments of $500,000, issuing 250,000 shares of Premier to Roxmark and carrying out, as operator, $7 million in expenditures to advance the highly prospective high-grade gold properties to a production decision. Premier also agreed to a firm commitment to incur $2.5 million in exploration expenditures in the first 12 months. As well, Premier has the option to increase its interest in the Geraldton project to 70% by making a further cash payment of $250,000, issuing an additional 150,000 common shares of Premier to Roxmark and bringing the property to a production decision, following which Roxmark will be carried as to 30%.

Subsequent to year end, the Company received from Premier the first payment of $100,000 and 100,000 common shares of Premier valued at $200,000. In excess of $1.50 million in exploration expenditures have been expended to date.

The Premier agreement covers certain Roxmark gold properties in the Geraldton Camp of the Beardmore-Geraldton Greenstone Belt of Northwestern Ontario. The highly prospective high-grade gold district has been inactive over the past two decades. The project area covers approximately 10 km of some of the most strategic ground in the region and is host to three past producing mines and several exploration targets. Premier is actively and extensively exploring the project including line cutting, geophysical work and diamond drilling. Premier has two drill rigs targeting potential structures proximal to both the past-producing Little Long Lac and Magnet Gold Mines.

To date, approximately 12,500 metres of drilling have been completed to test several targets which have intersected gold mineralization that contain occurrences of visible gold. The zones remain open in all directions.

Drilling on the Little Long Lac has successfully intersected a minimum of six potentially important vein zones: The Kailey Zone, Main Zone, the No.9 and No.10 Vein Zones and two new zones named No.11 and No.12 Vein Zones. Premier's Stephen McGibbon, P. Geo., is the Qualified Person within the meaning of National Instrument 43-101 for the information contained in Premier's announcements.

Current drilling is following up on the new high-grade gold veins to further delineate the zones. Significant results obtained from Veins No.9, No. 10 and No. 11 include intersections grading **254.8g/t Au (7.44 opt) over 0.3m, 60.88/t Au (1.78 opt) over 1.0m and 45.3g/t Au (1.32 opt) over 1.0m.**

The newly discovered "Kailey" Zone has the potential of an open pit mineralization and is located parallel to and north of the mine workings. It consists of multiple stringer veins with minor mineralization. Holes PLL08-009 and 012 were drilled 150 metres apart (along strike), with hole 009 intersecting the zone at a depth of approximately 20 metres and hole 012 intersecting the zone at a depth of approximately 130 metres. In addition to the Kailey Zone, PLL08-012 intersected the on-strike extension of the Little Long Lac Main Zone with an intersection of **13.58 g/t Au (0.40 oz/ton) across 1.0 metre** approximately 50 metres east of where the zone was previously mined, suggesting the potential existence of additional high-grade resources in this area.

The Little Long Lac mine produced more than 600,000 ounces of gold during the period 1934-1953 at an average recovered grade of 11.66 g/t Au. Drilling results to date suggest that there is a good potential for both bulk tonnage and high-grade mineralization at Little Long Lac.

Drilling carried out at the Magnet Gold Mine outlined a discovery of a new high-grade gold vein zone that has returned numerous significant intersections including **67.08 g/t Au across 2.0m.** The new "Highway Zone" is located at a depth of approximately 110 metres under the Trans-Canada Highway, immediately south of the historic Magnet Gold Mine. Also, drilling on the Benedict Zone intersected gold mineralization including **10.22 g/t Au (0.30 opt) over 2.5m and 8.14g/t Au (0.23 opt) over 2.0m**. The Magnet Mine is serviced with a shaft and winze to 2,640 feet and equipped with a headframe, production hoist, compressors, generator, hydro substation, and other equipment and facilities. The Magnet Mine had historical production during the period from 1938-1951 of 152,000 ounces of gold from 360,000 tons of ore at an average grade of 14.40 g/t Au.

Liquidity and Capital Resources

As at December 31, 2007, current assets amounted to $2,672,856 or $2,463,269 more than current liabilities compared to $2,213,553 or $1,745,443 on December 31, 2006. Included in current assets are cash and cash equivalents of $2,552,170 (2006 - $1,917,498). A significant amount of cash is in a guaranteed investment certificate bearing interest linked to the prime rate for a short term. Current liabilities at the same date amounted to $209,587 compared to $468,112 on December 31, 2006. The reduction in the current liabilities was due to the repayment of amounts due to related companies and to a director and shareholder. The details of this refinancing are described in note 9 of the audited financial statements for the year ended December 31, 2007 under "Transactions with Related Parties".

The Company has financed the majority of its exploration activities with flow-through shares issuances. Resource expenditures deductions for income tax purposes related to exploration and development activities funded by flow-through issuances are renounced to investors in accordance with income tax regulations.

The financial instruments of the Company consisted of cash, cash equivalents, accounts receivable and accounts payable. The Company estimates that the fair value of these instruments approximates the carrying value.

A total of $3,439,380 was raised by way of $3,212,565 of flow-through financing and the balance is from the exercise of warrants and stock options.

On July 13, 2007, the Company completed a non-brokered private placement financing with MineralFields Group of Toronto by issuing 5,000,000 flow-through units for gross proceeds of $1.0 million at a price of $0.20 per unit. Each unit consists of one flow-through common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until July 13, 2008 and at $0.55 thereafter until July 13, 2009. In connection with the private placement, the Company incurred finder's fees in the amount of a cash commission of 5% of the proceeds and 500,000 non-transferable finder's unit warrants, each exercisable at $0.20 until July 13, 2009 to acquire one unit. Each unit is consists of one common share of the Company together with one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until July 13, 2008 and at $0.55 thereafter until July 13, 2009.

The Company completed, on November 2, 2007, another non-brokered private placement financing with MineralFields by issuing 3,333,332 flow-through units for gross proceeds of $1.0 million at a price of $0.30 per unit. Each unit consists of one flow-through common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until November 2, 2008 and at $0.55 thereafter until November 2, 2009. The warrants are subject to an accelerated expiry date under certain conditions. In connection with the private placement, the Company incurred finder's fees in the amount of a cash commission of 5% of the proceeds and 333,333 non-transferable finder's unit warrants, each exercisable at $0.30 until November 2, 2009 to acquire one unit. Each unit consists of one common share of the Company together with one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until November 2, 2008 and at $0.55 thereafter until November 2, 2009.

A third non-brokered private placement financing was completed in December 2007 by issuing 3,911,500 flow-through units for gross proceeds of $1,212,565 at a price of $0.31 per unit. Each unit consists of one flow-through common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.45 until the first anniversary and at $0.55 thereafter until expiry. The warrants issued are subject to an accelerated expiry date under certain conditions. In connection with the private placement, the Company incurred finder's fees in the amount of $36,526 and issued 188,520 non-transferable finder's warrants, each exercisable at $0.31 per warrant until December 29, 2009 to acquire one common share.

Also, during the year, a total of 1,294,500 warrants were exercised for the same number of common shares of the Company, for gross proceeds of $220,065. The amount was added to the working capital of the Company. A sum of 50,000 stock options were exercised in 2007 for proceeds of $6,750.

