



AUREA MINING INC.

Interim Consolidated Financial Statements

Three months ended:

March 31, 2007 and 2006

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NOTICE THAT FINANCIAL STATEMENTS HAVE NOT BEEN REVIEWED BY AN AUDITOR

The Issuer's auditors have not reviewed or been involved in the preparation of these financial statements.

AUREA MINING INC.

CONSOLIDATED BALANCE SHEETS

| | March 31 2007 (Unaudited) | December 31 2006 (Audited) |
|---|--|---|
| ASSETS | | |
| Current | | |
| Cash | \$ 410,382 | \$ 355,370 |
| Short-term investments | 23,293 | 224,670 |
| Receivables | 154,397 | 175,089 |
| Prepaid expenses and deposits | 4,862 | 9,991 |
| | <u>592,934</u> | <u>765,120</u> |
| Equipment (Note 3) | 33,887 | 36,791 |
| Mineral properties (Note 4) | 3,274,618 | 2,748,158 |
| | <u>\$ 3,901,439</u> | <u>\$ 3,550,069</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 343,565 | \$ 335,909 |
| Shareholders' equity | | |
| Capital stock (Note 5) | 5,435,874 | 4,941,822 |
| Contributed surplus (Note 5) | 558,556 | 556,073 |
| Deficit | (2,436,556) | (2,283,735) |
| | <u>3,557,874</u> | <u>3,214,160</u> |
| | <u>\$ 3,901,439</u> | <u>\$ 3,550,069</u> |

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

On behalf of the Board:

"Joseph Fodor"
Director

"Richard Whittall"
Director

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

AUREA MINING INC.**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

(Unaudited, prepared by management)

| | Three months ended March 31 | |
|--|------------------------------------|-----------------------|
| | 2007 | 2006 |
| Expenses | | |
| Amortization | \$ 715 | \$ 1,302 |
| Foreign exchange | 10,867 | 3,025 |
| Investor relations | 40,395 | 52,560 |
| Office and administration | 85,583 | 89,161 |
| Professional fees | 8,199 | 80,875 |
| Regulatory and transfer agent fees | 10,411 | 15,075 |
| Stock-based compensation (Note 5) | 2,483 | 49,671 |
| Loss before other items | (158,653) | (291,669) |
| Other item | | |
| Interest income | 5,832 | 6,172 |
| Loss for the period | (152,821) | (285,497) |
| Deficit, beginning of period | (2,283,735) | (1,855,267) |
| Deficit, end of period | \$ (2,436,556) | \$ (2,140,764) |
| Basic and diluted loss per share | \$ (0.00) | \$ (0.01) |
| Weighted average number of shares outstanding | 44,084,622 | 38,651,548 |

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

AUREA MINING INC.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited, prepared by management)

| | Three months ended March 31 | |
|---|------------------------------------|---------------------|
| | 2007 | 2006 |
| CASH FLOWS FROM OPERATING ACTIVITIES³ | | |
| Loss for the year | \$ (152,821) | \$ (285,497) |
| Items not affecting cash: | | |
| Amortization | 715 | 1,302 |
| Stock-based compensation (Note 5) | 2,483 | 49,671 |
| Changes in non-cash working capital items: | | |
| Increase in receivables | 20,692 | 23,274 |
| Increase in prepaid expenses and deposits | 5,129 | (6,211) |
| Decrease in accounts payable and accrued liabilities | 10,393 | 24,471 |
| Net cash used in operating activities | <u>(113,409)</u> | <u>(192,990)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of capital stock | 500,000 | 1,658,460 |
| Share issuance costs | (5,949) | (71,093) |
| Repayment of promissory note | - | (152,701) |
| Net cash provided by financing activities | <u>494,051</u> | <u>1,434,666</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Expenditures on mineral properties | (526,460) | (141,273) |
| Short term investments | 201,378 | - |
| Acquisition of equipment | (548) | - |
| Net cash used in investing activities | <u>(325,630)</u> | <u>(141,273)</u> |
| Change in cash during the year | 55,012 | 1,100,403 |
| Cash, beginning of year | 355,370 | 45,351 |
| Cash, end of year | \$ 410,382 | \$ 1,145,754 |
| Cash paid for interest | \$ 109 | \$ 1,232 |
| Cash paid for income taxes | \$ - | \$ - |

Supplemental disclosure with respect to cash flows (Note 10)

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

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the provisions of the Company Act of British Columbia on June 8, 1988. In June 2005, the Company was re-listed for trading on the TSX Venture Exchange. The Company is in the business of acquiring and exploring mineral property interests in Mexico. To date, the Company has not generated any significant revenues from operations and is considered to be an exploration stage company.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete equity financings, or generate profitable operations in the future.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), by management from the records of the Company, and have not been reviewed by the auditor of the Company. The accounting policies followed by the Company are set out in Note 2 to the audited financial statements for the year ended December 31, 2006 and have been consistently followed in the preparation of these interim financial statements except that the Company has adopted the following CICA guideline effective for the Company's first quarter commencing January 1, 2007:

Section 3855 - Financial Instruments - Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value.

