

Plexmar Resources Inc.

(an exploration company)

Interim Consolidated Financial Statements

(unaudited)

June 30, 2007

Plexmar Resources Inc.
(an exploration company)
Consolidated balance sheet

	June 30 2007	December 31 2006
	\$ (unaudited)	\$ (audited)
ASSETS		
Current assets		
Cash	967 793	3 716 197
Amounts receivable	202 247	90 023
Prepaid expenses	96 426	43 482
	<u>1 266 466</u>	<u>3 849 702</u>
Commodity taxes receivable	193 891	186 853
Mining properties (note 4)	8 733 148	5 244 586
Property, plant and equipment (note 5)	58 924	8 589
Deposits on the purchase of mining properties (note 9)	371 435	175 470
Property, plant and equipment held for sale	174 000	174 000
	<u>10 797 864</u>	<u>9 639 200</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	376 229	531 694
SHAREHOLDERS' EQUITY		
Share capital (note 6)	25 745 194	23 705 702
Warrants (note 8)	608 793	637 477
Stock options (note 7)	1 330 568	826 150
Contributed surplus	1 503 208	1 499 894
Deficit	(18 766 128)	(17 561 717)
	<u>10 421 635</u>	<u>9 107 506</u>
	<u>10 797 864</u>	<u>9 639 200</u>
Incorporation, nature of activities and going concern (note 3)		

Approved by the Board of Directors

(signed) Guy Bédard

Guy Bédard, director

(signed) Ken Crema

Ken Crema, director

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

Plexmar Resources Inc.

(an exploration company)

Interim Consolidated Statements of Deficits

For the six-month period ended June 30, 2007 and 2006

(unaudited)

	Three-month period		Six-month period	
	Ended June 30		Ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance at the beginning	(18 064 596)	(16 290 303)	(17 561 717)	(15 302 049)
Loss	(701 532)	(283 987)	(1 204 411)	(724 368)
Share issue expenses	-	-	-	(547 873)
Balance at the end	(18 766 128)	(16 574 290)	(18 766 128)	(16 574 290)

Interim Consolidated Statements of Contributed Surplus

For the six-month period ended June 30, 2007 and 2006

(unaudited)

	Three-month period		Six-month period	
	Ended June 30		Ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance at the beginning	1 503 208	1 428 260	1 499 894	511 130
Warrants matured or cancelled during the period	-	-	-	869 584
Stock options matured or cancelled during the period	-	-	3 314	47 546
Balance at the end	1 503 208	1 428 260	1 503 208	1 428 260

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Plexmar Resources Inc.

(an exploration company)

Interim consolidated Statements of Earnings

For the six-month period ended June 30, 2007 and 2006

(unaudited)

	Three-month period Ended June 30		Six-month period Ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues				
Interest	606	-	606	-
Other	(74)	-	1 232	1 369
	<u>532</u>	<u>-</u>	<u>1 838</u>	<u>1 369</u>
Expenses				
Professional and maintenance fees	159 151	97 047	401 584	377 687
Management fees	65 238	46 660	97 376	97 500
Stock-based compensation costs	483 559	47 523	553 170	98 959
General and administrative	80 582	60 067	191 197	112 400
Travelling	26 908	9 891	89 374	11 512
Depreciation of property, plant and equipment	1 139	875	2 262	1 570
Cost of mining properties abandoned	-	-	-	-
Accretion of convertible debenture	-	7 934	-	17 715
Exchange loss (gain)	(114 513)	13 990	(128 714)	8 394
	<u>702 064</u>	<u>283 987</u>	<u>1 206 249</u>	<u>725 737</u>
Loss and comprehensive for the period	<u>(701 532)</u>	<u>(283 987)</u>	<u>(1 204 411)</u>	<u>(724 368)</u>
Basic and diluted loss per share (note 10)	<u>(0,01)</u>	<u>-</u>	<u>(0,01)</u>	<u>(0,01)</u>

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Plexmar Resources Inc.

(an exploration company)

Interim consolidated Statements of Cash Flows

For the six-month period ended June 30, 2007 and 2006

(unaudited)