The Company's capital needs have, until this time, been met primarily by equity subscriptions. Roxmark has sufficient funds to carry out the anticipated programs and to sustain corporate activities for the year 2008. Any additional funds from the exercise of outstanding warrants will be added to working capital.

The Company had no long-term debt outstanding as of December 31, 2007 (2006 – $438,651). The outstanding 2003 convertible debenture carrying interest at the rate of Prime plus 2% was converted into common shares in March 2007. All loans from related companies and from a director and shareholder have been paid.

Financial Condition

The Company had no commercial resource income during the year. As per accounting policies, all administrative expenses are being charged to operations. Activities during the period focussed on planning exploration and development work on the Northern Empire property, along with the administrative functions associated with listing Roxmark shares for trading on the TSX Venture Exchange.

Cash used in investing activities was $1,717,425 for the year ended December 31, 2007 (2006 – 2,405,923). Included in this amount was a total of $72,610 (2006 – $96,713) for resource properties and $335,072 for building and equipment (2006 - $440,053). The majority of deferred expenditures for the year was directed to the Beardmore Camp properties, and amounted to $1,309,743 (2006 – $1,871,552).

The Company recorded a comprehensive loss of $426,886 (2006 - $710,693). The decrease in the loss is primarily due to the impact of applying $420,000 future income tax recovery. The administrative expenses increased in 2007 due to an increase in corporate activity made possible by capital raised and to the cost of listing the common shares of the Company on the Venture Exchange.

Office and administration expenses for the year amounted to $436,675 (2006 –$420,544). The cost is mainly comprised of additional wages, consulting fees and miscellaneous expenses related to head office activities. The legal and audit expenses in 2007 were $118,038 (2006 - $98,445). The increase in expenses was in connection with the listing, financing charges and settlement of loan advances from related parties.
Interest expense net of income for the period amounted to $12,677 (2006 – $56,467). At the present time, the Company has no outstanding long-term debt. Also, the stock exchange fees and expenses increased to $26,602 (2006 - $10,124) related to the increase in Venture Exchange fees over previous CNQ. Other expenses included

the cost related to maintaining the tailings facilities. The amount increased to $27,894 in 2007 compared to $21,637 in 2006.

Additional non-cash expenses of $87,000 (2006 – $23,000) were included to reflect the fair value, as per our accounting policies, of stock options granted under the Company's Stock Option Plan and were recorded under the caption Stock-based Compensation. An amount of non-cash cost of $23,017 (2006 – nil) was recorded for the debt settlement related to the conversion of the 2003 debenture into common stock of the Company.

The Company has no off-balance sheet arrangements and does not engage in any hedging program.

Resource Properties

During the year, Roxmark acquired the Northern Empire Mine West Extension properties by option agreements. The properties are located in Summers Township, west of the Town of Beardmore and about 4.5 km from the Northern Empire mine. They contain an aggregate of 61 claims covering approximately 1,580 hectares with approximately $250,000 of assessment credits. The mineralization occurs along strike of the gold veins of the Northern Empire Gold Mine.

The option agreements have a term of four years and require annual payments in cash or shares. An aggregate of $30,000 of which $3,333 was paid in cash and 115,943 common shares of Roxmark were issued in lieu of cash for consideration of $26,667. An additional payment of $60,000 will be required on the first anniversary of the agreements. An aggregate of $180,000 will be payable for each of the three option agreements from the second to the fourth anniversaries. The property is subject to 3% NSR royalty. Roxmark has the right to purchase up to 2 % of NSR under certain conditions.

By agreement dated August 19, 2004, the Company acquired 100% interest in the Nortoba-Tyson Molybdenum Gold property. The property comprises 16 mining claims covering 240 hectares, located in the Poplar Point area, Township G116, in the District of Thunder Bay, Ontario. In consideration, the Company paid $10,000 and granted 2% NSR to the seller. The Company exercised its option to purchase 1% NSR from the vendor for an amount of $15,000. The claims had an additional 1% NSR to Ontario Exploration Corporation, subject to buyout clauses. The latter 1% NSR was purchased for $20,000. An additional 1% NSR is reserved to the original vendor of the claim, subject to a $5,000 annual advance royalty under certain conditions; however, in January 2008, the Company purchased the royalty interest by making a cash payment of $35,000. Currently, there is a 1% NSR on the property.

The Coté property was acquired in January 2005. Since acquisition, the Company, pursuant to the agreement, has paid the sum of $40,000 and issued 150,000 common shares of the Company up to January 2007. The property surrounds the Nortoba-Tyson molybdenum property which was acquired in August 2004. This property is subject to a 2% NSR payable and subject also to a $5,000 annual advance royalty.

In addition to the molybdenum properties, Roxmark's holdings in the Beardmore Camp include the Northern Empire Mine and the contiguous Sand River Mine, Leitch Mine and East Leitch properties.

Remaining resource property holdings are located in the Geraldton Mining Camp and include the contiguous Magnet Mine, McLellan Joint Venture, Bankfield Mine, Little Long Lac Mine, Algoma Lease and Placer Dome-Key Lake properties. A detailed description of these properties is listed in Note 4 of the audited financial statements for the year ended December 31, 2007. The Company does not have any long-term contractual obligations other than property lease payments to the Crown.

Geraldton Project

On September 20, 2007, the Company signed a Letter of Intent with Premier Gold Mines Limited (TSX – PG) whereby Premier is to carry out exploration on certain properties of Roxmark Mines in the Geraldton Mining Camp, Northwestern Ontario. The Geraldton Project contains the Magnet Mine, McLellan Joint Venture, Bankfield Mine, Little Long Lac Mine and Algoma Lease

Costs related to the acquisition, exploration and development of resource properties are capitalized by property until the beginning of commercial production. Should a property be sold or abandoned, the capitalized cost related to that property would be written off.

Summary of Resource Properties:

Resource Properties	2005	Additions	2006	**Additions**	**2007**
	$	$	$	$	$
Beardmore Camp					
Nortoba-Tyson Molybdenum	78,560	69,213	147,773	**37,276**	**185,049**
Northern Empire Mine	17,074	9,000	26,074	**-**	**26,074**
Northern Empire West Extension	-	-	-	**30,000**	**30,000**
Sand River Mine	306,826	-	306,826	**-**	**306,826**
Leitch property	78,809	24,000	102,809	**24,000**	**126,809**
East Leitch property	85,683	-	85,683	**-**	**85,683**
	563,952	102,213	669,165	**91,276**	**760,441**
Geraldton Camp					
Magnet Mine	349,170		349,170	**18,000**	**367,170**
Bankfield Mine	50,000		50,000	**-**	**50,000**
Algoma Little Long Lac properties	69,979		69,979	**-**	**69,979**
Others	11,878		11,878	**-**	**11,878**
	481,027	-	481,027	**18,000**	**499,027**
Total Resource properties	1,047,979	102,213	1,150,192	**109,276**	**1,259,468**

Buildings and Equipment

During the year, the Company incurred $335,072 (2006 – $440,053) for the expansion and upgrading of the mill complex.