There is no material impact on these interim financial statements due to the adoption of this guideline.

These unaudited interim financial statements do not include all the information and note disclosure required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited financial statements. In the opinion of management, all adjustments (including normal recurring adjustments) necessary to present fairly the financial position at March 31, 2007 and the results of operations and cash flows for all periods presented have been made. The interim results are not necessarily indicative of results for a full year

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

3. EQUIPMENT

| | March 31, 2007 | | | December 31, 2006 | | |
|------------------------|----------------|-----------------------------|-------------------|-------------------|-----------------------------|-------------------|
| | Cost | Accumulated Amortization | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Vehicle | 42,486 | 13,818 | 28,668 | \$ 42,486 | \$ 11,163 | \$ 31,323 |
| Computer equipment | 11,789 | 6,864 | 4,925 | 11,241 | 6,076 | 5,165 |
| Furniture and fixtures | 396 | 102 | 294 | 396 | 93 | 303 |
| | <u>54,671</u> | <u>20,784</u> | <u>33,887</u> | <u>\$ 54,123</u> | <u>\$ 17,332</u> | <u>\$ 36,791</u> |

4. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

| Year ended December 31, 2006 | Aurea Norte | Aurea Sur | Properties under application | Total |
|--|---------------------|---------------------|------------------------------------|---------------------|
| Acquisition costs: | | | | |
| Balance, beginning of year | \$ 67,671 | \$ 40,295 | \$ 18,704 | \$ 126,670 |
| Additions | <u>61,656</u> | <u>17,084</u> | <u>739</u> | <u>79,479</u> |
| Balance, end of year | <u>129,327</u> | <u>57,379</u> | <u>19,443</u> | <u>206,149</u> |
| Exploration costs: | | | | |
| Balance, beginning of year | 815,075 | 187,045 | 110,991 | 1,113,111 |
| Project development and administration | 41,109 | 23,639 | 6,171 | 70,919 |
| Field surveys | 168,170 | 1,036,254 | 7,365 | 1,211,789 |
| Remuneration | 37,618 | 21,514 | 5,411 | 64,543 |
| Surveying works | - | 2,102 | - | 2,102 |
| Other | <u>15,366</u> | <u>63,210</u> | <u>969</u> | <u>79,545</u> |
| Balance, end of year | <u>1,077,338</u> | <u>1,333,764</u> | <u>130,907</u> | <u>2,542,009</u> |
| Total costs | <u>\$ 1,206,665</u> | <u>\$ 1,391,143</u> | <u>\$ 150,350</u> | <u>\$ 2,748,158</u> |

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

4. MINERAL PROPERTIES (cont'd...)

| Three months ended March 31, 2007 | Aurea Norte | Aurea Sur | Properties under application | Total |
|--|---------------------|---------------------|------------------------------------|---------------------|
| Acquisition costs: | | | | |
| Balance, beginning of period | \$ 129,327 | \$ 57,379 | \$ 19,443 | \$ 206,149 |
| Additions | 36,474 | 16,556 | - | 53,030 |
| Balance, end of period | 165,801 | 73,935 | 19,443 | 259,179 |
| Exploration costs: | | | | |
| Balance, beginning of period | 1,077,338 | 1,333,764 | 130,907 | 2,542,009 |
| Project development and administration | 13,541 | 6,771 | - | 20,312 |
| Field surveys | 183,080 | 214,343 | - | 397,423 |
| Remuneration | 11,580 | 5,790 | - | 17,370 |
| Surveying works | 448 | - | - | 448 |
| Other | 11,780 | 23,534 | 2,563 | 37,877 |
| Balance, end of period | 1,297,768 | 1,584,202 | 133,470 | 3,015,439 |
| Total costs | \$ 1,463,568 | \$ 1,658,137 | \$ 152,913 | \$ 3,274,618 |

Aurea Norte group of properties, Mexico

The Aurea Norte Group of properties includes six exploration claims located in central Guerrero State, Mexico, acquired by the Company either by staking or by purchasing of 100% of the rights.