	Three-month period		Six-month period	
	Ended June 30		Ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash flow from operating activities				
Loss for the period	(701 532)	(283 987)	(1 204 411)	(724 368)
Items not affecting cash				
Depreciation of property, plant and equipment	1 139	875	2 262	1 570
Cost of mining properties abandoned	-	-	-	-
Accretion of convertible debenture	-	7 934	-	17 715
Stock-based compensation costs	483 559	47 523	553 170	98 959
	(216 834)	(227 655)	(648 979)	(606 124)
Change in non-cash working capital items				
Amounts receivable	(134 166)	7 658	(112 224)	(162 384)
Prepaid expenses	(45 435)	17 203	(52 944)	24 045
Accounts payable and accrued liabilities	184 151	30 063	(155 465)	285 217
Balance of purchase price payable	-	(15 985)	-	(132 285)
	4 550	38 939	(320 633)	14 593
	(212 284)	(188 716)	(969 612)	(591 531)
Cash flow from financing activities				
Issuance of share capital and warrants	36 125	1 618 069	285 370	3 605 652
Share issue expenses	-	-	-	(547 873)
	36 125	1 618 069	285 370	3 057 779
Cash flow from investing activities				
Variation in commodity taxes receivable	8	(40 071)	(7 038)	100 892
Purchase of mining properties	(1 018 028)	(428 295)	(1 808 562)	(431 876)
Additions to property, plant and equipment	(52 080)	-	(52 597)	-
Deposit on the purchase of mining properties	(195 965)	-	(195 965)	-
	(1 266 064)	(468 366)	(2 064 162)	(330 984)
Net change in cash	(1 442 223)	960 987	(2 748 404)	2 135 264
Cash - Beginning of the period	2 410 016	1 197 400	3 716 197	23 123
Cash - End of the period	967 793	2 158 387	967 793	2 158 387
Additional information				
Items not affecting cash related to financing and investing activities				
Acquisition of mining properties in consideration of the issuance of shares	1 680 000	-	1 680 000	-
Options and warrants transfer to share capital upon exercise	18 176	255 265	74 122	355 263
Interest cashed	255	-	606	-

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Plexmar Resources Inc.

(an exploration company)

Notes to Interim Consolidated Financial Statements

June 30, 2007

(unaudited)

1. INTERIM FINANCIAL INFORMATION

The financial information for the three and six-month periods ended June 30, 2007 and 2006 is unaudited and has not been reviewed by the company's auditor. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

The unaudited interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP), using the same accounting policies as the audited consolidated financial statements for the year ended December 31, 2006 with the exception of the application of new accounting standards as described in note 2 hereunder. All disclosures required for annual statements have not been included in these financial statements. These consolidated financial statements should be read in conjunction with the company's most recent annual consolidated financial statements.

2. NEW ACCOUNTING STANDARDS

On January 1st, 2007 the Company adopted the new following CICA accounting standards: section 1530 *Comprehensive Income*, section 3855 *Financial Instruments - Recognition and Measurement*, section 3865 *Hedges* and 3251 *Equity*.

The implementation of these new accounting standards had no significant impact on the financial statements of the company.

3. INCORPORATION, NATURE OF ACTIVITIES AND GOING CONCERN

The company, incorporated under the Canada Business Corporations Act, is in the business of acquiring and exploring mining properties. It has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent upon the existence of economically recoverable reserves, the ability to obtain necessary financing to complete exploration and development of the company's properties, and upon future profitable production or proceeds from the disposal of properties.

For the year ended December 31, 2006, the company recorded a loss of \$2,065,861. In addition to ongoing working capital requirements, the company must secure sufficient funding to meet its existing commitments for exploration and development programs and general and administration costs.

Management is periodically seeking additional forms of financing through the issuance of new equity instruments, the exercise of existing warrants for the purchase of common shares and the exercise of stock options to continue its activities as a going concern, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without new funding being available, the company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Although management has taken steps to verify title to mining properties in which the company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. The application of generally accepted accounting principles on a going concern basis may be inappropriate, since there is a doubt as to the validity of the going concern assumption.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of balance sheet items were the going concern assumption inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

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4. MINING PROPERTIES

	Undivided interest	Balance as at January 1st 2007	Costs incurred	Mining properties abandoned	Balance as at June 30 2007
	%	\$	\$	\$	\$
Lucma (Cascajal) (Pérou)					
Mining properties	100	70 947	-	-	70 947
Exploration costs		-	-	-	-
		<u>70 947</u>	<u>-</u>	<u>-</u>	<u>70 947</u>
Marillia I, II & III (Peru)					
Mining properties	100	150 598	-	-	150 598
Exploration costs		8 298	-	-	8 298
		<u>158 896</u>	<u>-</u>	<u>-</u>	<u>158 896</u>
Oro Del Norte I, II & III (Cascajal) (Peru)					
Mining properties	100	374 165	-	-	374 165
Exploration costs		-	-	-	-
		<u>374 165</u>	<u>-</u>	<u>-</u>	<u>374 165</u>
Gran Chimu I & II (Cascajal) (Peru)					
Mining properties	100	2 974	-	-	2 974
Exploration costs		-	-	-	-
		<u>2 974</u>	<u>-</u>	<u>-</u>	<u>2 974</u>
Angolos (Bolsa Del Diablo) (Peru)					
Mining properties	100	976 184	258 638	-	1 234 821
Exploration costs		1 416 969	345 130	-	1 762 099
		<u>2 393 153</u>	<u>603 768</u>	<u>-</u>	<u>2 996 921</u>
Almirante Miguel Grau (Peru)					
Mining properties	100	1 398 075	-	-	1 398 075
Exploration costs		35 971	36 549	-	72 521
		<u>1 434 046</u>	<u>36 549</u>	<u>-</u>	<u>1 470 596</u>
Ecuador (Escondida)					
Mining properties	100	541 225	2 540 349	-	3 081 575
Exploration costs		269 180	307 895	-	577 075
		<u>810 405</u>	<u>2 848 245</u>	<u>-</u>	<u>3 658 650</u>
		<u>5 244 586</u>	<u>3 488 562</u>	<u>-</u>	<u>8 733 148</u>