Summary of Expenditures:

	2005	Additions	2006	**Additions**	**2007**
	$	$	$	$	$
Building	55,327	935	56,262	**-**	**56,262**
Mining equipment	216,852	68,295	285,147	**64,278**	**349,425**
Mill concentrator	1,173,957	369,800	1,543,757	**270,794**	**1,814,551**
Office equipment	8,563	1,025	9,586	**-**	**9,586**
	1,454,699	440,053	1,894,752	**335,072**	**2,229,824**

Deferred Expenditures

For the year ended December 31, 2007, substantially all expenditures were for the Beardmore Mining Camp. Summary is as follows:

Resource Properties	2005	Additions	2006	Additions	2007
	$	$	$	$	$
Beardmore Camp					
Northern Empire Mine	1,071,255	-	1,071,255	**780,266**	**1,851,521**
Northern Empire West Extension	-	-	-	**183,426**	**183,426**

Sand River Mine	97,079	-	97,079	**-**	**97,079**
Leitch Mine	145,514	-	145,514	**-**	**145,514**
East Leitch Property	651,028	3,640	654,668	**-**	**654,668**
Nortoba-Tyson Moly Property	492,682	1,797,090	2,289,772	**206,208**	**2,495,980**
	2,457,558	1,800,730	4,258,288	**1,169,900**	**5,428,188**
Geraldton Camp	2,450,566	-	2,450,566	**21,665**	**2,472,231**
Mining Leases	160,696	70,822	231,518	**118,178**	**349,696**
Balance, end of year	5,068,820	1,871,552	6,940,372	**1,309,743**	**8,250,115**

Outstanding Share Capital

The Company has one class of common shares consisting of an unlimited number of authorized shares. As at December 31, 2007, a total of 157,884,976 (as at December 31, 2006 – 134,129,704) common shares issued are outstanding. Also, 500,000 special shares which are non-participating, voting and redeemable at the paid-up capital amount are outstanding as at December 31, 2007 and 2006.

Subsequent to year end, an additional 2,926,501 common shares were issued pursuant to exercise of outstanding warrants.

Warrants

As at December 31, 2007, a total of 30,064,017 warrants are outstanding. Warrants have been issued in connection with the private placement financings having exercise prices ranging from $0.10 to $0.55 per share with various expiry dates ranging from February 2008 to December 2009. During the first quarter of 2007, a total of 1,179,500 common share purchase warrants were exercised for gross proceeds of $200,515 and 7,318,019 warrants expired unexercised. Also, during the fourth quarter of 2007, additional 115,000 warrants were exercised for gross proceeds of $19,550.

Subsequent to year end, the sum of 2,926,501 warrants were exercised for same number of common shares of the Company for gross proceeds of $497,505.

If all of the remaining outstanding warrants as of the date of this MD&A were exercised, 20,309,317 common shares would be issued for gross proceeds of $6,608,431.

The outstanding common share purchase warrants as at the date of this MD&A are:

Expiry Date	No. of Warrants	Exercise Price $/share
11-Dec-2008	5,000,000	0.10
29-Dec-2008	1,208,999	0.35
13-Jul-2009	5,500,000	0.40*
13-Jul-2009	500,000	0.20
2-Nov-2009	333,333	0.30
2-Nov-2009	3,666,665	0.40*
14-Dec-2009	3,911,500	0.45*
14-Dec-2009	188,520	0.31
Total	**20,309,017**	

* Based on exercise price of first anniversary

Stock Options

Under the Stock Option Plan, in March 2007, the Company granted 200,000 incentive stock options for a five-year term to employees at the mine, exercisable at $0.15. In May 2007, a total of 300,000 stock options were granted to a director of the Company exercisable for five-year term at $0.23. Additional incentive options were granted to employees at the mine for a total of 350,000 for a five-year term exercisable at $0.265 per share.

The fair value of options granted during the year was estimated on the date of grant using the Black-Scholes option pricing model, with certain assumptions. The stock based compensation amounts were included in the respective statement of operations for each grant.

An aggregate of 3,550,000 stock options had been granted as of the date of this MD&A to directors, officers, employees and consultants of the Company for a term of five years from the date of the grant with the exercise price per share ranging from $0.09 to 0.265.

Outstanding Share Data

The Company's issued common shares, outstanding options and warrants as at the date of this MD&A are:

Common shares	160,811,477
Warrants	20,309,017
Stock options	3,550,000
Fully-diluted shares	**184,670,494**

Transactions with Related Parties

The Company obtained consulting services from a director and officer of the Company for the amount of $30,000 (2006 – $5,000). It is the Company's assessment that the exchange amount is representative of fair market value considering the circumstances; and

During the year, the Company made full payment of the accrued interest on the convertible debenture to a director of the Company in the amount of $126,723 (2006 – nil).

As of August 1, 2006, the Company completed the refinancing of unsecured, non-interest bearing loans payable to a shareholder in the amount of $812,049. The advances were made by Stanley Malouf and by companies controlled by Stanley Malouf (the founder, former CEO and a significant shareholder of Roxmark) and his family. An initial cash repayment in the amount of $250,000 was made to reduce the outstanding indebtedness and the balance of $562,049 (see note 8) was secured by an interest-bearing renewable secured convertible debenture for a five-year period. The remaining balance of $68,332 was paid in February 2007. A total of $1,157 of interest was paid in cash (2006 - $25,545).

The Company reached an agreement with David Malouf, a director and officer of Roxmark, for refinancing of $190,924 in respect of certain cash advances made in the aggregate of $118,424 and in respect of services provided by Mr. Malouf for financial years 2002 and 2003. The agreement was made, effective December 29, 2005, to provide for the repayment of the amount as follows:

(i) 50% of the aggregate amount was repaid in the form of common shares valued at $0.135 per share. On June 30, 2006, the Company issued 707,128 common shares for consideration of $95,462; and

(ii) The balance of $95,462 was paid in cash on November 15, 2007.

In the year 2007, the Company paid to a director and officer a total of $6,200 for equipment rental and $9,421 for the use of a vehicle at the mine site.

Summary of Quarterly Results

	2007			
Quarter ended	**December 31**	**September 30**	**June 30**	**March 31**
Revenue	$ -	$ -	$ -	$ -
Net (gain) loss *	(182,375)	179,082	231,451	198,728
Loss (gain) per share basic / diluted	(0.001)	0.001	0.002	0.001

	2006			
Quarter ended	**December 31**	**September 30**	**June 30**	**March 31**
Revenue	$ -	$ -	$ -	$ -
Net loss	241,227	157,180	154,598	157,688
Loss per share basic / diluted	0.002	0.001	0.001	0.002

* Effect of future tax recovery.