Properties under application, Aurea Norte group of properties, Mexico

The Company has filed applications for three additional claims in the same geographical area. Upon registration, the associated costs will be allocated to individual properties. If the Company is unable to successfully register a claim, the related cost will be charged to operations.

Aurea Sur group of properties, Mexico

The Aurea Sur Group of properties includes four exploration claims located in central Guerrero State, Mexico, acquired by the Company either by staking or by purchasing of 100% of the rights.

See Note 11, Subsequent Events.

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

| Capital Stock (Common shares issued and outstanding) | Number of Shares | Amount | Contributed Surplus |
|---|-----------------------------|---------------|--------------------------------|
| Authorized | | | |
| Unlimited common shares without par value | | | |
| As at December 31, 2005 | 34,936,247 | \$ 2,460,123 | \$ 532,316 |
| Private placement | 5,410,000 | 1,352,500 | - |
| Share issue costs | - | (141,236) | - |
| Exercise of warrants | 3,248,649 | 1,165,710 | - |
| Exercise of options | 250,000 | 104,725 | (39,725) |
| Stock-based compensation | - | - | 63,482 |
| As at December 31, 2006 | 43,844,896 | 4,941,822 | 556,073 |
| Private placement | 2,500,000 | 500,000 | - |
| Share issue costs | - | (5,948) | - |
| On vesting of stock options | - | - | 2,483 |
| As at March 31, 2007 | 46,344,896 | \$ 5,435,874 | \$ 558,556 |

Private placements

During the three-month period ended March 31, 2007, the Company issued 2,500,000 units for proceeds of \$500,000, at a price of \$0.20 per unit. Each unit consists of one common share, one-half of one "A" common share purchase warrant (an "A Warrant") and one-half of one "B" common share purchase warrant (a "B Warrant").

Each whole A Warrant was exercisable to purchase an additional common share at a price of \$0.30 per share until August 27, 2007. The terms of the A Warrants also provide that if the closing price of the common shares of Aurea exceeded \$0.30 for ten consecutive trading days, Aurea could deliver a notice requiring that all A Warrants be exercised within five business days or they would expire. On April 25, 2007, the Company delivered such notice; 1,045,000 A Warrants were exercised, and 205,000 A Warrants expired unexercised.

Each whole B Warrant is exercisable to purchase an additional common share at a price of \$0.35 per share until February 27, 2009. The securities issued pursuant to the private placement are subject to a four month hold period expiring on June 28, 2007.

During the year ended December 31, 2006, the Company issued 5,410,000 units at \$0.25 per unit for proceeds of \$1,352,500. Each unit consisted of one common share and one share purchase warrant. Each warrant entitled the holder to acquire one additional common share exercisable at \$0.35; these warrants expired unexercised subsequent to December 31, 2006. The Company paid \$58,000 as finders' fees and \$83,236 in other share issuance costs.

Included in issued capital stock are 10,001,667 common shares subject to an escrow agreement. The agreement's escrow release schedule provided for an immediate release of 10% of the shares and warrants held in escrow, with further releases of 15% every six months thereafter, with the last 15% to be released in June 2008.

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock option and share purchase warrant transactions are summarized as follows:

| | Warrants | | Stock Options | |
|--------------------------------|-------------|---------------------------------|---------------|---------------------------------|
| | Number | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| Outstanding, December 31, 2005 | 5,163,858 | \$ 0.37 | 3,350,000 | 0.26 |
| Issued / Granted | 5,410,000 | 0.35 | 393,000 | 0.26 |
| Exercised | (3,248,649) | 0.36 | (250,000) | 0.26 |
| Expired/cancelled | (1,915,209) | 0.40 | - | - |
| Outstanding, December 31, 2006 | 5,410,000 | 0.35 | 3,493,000 | 0.26 |
| Expired | (5,410,000) | 0.35 | - | - |
| Issued | 1,250,000 | 0.30 | - | - |
| Issued | 1,250,000 | 0.35 | - | - |
| Outstanding, March 31, 2007 | 2,500,000 | \$ 0.325 | 3,493,000 | \$ 0.26 |
| Number currently exercisable | 2,500,000 | \$ 0.325 | 3,493,000 | \$ 0.26 |

As at March 31, 2007, incentive stock options and share purchase warrants were outstanding as follows:

| | Number of Shares | Exercise Price | Expiry Date |
|-----------------|------------------|----------------|--------------------------------|
| Options | 1,650,000 | \$ 0.26 | January 20, 2010 |
| | 300,000 | 0.26 | March 31, 2010 |
| | 1,150,000 | 0.26 | June 15, 2010 |
| | 393,000 | 0.26 | January 18, 2011 |
| Warrants | 1,250,000 | 0.30 | August 27, 2007 ^(*) |
| | 1,250,000 | 0.35 | February 27, 2009 |

^(*) As indicated above, on April 25, 2007, the Company delivered an exercise notice for these warrants; 1,045,000 were exercised, and the remaining 205,000 expired unexercised.