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Detailed analysis of deferred exploration costs and expenses

	June 30 2007	December 31 2006
	\$	\$
Balance at the beginning	5 244 586	1 590 198
Cost incurred during the year		
Cost of claim	2 798 987	2 478 331
Drilling	-	-
Geophysics	183 385	13 862
Sampling and analysis	23 141	197 549
Geologist and other salaries	383 327	798 828
Community relations	75 511	102 002
Fuel and maintenance of vehicles	18 975	15 999
Maintenance of facilities	-	35 914
Accommodation	-	-
Exploration equipment and maps	5 236	11 903
Mining properties abandoned	-	-
Balance at the end	<u>8 733 148</u>	<u>5 244 586</u>

5. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2007		December 31, 2006	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	\$	\$	\$	\$
Office equipment and furniture	44 475	1 213	1 719	1 144
Improvement	4 108	-		
Hardware	29 794	21 283	24 578	19 613
Camp	4 561	1 518	4 044	995
	<u>82 938</u>	<u>24 014</u>	<u>30 341</u>	<u>21 752</u>
Less: Accumulated depreciation	24 014		21 752	
Net amount	<u>58 924</u>		<u>8 589</u>	

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6. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value

Variation of issued share capital

	June 30, 2007		December 31, 2006	
	Number	Stated value \$	Number	Stated value \$
Balance at beginning	126 184 109	23 705 702	60 408 715	14 527 654
Private placements	-	-	26 448 900	2 362 734
Purchase of a mining property	4 000 000	1 680 000	2 000 000	1 340 000
Exercise of warrants	937 214	191 992	32 255 996	4 091 127
Exercise of stock options	829 166	167 500	4 320 498	1 139 468
Conversion of debenture	-	-	750 000	244 719
Balance at the end	131 950 489	25 745 194	126 184 109	23 705 702

7. STOCK OPTION PLAN

The following tables present the stock option activity since January 1, 2006 and summarize information about stock options outstanding and exercisable as at June 30, 2007 and December 31, 2006:

	June 30, 2007			December 31, 2006		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding - beginning of the period	7 275 335	826 150	0,39	4 750 000	572 797	0,21
Granted	150 000	-	0,42	8 100 000	-	0,34
Exercised	(829 166)	(45 438)	0,15	(4 320 498)	(430 776)	0,16
Matured or cancelled	(200 000)	(3 314)	0,35	(1 254 167)	(127 317)	0,21
Net stock-based compensation costs	-	553 170	-	-	811 446	-
Outstanding - End	6 396 169	1 330 568	0,42	7 275 335	826 150	0,39
Exercisable - End	4 858 667			2 067 001		0,24

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		Options outstanding		
Exercise price		Number	Weighted average remaining contractual life (years)	Prix de Weighted average exercise price \$
0,11 \$ à 0,25 \$	Directors and managers	1 779 502	2,72	0,13
0,42 \$ à 0,51 \$	Directors and managers	600 000	4,25	0,49
0,11 \$ à 0,15 \$	Consultants	116 667	3,41	0,11
0,51 \$ à 0,73 \$	Consultants	3 900 000	0,69	0,56
		6 396 169		

		Options currently exercisable		
Exercise price		Number	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0,11 \$ à 0,25 \$	Directors and managers	1 562 833	2,61	0,13
0,42 \$ à 0,51 \$	Directors and managers	225 000	4,04	0,51
0,11 \$ à 0,15 \$	Consultants	116 667	3,41	0,11
0,51 \$ à 0,73 \$	Consultants	2 954 167	0,55	0,55
		4 858 667		

The fair value of stock options granted for the six-month period ended June 30, 2007 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30 2007	December 31 2006
Weighted average risk-free interest rate	4,15%	4,06%
Expected volatility	105%	100%
Dividend yield	néant	néant
Weighted average expected life	5 ans	3,9 ans
Weighted average fair value of options granted	\$0,329	\$0,198

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Plexmar Resources Inc.