Selected Annual Information

The highlights of financial data for the Company for the three most recent financial years are as follows:

	2007	2006	2005
Revenue	$ -	$ -	$ -
Loss for the year (1)	426,886	710,693	344,226
Loss per share – basic /diluted	0.003	0.006	0.003
Total assets (2)	14,446,339	12,232,945	8,998,608
Total long-term liabilities (3)	-	438,651	523,424
Cash dividend declared	-	-	-

(1) The loss for the year is the result of charging the administration expenses of the Company to operations. In 2007, a total of $420,000 and in 2005, a total of $227,500 of future income tax recovery reduced the loss.
(2) Assets increased due to completion of acquisition of several resource properties and to exploration and development programs during the years.
(3) For the year 2005, a significant amount was reclassified from long-term debt to current liabilities.

Internal Control and Procedures

The Company has made no changes to its internal controls over financial reporting that had any material effect during the year. The Company has very limited administrative staff and relies on senior management review and approval to ensure that the control is as effective as possible.

Subsequent Events

Completion of financing, acquisition of resource properties and payments from Premier that occurred subsequent to the period were disclosed above.

Outlook

The Company will continue to focus the majority of its exploration and development efforts in the Beardmore mining camp, maximizing the impact of its limited resources by concentrating on the Northern Empire property with a view to reopening the mine, and the Nortoba-Tyson property where a further carefully controlled small bulk sample is in process of being extracted. The Company's continuing activities on the Northern Empire Mine are to outline additional mineralization and to reopen the mine and carry out the recommendations of Peter Bevan. The next step is to explore the Nortoba-Tyson molybdenum property and proceed with the development of its gold and molybdenum veins.

It is anticipated that, for the foreseeable future, the Company will rely on the equities market and on proceeds from the exercise of outstanding warrants to meet its financing needs. In management's opinion, the current working capital position will be sufficient for the purpose of completing the planned exploration program.

Critical Accounting Estimates

Use of Estimates

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

Nature of Operations

Roxmark is an exploration and mining company. Its mineral properties are currently being explored and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, as established in accordance with National Instrument 43-101, the ability of Roxmark to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties.

The Company tries to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and to make appropriate use of financial management resources.

Going Concern

The financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. If the "going concern" assumption is not appropriate, then material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities in these financial statements.

Mineral Properties and Deferred Exploration Costs

The Company defers the costs of exploration on existing projects and carries them as assets until production commences. Mineral properties and the deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and related exploration expenditures are written off.

Senior management periodically reviews the carrying value of the mineral properties and deferred exploration expenditures to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the investment exceeds the estimated future cash flows. Where estimates of the future cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered and provides for impairment, if so indicated.

Financial Instruments, Comprehensive Income (Loss) and Hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections *3855 – Financial Instruments – Recognition and Measurement, 1530 – Comprehensive Income* and *3865 –Hedge*. 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. Accordingly, comparative amounts for prior periods have not been restated. The Company adopted these new standards effective January 1, 2007.

(a) Financial Instruments – Recognition and Measurement

CICA 3855 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 to be measured at fair value subsequent to initial recognition;
- All financial liabilities be 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; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

The carrying values of c*ash and cash equivalents*, *accounts receivable*, *accounts payable and accrued liabilities* approximate their fair values due to the relatively short periods to maturity of the instruments.

(b) Comprehensive Income / (Loss)

CICA 1530 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 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.

(c) Hedges

CICA 3865 provides alternative treatments to *CICA 3855* 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 *CICA 1650 – Foreign Currency Translation* by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. As at and for the year ended December 31, 2007, the company had no hedges in place.

(d) Impact upon Adoption of CICA 1530, 3855, and 3865

The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

Future Accounting Changes

Capital Disclosure and Financial Instruments – Disclosure and Presentation.

On December 1, 2006, the CICA issued three new accounting standards: *CICA 1535 – Capital Disclosures*, *CICA 3862 – Financial Instruments – Disclosure* and *CICA 3863 – Financial Instruments – Presentation.* These new standards are effective for interim and annual financial statements for the Company's reporting period beginning January 1, 2008.

CICA 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

CICA 3862 and *CICA 3863* replace *CICA 3861 – Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

Risk Factors

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties. An investment in the Company's shares involves a high degree of risk and must be considered speculative due to the nature of the Company's business and the early stage of exploration and development of its properties. In particular, the following risk factors apply:

No production revenue
The Company has not recorded any revenues from its mining operations and has not commenced commercial production on any of its properties. The amount and timing of expenditures made on its properties will depend on the progress of its exploration and development programs.

Exploration and mining risks
Resource exploration and development is a speculative business involving significant risks, including, among other things, unprofitable results. At present, the Company's properties have a known ore body which will be further explored and developed by recommended work programs. The development of gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metals markets, government regulations and legislation, most importantly regarding environmental matters.

Dependence on management
The success of the operations and activities of the Company is dependent, to a significant extent, on management of the Company. The Company does not maintain key employee insurance for any of its employees.

Reliance on additional funding
The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for its activities. Failure to obtain such additional financing could result in delay in the exploration and development of its properties. Furthermore, there can be no assurance that such financing, if available, will be on terms satisfactory to the Company.

Volatility of gold and other metals prices
The economics of developing gold and other metal properties are affected by many factors including the price of gold or other metals. Depending on the price of gold and other metals, the Company may determine that it is impractical to commence commercial production or, if it is commenced, to continue. The price of gold fluctuates significantly.

Environmental risks
The mining properties of the Company are located in the Province of Ontario and as such are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, mine safety and other matters. Such laws and regulations could increase costs and/or delay or prevent the development of the properties and have a material adverse impact on the Company's operations. There is no assurance that the Company will be successful in obtaining the necessary licences and permits to continue its exploration and development activities in the future.

Royalties
The Company's mining properties are subject to various royalty and lease obligations. Failure by the Company to meet such payment obligations could result in the loss of related property interests. However, the aggregate amount of such royalty and lease obligations are not considered material to the Company.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com and can be obtained by visiting Roxmark's web site at www.roxmark.com.

parker simone LLP

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Auditors' Report

To the Shareholders of
Roxmark Mines Limited

We have audited the balance sheets of Roxmark Mines Limited as at December 31, 2007 and 2006 and the statements of operations, comprehensive net loss and deficit 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.

parker simone LLP.