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the Board of Directors.

The Company uses the fair value method for stock options granted to employees and consultants.

During the fiscal year December 31, 2006, the Company granted an aggregate of 393,000 to a director and a consultant, resulting in \$63,482 of stock-based compensation expense charged to operations.

The weighted average fair value of the options granted during the fiscal year ended December 31, 2006 was \$0.17 (2005 - \$0.16) per option using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 3.84% (2005 - 3.5%); dividend yield 0% (2005 - 0%); volatility of 76.74% (2005 - 71.32%); and expected life of approximately 5 years (2005 - 5 years).

During the three months ended March 31, 2007, the remaining 75,000 of the 393,000 options granted during 2006 vested, and the Company charged \$2,483 as stock-based compensation and contributed surplus.

6. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued administrative fees of \$63,092 (2006 - \$65,853), of which \$17,976 (2006 - \$17,774) is included in deferred exploration expenses, to an officer of the Company, and companies controlled by officers of the Company.
- b) Paid or accrued geological and other fees of \$600 (2006 - \$Nil) of which \$600 (2006 - \$Nil) is included in deferred exploration expenses, to an officer of the Company.

These 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.

Included in accounts payable at March 31, 2007 is \$24,681 (2006 - \$20,084) due to directors or officers and to companies controlled by directors or officers of the Company.

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

7. INCOME TAXES

Please refer to Note #9 to the Audited Financial Statements for December 31, 2006. There is no tax calculation specifically performed for this interim period.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, short-term investments, receivables, deposits, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company is exposed to financial risk from fluctuation in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

9. SEGMENTED INFORMATION

The Company currently operates in one reportable business segment, being the acquisition and exploration of mineral properties in Mexico. The majority of the Company's capital assets are located in Mexico.

Geographic information is as follows:

| | March 31 2007 | December 31 2006 |
|--------------------|------------------|---------------------|
| Canada: | | |
| Equipment | \$ 970 | \$ 1,000 |
| Mineral properties | - | - |
| | 970 | 1,000 |
| Mexico: | | |
| Equipment | 32,917 | 35,791 |
| Mineral properties | 3,274,618 | 2,748,158 |
| | 3,307,535 | 2,783,949 |
| | \$ 3,308,505 | \$ 2,784,949 |

10. SUPPLEMENTARY INFORMATION WITH RESPECT TO CASH FLOWS

The significant non-cash transaction for the three-month period March 31, 2007 was mineral property expenditures of \$223,836 incurred through accounts payable. In addition, \$2,706 of equipment amortization was charged to mineral properties.

AUREA MINING INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 and 2006

11. SUBSEQUENT EVENTS

On April 25, 2007, the Company delivered an exercise notice with respect to the "A" Warrants described in Note 5. As a result, 1,045,000 A Warrants were exercised, and 205,000 A Warrants expired unexercised.

On May 22, 2007, the Company entered into a binding Letter of Intent ("LOI" to acquire a 100% interest in the Monte Albán property located in the Taviche gold and silver mining district, in the State of Oaxaca, Mexico.

The LOI specifies a schedule of payments to the vendor over the term of the agreement, including consideration of US\$65,000 on signing of this agreement for a six month due diligence period. Subject to regulatory approvals, the agreement contains the following payment schedule: A first option payment of US\$ 175,000 due at the end of the due diligence period; US\$ 350,000 which is due on the first anniversary of the first option payment; US\$ 500,000 which is due on the second anniversary; and, US\$ 1,000,000 which is due on the third anniversary. A final payment of US\$ 4,010,000 million is due on receipt of a NI 43-101 compliant positive bankable feasibility study. The Company and the vendor have agreed to enter into a definitive agreement which is expected to be finalized during the due diligence period and which will also be subject to regulatory approval. A recoverable 15% goods and services tax (IVA) is additional to these payments.

* * * * *