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Notes to Interim Consolidated Financial Statements

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8. WARRANTS

	June 30, 2007			December 31, 2006		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding at the beginning	7 905 404	637 477	0,33	25 502 000	1 070 065	0,24
Granted	-	-	-	26 591 400	856 803	0,18
Exercise	(937 214)	(28 684)	0,17	(32 255 996)	(419 807)	0,11
Matured or cancelled	-	-	-	(11 932 000)	(869 584)	0,38
Outstanding - End	6 968 190	608 793	0,35	7 905 404	637 477	0,33

Exercise price	Warrants outstanding and exercisable as at June 30 2007	Weighted average remaining contractual life (years)
0,10 \$	500 000	0,43
0,12 \$	1 009 833	0,11
0,41 \$	5 458 357	1,29
	6 968 190	

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Plexmar Resources Inc.

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Notes to Interim Consolidated Financial Statements

June 30, 2007

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9. AGREEMENT

On April 17, 2007, the company signed a letter of intent for the acquisition of all mining rights in Hans X, XX, XXX properties, Eldorado del norte 1 property and Virgen de Carmen de Pataz property in consideration of cash payments amounting to US\$3,500,000. During the three-month period ended June 30, 2007 an amount of US\$175,000 (\$195,965) was paid in relation with this letter of intent and this amount is presented in Deposits on the acquisition of mining properties. Other payments are as follows:

US\$100,000 at the signature of the contract
US\$225,000 six months after the signature of the contract
US\$300,000 twelve months after the signature of the contract
US\$300,000 eighteen months after the signature of the contract
US\$400,000 Twenty-four months after the signature of the contract
US\$500,000 Thirty months after the signature of the contract
US\$500,000 Thirty-six months after the signature of the contract
US\$500,000 Forty-two months after the signature of the contract
US\$500,000 Forty-eight months after the signature of the contract

Furthermore, a payment through the issuance of 2,000,000 common shares of the company shall be made as follows: 500,000 shares upon signature of the contract and approval of the transaction by the TSX Venture Exchange, 500,000 shares thirty days after the signature of the contract, 500,000 shares six months after the signature of the contract and 500,000 shares twelve month after the signature of the contract.

10. EARNINGS PER SHARE

The following table summarizes the reconciliation of the basic weighted average number of shares outstanding and the diluted weighted average number of shares outstanding used in the diluted loss per share calculations:

	Three-month period		Six-month period	
	Ended June 30		Ended June 30	
	2007	2006	2007	2006
Basic weighted average number of shares outstanding	130 082 562	84 977 844	128 625 331	93 372 175
Options	1 407 208	374 172	1 613 769	251 676
Warrants	1 068 648	1 666 280	1 924 909	1 106 253
Diluted weighted average (potentially dilutive) number of shares outstanding	132 558 418	87 018 296	132 164 009	94 730 104

For the six-month periods ended June 30, 2007 and 2006, the diluted loss per share was the same as the basic loss per share since the dilutive effect of stock options and warrants was not included in the calculation; otherwise, the effect would have been anti-dilutive. Accordingly, the diluted loss per share for those years was calculated using the basic weighted average number of shares outstanding.

Plexmar Resources Inc.

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Notes to Interim Consolidated Financial Statements

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11. RELATED PARTY TRANSACTIONS

The company entered into the following transactions mainly with companies controlled by directors:

	Three-month period Ended June 30		Six-month period Ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Management fees	65 238	46 660	97 376	97 500
Professional fees	25 000	30 000	110 000	54 000
Rent-Offices	4 950	4 950	9 900	9 900

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. CONSOLIDATED SEGMENT INFORMATION BY GEOGRAPHIC REGION

The company is organized under three geographic regions, which are Canada, Peru and Ecuador. The accounting policies used for these reportable segments are consistent with those described in the summary of significant accounting policies in the annual consolidated financial statements. The principal financial information for each of these segments is detailed as follows:

For the six-month period ended June 30, 2007

	Ecuador	Peru	Canada	Total
	\$	\$	\$	\$
Interests	-	-	606	606
Others	-	1 232	-	1 232
Professional and maintenance fees	-	-	(401 583)	(401 583)
Management fees	-	(26 694)	(70 682)	(97 376)
Stock-based compensation	-	-	(553 170)	(553 170)
General and administrative	-	(29 559)	(161 638)	(191 197)
Travelling	-	-	(89 374)	(89 374)
Depreciation of property, plant and equipment	-	(1 024)	(1 238)	(2 262)
Cost of mining properties abandoned	-	-	-	-
Accretion of convertible debenture	-	-	-	-
Exchange gain (loss)	-	131 377	(2 663)	128 714
Loss for the period	-	75 332	(1 279 742)	(1 204 410)
Segment assets	4 041 637	5 657 753	1 098 474	10 797 864
Additions to mining properties	2 848 245	640 317	-	3 488 562

13. COMPARATIVE FIGURES

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

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