April 9, 2008

Licensed Public Accountants

Roxmark Mines Limited
Balance Sheets
For the Years Ended December 31, 2007 and 2006

	2007	2006
ASSETS		
Current assets		
Cash and cash equivalents (note 2)	**$ 2,552,170**	$ 1,917,498
Prepaid expenses	**6,172**	6,348
Accounts receivable	**114,514**	289,707
	2,672,856	2,213,553
Other		
Financial assurance in trust (note 3)	**34,076**	34,076
Resource properties (note 4)	**1,259,468**	1,150,192
Buildings and equipment (note 3)	**2,229,824**	1,894,752
Deferred exploration expenditures (note 5)	**8,250,115**	6,940,372
	11,773,483	10,019,392
Total Assets	**$ 14,446,339**	$ 12,232,945
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 209,587**	$ 304,316
Loans from related companies (note 7)	**-**	68,332
Loans payable to director (note 8)	**-**	95,462
	209,587	468,110
Other		
Convertible debenture (note 6)	**-**	438,651
Total liabilities	**209,587**	906,761
SHAREHOLDERS' EQUITY		
Share capital (note 10)	**19,645,782**	16,846,478
Equity component on convertible debenture (note 6)	**-**	141,000
Contributed surplus (note 11)	**1,327,310**	648,160
Deficit	**(6,736,340)**	(6,309,454)
	14,236,752	11,326,184
	$ 14,446,339	$ 12,232,945

See Commitments and Contingencies (note 14)

Approved by the Board:

James Richardson, Director

Monir Younan, Director

Roxmark Mines Limited
Statements of Operations, Comprehensive Net Loss and Deficit
For the Years Ended December 31, 2007 and 2006

	2007	2006
EXPENSES		
Tailings pond	$ **27,894**	$ 21,637
Mobile Equipment	**9,905**	-
ADMINISTRATIVE EXPENSES		
Office and administration expenses	**436,675**	420,544
Legal and audit	**118,038**	98,445
Interest expenses, net of interest income	**12,677**	56,467
Insurance	**32,820**	50,139
Shareholders' communications	**61,021**	20,212
Stock exchange fees	**26,602**	10,124
Transfer agent's fees and expenses	**8,338**	8,771
Government fees and licences	**2,899**	1,354
Debt settlement costs	**23,017**	-
Stock-based compensation (note 10)	**87,000**	23,000
	846,886	710,693
Loss from operation	**846,886**	710,693
Future income tax recovery (note 13)	**(420,000)**	-
Net loss and comprehensive net loss	**426,886**	710,693
Deficit, beginning of year	**6,309,454**	5,598,761
Deficit, end of year	$ **6,736,340**	$ 6,309,454
Net loss per share – basic	$ **0.003**	$ 0.006

Roxmark Mines Limited
Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Activities		
Net loss	**$ (426,886)**	$ (710,693)
Adjustments to reconcile net loss to cash flow from operating activities:		
Stock-based compensation	**87,000**	23,000
Future income tax recovery	**(420,000)**	-
Interest accretion on convertible debentures	**3,150**	33,650
Debt settlement costs	**23,017**	-
Net changes in non-cash operating working capital items:		
Accounts receivable	**175,193**	(190,080)
Prepaid expenses	**176**	(3,012)
Accounts payable and accrued liabilities	**(94,729)**	47,752
Cash Flow used in Operating Activities	**(653,079)**	(799,383)
Financing Activities		
Common shares issued, net of issue costs	**3,168,970**	4,766,709
Repayment of long-term loan	**-**	(187,863)
Loans payable to related companies	**(68,332)**	(557,018)
Loans payable to shareholder	**(95,462)**	(186,700)
Cash Flow from Financing Activities	**3,005,176**	3,835,128
Investing Activities		
Additions to financial assurance funds in trust	**-**	2,395
Additions to resource properties	**(72,610)**	(96,713)
Additions to buildings and equipment	**(335,072)**	(440,053)
Additions to deferred expenditures	**(1,309,743)**	(1,871,552)
Cash Flow used in Investing Activities	**(1,717,425)**	(2,405,923)
Increase in cash	**634,672**	629,822
Cash and cash equivalents, at beginning of year	**1,917,498**	1,287,676
Cash and cash equivalents, at end of year	**$ 2,552,170**	$ 1,917,498

Roxmark Mines Limited
Notes to Financial Statements
For the Years Ended December 31, 2007 and 2006

NATURE OF BUSINESS AND GOING CONCERN CONSIDERATIONS

Roxmark Mines Limited ("the Company") has interests in resource properties and was incorporated on January 7, 1969 under the laws of the Province of Ontario.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the deferred expenditures and the resource properties is dependent upon the existence of economically recoverable ore reserves; also on the ability of the Company to obtain necessary financing to complete the exploration and development of its mining interests; and finally, upon future profitable production or alternatively, the sufficiency of proceeds from disposition.

If the going concern basis is not appropriate, material adjustments may be necessary in the carrying amounts and/or classifications of assets, liabilities and expenses in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resource properties

Acquisition costs of resource properties, together with exploration and development expenditures, are deferred in the financial statements until such time as the property is brought into commercial production, sold or abandoned. Administration expenses are charged to operations in the year incurred.

Once commercial production has been reached, depletion is provided based on proven ore reserves using the units-of-production basis. Should a property be sold or abandoned, the acquisition costs and deferred exploration expenditures are written off.

Buildings and equipment

Buildings and equipment are recorded at cost. Amortization is provided on these items using a unit-of-production basis over their estimated useful lives. The cost will be written down when a permanent decline in their value has occurred, and will be written off if abandoned. There has been no amortization recorded on these assets as the Company has not started commercial production.

Flow-through common shares

The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors to the extent of the amount provided by such investors in accordance with tax legislation. Under the liability method of accounting for income taxes, the potential future income taxes related to the temporary difference arising at the later of renunciation and when the qualifying expenditures are incurred, are recorded at that time, together with a corresponding reduction to the carrying value of the shares issued.

Asset retirement obligations

As the Company currently has no projects under construction, there is no legal obligation requiring remediation.

However, as the development of any project commences, senior management will assess whether an asset retirement obligation ("ARO") liability will arise. At the point where such liability arises, the financial statement adjustment required will be to increase the project's property value and related ARO liability by the discounted value of the total liability. Thereafter, the Company will be required to record a charge to earnings each year to accumulate the discounted ARO obligation amount to the final expected liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Impairment of long-lived assets

Senior management periodically reviews the carrying value of mineral properties and deferred exploration costs to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the investment exceeds the estimated fair value which is normally the discounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses if carrying value can be recovered and provides for impairment, if so indicated, by reducing the carrying value of the property to its estimated fair value.

Stock-based compensation

The Company records stock-based payments granted using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method of tax allocation, future income and mining tax assets and liabilities are determined based on the difference between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using enacted tax rates expected to be in effect when the temporary differences are likely to reverse.

Basic and diluted loss per share

In accordance with the CICA Handbook Section 3500, the basic loss per share is calculated by dividing the loss applicable to common shares by the weighted average number of shares outstanding during the year, including contingently issuable shares that are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a manner similar to basic loss per share, except that the weighted average number of shares outstanding is increased to include potential common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants and on the as-if converted method for convertible securities.

Cash and cash equivalents

Cash and cash equivalents deposits include cash on deposit and short term guaranteed investment certificates (“GICs”) upon which interest accrues at an average of 3.96% per annum to the benefit of the Company. The conditions of the GICs provide for early withdrawal of partial amounts and the interest rate is linked to prime rate.

Revenue Recognition

The Company recognizes interest revenue over the passage of time on a quarterly basis.

Roxmark Mines Limited
Notes to Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Financial Instruments, Comprehensive Income and Hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections *3855 – Financial Instruments – Recognition and Measurement*, *1530 – Comprehensive Income* and *3865 – Hedges*. 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. Accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective January 1, 2007.

(a) Financial Instruments – recognition and measurement
CICA 3855 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 be measured at fair value subsequent to initial recognition;
- All financial liabilities be 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; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of the instruments.

(b) Comprehensive Income
CICA 1530 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 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.

(c) Hedges
CICA 3865 provides alternative treatments to *CICA 3855* 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 *CICA 1650 – Foreign Currency Translation* by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. As at and for the year ended December 31, 2007, the Company had no hedges in place.

(d) Impact upon Adoption of CICA 1530, 3855, and 3865
The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

Accounting Policy Choice for Transaction Costs

On June 1, 2007, the Emerging Issues Committee of the CICA 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, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. The Company adopted EIC-166 effective September 30, 2007. Adoption requires retroactive application to all transaction costs accounted for in accordance with *CICA 3855, Financial Instruments – Recognition and Measurement*. The Company has evaluated the impact of EIC-166 and determined that no adjustments are currently required.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Future Accounting Changes

Capital Disclosure and Financial Instruments – Disclosure and Presentation.

On December 1, 2006, the CICA issued three new accounting standards: *CICA 1535 – Capital Disclosures, CICA 3862 – Financial Instruments – Disclosure* and *CICA 3863 – Financial Instruments – Presentation.* These new standards are effective for interim and annual financial statements for the Company's reporting period beginning January 1, 2008.

CICA 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

CICA 3862 and *CICA 3863* replace *CICA 3861 – Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

2. CASH AND CASH EQUIVALENTS

The balance at December 31, 2007 contains cash on deposit of $252,170 (2006 – $217,498) and guaranteed investment certificates of $2,300,000 (2006 - $1,700,000) bearing interest linked to the prime rate at current rates between 2.75 - 3.25% and maturing between November 16 and December 31, 2008. The conditions of the GICs provide for early withdrawal of partial amounts.

3. BUILDINGS AND EQUIPMENT and FINANCIAL ASSURANCE IN TRUST

Included as part of the Northern Empire property acquisition was a 200-ton per day milling plant. These assets were acquired free and clear of all encumbrances. As part of the transaction, the Company was required to provide a Letter of Credit in the amount of $150,000 (see also note 14) and to commit to a levy of $5.00 per ton on processed mill feed, up to a maximum combined sum of $600,000, to provide for possible reclamation costs associated with the property. A total of $60,005 has been paid to date towards the $450,000 cash elements. As at December 31, 2007 the Company had $34,076 (2006 - $34,076) in Financial Assurance in Trust of these amounts paid.

Summary of Expenditures:

	2005	Additions	2006	**Additions**	**2007**
	$	**$**	**$**	**$**	**$**
Building	55,327	935	56,262	**-**	**56,262**
Mining equipment	216,852	68,295	285,147	**64,278**	**349,425**
Mill concentrator	1,173,957	369,800	1,543,757	**270,794**	**1,814,551**
Office equipment	8,563	1,025	9,586	**-**	**9,586**
	1,454,699	440,053	1,894,752	**335,072**	**2,229,824**

4. RESOURCE PROPERTIES

The Company holds several properties in the Geraldton mining camp located in Northern Ontario. The properties are known as the Magnet Mine, Bankfield Mine, McLellan Joint Venture and Algoma Little Long Lac properties.

4. RESOURCE PROPERTIES cont.

Additional resource properties are located in the Beardmore mining camp in Northern Ontario, namely, the Northern Empire, the Sand River, the Leitch Gold Mine property, the East Leitch property and the Northern Empire West Extension property.

By agreement dated January 12, 2005, the Company acquired from Afri-Can Marine Minerals Corp. the remaining interest (29.75%) in the East Leitch property that was acquired from Kinross in 2003. In consideration, the Company paid $13,462 in cash and issued 79,185 units, each unit consisting of one common share with a deemed price of $0.17 and one common share purchase warrant exercisable at $0.34 each for a two-year period. The warrants expired on January 12, 2007 unexercised.

By agreement dated August 19, 2004, the Company acquired from Wayne A. Gorrie 100% interest in 16 mining claims covering 240 hectares, located in the Poplar Point area, Township G116, in the District of Thunder Bay, Ontario. In consideration, the Company paid $10,000 and granted 2% Net Smelter Return ("NSR") to the vendor. The Company exercised its option to purchase 1% NSR from the seller for an amount of $15,000. The claims have an additional 1% NSR to Ontario Exploration Corporation, subject to buyout clauses. The said 1% NSR was purchased for $20,000. The additional 1% NSR that was reserved to the original vendor of the claim was purchased in January 2008 by making a cash payment of $35,000. Currently, a 1% NSR remains on the property.

On January 10, 2005, the Company acquired a resource property comprising four mining claims covering 39 units for approximately 624 hectares, located in Poplar Point Area, Township G116 in the District of Thunder Bay, Ontario. In consideration, the Company agreed to pay $20,000 on closing, $10,000 on the first anniversary and $10,000 on the second anniversary for a total of $40,000 and to issue a total of 150,000 common shares; as of January, 2007 all such payments have been made. The claims are subject to 2% NSR to be paid to the vendors, Robert L. and Dianne J. Coté, of which the Company may buy back 1% NSR for $1,000,000 payment at any time.

The Company entered into three option agreements to acquire the Amedé properties named the Northern Empire Mine West Extension. The properties, comprising in aggregate 61 claims covering approximately 1,580 hectares, are located in Summers Township, Northwestern Ontario. The option agreements have a term of four years and require annual payments in cash or shares of Roxmark, subject to TSX Venture Exchange approval. An aggregate amount of $30,000 has been paid, of which $3,333 was in cash, and 115,940 common shares were given, for consideration of $26,666. A sum of $20,000 is payable on the first anniversary for each option and the sum of $180,000 is payable on each of the second to the fourth anniversaries. The property will be subject to a 3% NSR royalty. Roxmark has the right to purchase up to 2% of NSR under certain conditions.

Geraldton Project

On September 20, 2007, the Company signed a Letter of Intent ("LOI") with Premier Gold Mines Limited whereby Premier is to carry out exploration on certain properties of Roxmark Mines in the Geraldton Mining Camp, Northwestern Ontario.

Under the terms of the agreement, Premier has the option to earn a 51% interest in the properties over a four-year period by making cash payments of $500,000, issuing 250,000 shares of Premier to Roxmark and carrying out, as operator, $7 million in expenditures to advance the highly prospective high-grade gold properties to a production decision. Premier also makes a firm commitment to incur $2.5 million in exploration expenditures in the first 12 months. As well, Premier has the option to increase its interest in the Geraldton project to 70% by making a further cash payment of $250,000, issuing an additional 150,000 common shares of Premier to Roxmark and bringing the property to a production decision. See note 15 for subsequent events related to payments.

4. RESOURCE PROPERTIES cont.

In addition, the Company is required to make the following cash payment and issue the following number of common shares to complete its outstanding commitments with respect to resource properties:

Year	Cash
2008	$ 12,000

Summary of Resource Properties expenditures:

Resource Properties	2005	Additions	2006	Additions	2007
	$	$	$	$	$
Beardmore Camp					
Nortoba-Tyson Molybdenum	78,560	69,213	147,773	**37,276**	**185,049**
Northern Empire Mine	17,074	9,000	26,074	**-**	**26,074**
Northern Empire West Extension	-	-	-	**30,000**	**30,000**
Sand River Mine	306,826	-	306,826	**-**	**306,826**
Leitch property	78,809	24,000	102,809	**24,000**	**126,809**
East Leitch property	85,683	-	85,683	**-**	**85,683**
	563,952	102,213	669,165	**91,276**	**760,441**
Geraldton Camp					
Magnet Mine	349,170		349,170	**18,000**	**367,170**
Bankfield Mine	50,000		50,000	**-**	**50,000**
Algoma Little Long Lac properties	69,979		69,979	**-**	**69,979**
Others	11,878		11,878	**-**	**11,878**
	481,027	-	481,027	**18,000**	**499,027**
Total Resource properties	1,047,979	102,213	1,150,192	**109,276**	**1,259,468**

5. DEFERRED EXPENDITURES

Resource Properties	2005	Additions	2006	Additions	2007
	$	$	$	$	$
Beardmore Camp					
Northern Empire Mine	1,071,255	-	1,071,255	**780,266**	**1,851,521**
Northern Empire West Extension	-	-	-	**183,426**	**183,426**
Sand River Mine	97,079	-	97,079	**-**	**97,079**
Leitch Mine	145,514	-	145,514	**-**	**145,514**
East Leitch Property	651,028	3,640	654,668	**-**	**654,668**
Nortoba-Tyson Moly Property	492,682	1,797,090	2,289,772	**206,208**	**2,495,980**
	2,457,558	1,800,730	4,258,288	**1,169,900**	**5,428,188**
Geraldton Camp	2,450,566	-	2,450,566	**21,665**	**2,472,231**
Mining Leases	160,696	70,822	231,518	**118,178**	**349,696**
Balance, end of year	5,068,820	1,871,552	6,940,372	**1,309,743**	**8,250,115**

6. CONVERTIBLE DEBENTURE

On December 11, 2003, the Company entered into an agreement with a private investor, subsequently a member of the board, for a loan in the amount of $500,000 for a five-year period secured by certain mill assets and convertible under certain conditions into common shares at a price of $0.05 per share at any time up to maturity at the option of the holder. The loan carries a face rate of interest of Prime plus 2% annually but accumulated until fully paid at maturity or at conversion of the loan, whichever comes first. The debenture was converted into 10,000,000 common shares as of March 17, 2007. The accrued interest since December 11, 2003 was paid in the amount of $126,723.

7. LOANS PAYABLE TO RELATED COMPANIES

These loans are payable to companies controlled by an insider of the Company. The amounts were reclassified to current liabilities as of December 31, 2005. During the year, the Company made a repayment of the balance in the amount of $68,332 and an interest amount of $1,157.

8. LOANS PAYABLE TO DIRECTOR AND SHAREHOLDERS

These loans are payable to a certain director, officer and shareholder of the Company. The loans are in the amount of Nil (2006 – $95,462) and are unsecured, non-interest-bearing. These amounts were paid during the year.

9. RELATED PARTY TRANSACTIONS

In addition to certain items identified in notes 6, 7 and 8, during the year, the Company obtained consulting services from a director and officer of the Company for the amount of $30,000 (2006 – $5,000). It is the Company's assessment that the exchange amount is representative of fair market value considering the circumstances; and

(i) During the year, the Company made full payment of the accrued interest on the convertible debenture to a director of the Company in the amount of $126,723 (2006 – nil).

(ii) As of August 1, 2006, the Company completed the refinancing of unsecured, non-interest bearing loans payable to a shareholder in the amount of $812,049. The advances were made by Stanley Malouf and by companies controlled by Stanley Malouf (the founder, former CEO and a significant shareholder of Roxmark) and his family. An initial cash repayment in the amount of $250,000 was made to reduce the outstanding indebtedness and the balance of $562,049 (see note 7) was secured by an interest-bearing renewable secured convertible debenture for a five-year period. The remaining balance of $68,332 was paid in February 2007. A total of $1,157 of interest was paid in cash (2006 - $25,545).

(iii) The Company has reached an agreement with David Malouf, a director and officer of Roxmark, for refinancing of $190,924 in respect of certain cash advances made in the aggregate of $118,424 and in respect of services provided by Mr. Malouf for financial years 2002 and 2003. The agreement was made, effective December 29, 2005, to provide for the repayment of the amount as follows:

   i. 50% of the aggregate amount was repaid in the form of common shares valued at $0.135 per share. On June 30, 2006, the Company issued 707,128 common shares for consideration of $95,462; and
   ii. The balance of $95,462 was paid in cash on November 15, 2007 (see note 8)

In the year 2007, the Company paid to a director and officer a total of $6,200 for equipment rental and $9,421 for the use of a vehicle at the mine site.

Roxmark Mines Limited
Notes to Financial Statements
For the Years Ended December 31, 2007 and 2006

10. SHARE CAPITAL

(a) **Authorized**: An unlimited number of common shares
2,000,000 special shares (non-participating, redeemable, and voting)

(b) **Issued common shares:**

	Number		Consideration
Balance, December 31, 2005	**102,339,640**	$	**12,236,427**
Resource properties	50,000		5,500
Shares issued for debt	707,128		95,462
Issued for cash			
Private Placement (i)	9,870,000		1,184,400
Exercise of warrants (ii) and (iii)	19,953,937		3,292,149
Flow-through share issues (iv)	1,208,999		290,160
Fair value assigned to issued warrants			(306,000)
Fair value of exercised warrants			47,880
Balance, December 31, 2006	**134,129,704**		**16,845,978**
Resource properties	165,940		36,666
Conversion of debenture (note 6)	10,000,000		500,000
Issued for cash			
Flow-through share issues	12,244,832		3,212,565
Exercise of warrants (ii) and (iii)	1,294,500		220,065
Exercise of option (iv)	50,000		6,750
Share issue expenses			(270,410)
Fair value assigned to issued warrants			(647,000)
Fair value of exercised warrants			50,650
Fair value of exercised options			4,200
Value contributed surplus transferred on conversion of converted debentures			105,817
Tax effect of flow-through shares renunciation			(420,000)
Balance, December 31, 2007	**157,884,976**		**19,645,282**
Special shares	**500,000**		500
		$	**19,645,782**

(i) On July 13, 2007, the Company completed a non-brokered private placement financing by issuing 5,000,000 units for gross proceeds of $1,000,000. Each unit consists of one flow-through common share and one common share purchase warrant of the Company expiring in a two-year period. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.40 until the first anniversary and thereafter at a price of $0.55 until expiry. In addition, the agent was paid a cash commission equal to 5% of the gross proceeds and was granted 500,000 finders units. Each finders unit is exercisable at a price of $0.20 until July 13, 2009 and consists of one common share of the Company together with one warrant. Each warrant is exercisable into one common share of the Company until July 13, 2009 for $0.40.

(ii) During the year, a total of 1,294,500 common share purchase warrants were exercised for the same number of shares of the Company. The gross proceeds amounted to $220,065.

10. SHARE CAPITAL (b) cont.

(iii) On November 2, 2007, the Company completed the non-brokered private placement of flow-through shares financing by issuing 3,333,200 units for gross proceeds of $1,000,000. Each unit consists of one flow-through common share and one flow-through common share purchase warrant of the Company expiring in a two-year period. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.40 until the first anniversary and thereafter at a price of $0.55 until expiry. In addition, the agent was paid a cash commission equal to 5% of the gross proceeds and was granted 333,333 finders units. Each finders unit is exercisable at a price of $0.30 until November 2, 2009 and consists of one common share of the Company together with one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.40 until the first anniversary and thereafter at a price of $0.55 until expiry.

(iv) On December 14, 2007, the Company completed the non-brokered private placement of flow-through shares financing by issuing 3,911,500 units for gross proceeds of $1,212,565. Each unit consists of one flow-through common share and one common share purchase warrant of the Company expiring in a two-year period. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.45 until the first anniversary and thereafter at a price of $0.55 until expiry. In addition, the agent was paid a cash commission of $36,526 and was granted 188,520 finders warrants. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.31 until December 14, 2009.

(c) Warrants

Warrants have been granted in the current and prior years with shares and flow-through shares pursuant to private placement financing. The outstanding warrants at the year end to purchase common shares are as follows:

Expiry Date	No. of Warrants		Exercise Price $/share
13-Feb-2008	2,736,667		0.17
17-Mar-2008	7,018,333		0.17
11-Dec-2008	5,000,000		0.10
29-Dec-2008	1,208,999		0.35
13-Jul-2009	5,500,000	(*)	0.40
13-Jul-2009	500,000		0.20
2-Nov-2009	333,333		0.30
2-Nov-2009	3,666,665	(*)	0.40
14-Dec-2009	3,911,500		0.45
14-Dec-2009	188,520		0.31
	30,064,017		

(*) Exercisable at a price of $0.40 until the first anniversary and thereafter at a price of $0.55 until expiry.

The weighted-averages used in the Black-Scholes option pricing method for the warrants issued were as follows:

	2007	2006
Dividend yield	-	-
Expected volatility	76.01 %	72.38 %
Risk-free interest rate	0.32 %	3.48 %
Expected life (years)	2	2

10. SHARE CAPITAL cont.

(d) Stock-based compensation

The Company established in 2004 an incentive stock option plan providing for the issuance of up to 10% of the total issued and outstanding share capital. The Board of Directors, at its discretion, may grant options to its directors, officers, employees and consultants. Under the terms of the plan, options expire on or before the fifth anniversary of the date of issue unless otherwise specified. As at December 31, 2007, the Company had a maximum of 12,238,498 (2006 – 10,622,970) options available for issuance.

	2007		2006	
	No. of Options	**Exercise Price $**	**No. of Options**	**Exercise Price $**
Outstanding at beginning of year	2,750,000	0.119	2,750,000	0.109
Granted	850,000	0.226	600,000	0.143
Expired/Cancelled	-	-	(600,000)	0.101
Exercised	(50,000)	0.135	-	-
Outstanding at end of year	3,550,0000	0.144	2,750,000	0.119
Exercisable at end of year	**2,800,000**	**0.129**	2,150,000	0.112

The fair value of options recognized in the Statement of Operations and Deficit has been estimated at the grant date using the Black-Scholes pricing model.

The following table provides additional information about outstanding stock options at December 31, 2007.

Range of exercise Prices ($)	**No. of options outstanding**	**Weighted average remaining life (years)**	**Weighted average exercise price ($)**	**No. of options currently exercisable**	**Weighted average of exercisable options ($)**
0.09	1,250,000	1.65	0.090	1,250,000	0.090
0.135 – 0.155	1,550,000	2.74	0.141	1,150,000	0.141
0.185 – 0.265	750,000	4.53	0.240	400,000	0.219
0.09 – 0.265	**3,550,000**	**2.74**	**0.144**	**2,280,000**	**0.129**

The weighted-averages used in the Black-Scholes option pricing method for the options issued were as follows:

	2007	2006
Dividend yield	**-**	-
Expected volatility	**71.69 %**	72.84 %
Risk-free interest rate	**4.04 %**	4.05 %
Expected life (years)	**4.24**	5

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumption can affect estimates and therefore the existing models do not necessarily provide a reliable means of determining the fair value of the Company's stock option. The calculated fair value on the grant-date of options averages approximately $0.13 (2006 - $0.09) per option.

11. CONTRIBUTED SURPLUS

		2007		2006
Balance as at beginning of year	$	**648,160**	$	367,040
Value assigned to				
Stock-based compensation costs		**87,000**		23,000
Value of warrants issued		**647,000**		306,000
Value of exercised options		**(4,200)**		-
Value of exercised warrants		**(50,650)**		(47,880)
	$	**1,327,310**	$	648,160

12. FINANCIAL INSTRUMENTS

(a) Fair Value

Financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, all of which are carried at amounts which approximate fair value, reflect their short term nature. The Company considers the carrying values of loans payable to shareholders and loans payable to related companies to approximate the fair values of these instruments

(b) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term is invested in government investment certificates (note 2).

(c) Credit risk

The Company is not exposed to significant credit risk as its sole receivable amount (GST recoverable) is due from the Canadian government.

(d) Derivatives – mineral properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

(e) Currency risk

Although the Company's operations are conducted in Canadian dollars, it has entered into contracts and/or agreements that require payment in United States dollars. Roxmark has not hedged its exposure to the United States dollar's currency fluctuations.

13. INCOME TAXES

The Company has $12,371,300 (2006 - $11,499,900) of unused Canadian Exploration Expenses and Canadian Development Expenses. The tax benefits pertaining to these expenses are available to carry forward indefinitely. The Company also has $270,400 (2006 - nil) of loss carry-forwards and financing costs available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry forward for 20 years.

13. INCOME TAXES cont.

Future Income Tax Recovery

The income tax provision differs from that computed using the statutory tax rates for the following reasons:

	2007		2006	
	($)	**%**	($)	%
Income tax recoveries at statutory rates	**(305,700)**	**(36.1)**	(256,600)	(36.1)
Non-deductible expenses for tax purposes:				
Stock-based compensation	**31,400**	**3.8**	8,300	1.2
Difference between actual interest and deemed interest on convertible debt	**2,900**	**0.3**	11,100	1.6
Valuation adjustment of future tax assets	**(148,600)**	**(17.6)**	237,200	33.3
Future income taxes recovery	**(420,000)**	**(49.6)**	-	-

14. COMMITMENTS AND CONTINGENCIES

The Company has issued a Letter of Credit in the amount of $150,000 relating to the reclamation of a certain resource property (see note 3).

15. SUBSEQUENT EVENTS

(a) During the months of February and March 2008, a total of 2,926,501 warrants were exercised for gross proceeds of $497,505. As a result, the Company issued 2,926,501 common shares.

(b) Pursuant to the Letter of Intent with Premier Gold Mines Limited, the Company received $100,000 and 100,000 common shares of Premier.