SILVER SPRUCE RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS
Unaudited - see Notice of No Auditor Review

JANUARY 31, 2007

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CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE THREE MONTHS ENDED JANUARY 31, 2007 AND 2006

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Halifax, Nova Scotia.
April 2, 2007

Unaudited
CONSOLIDATED BALANCE SHEET

ASSETS

	Jan 31, 2007 $	Oct 31, 2006 $
CURRENT		
Cash	4,061,714	3,564,064
Due from joint venture partner	340,429	337,193
HST and other receivables	78,537	239,074
Prepaid expenses	54,973	400
	4,535,653	4,140,731
STAKING DEPOSITS ON MINERAL PROPERTIES	287,425	261,875
INVESTMENTS (At lower of cost or fair market value)	36,000	36,000
FUTURE INCOME TAX ASSET	1,082,600	902,400
INTEREST IN MINERAL PROPERTIES (Note 3)	1,008,375	958,427
EQUIPMENT (Note 4)	158,629	89,356
	7,108,682	6,388,789
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	191,242	157,025
Current portion of long term debt (Note 6)	8,964	8,964
	200,206	165,989
LONG TERM DEBT	30,628	32,869
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 5 (a))	6,405,748	5,927,603
WARRANTS (Note 5 (b))	1,829,325	1,786,976
CONTRIBUTED SURPLUS (Note (5(d))	715,755	534,781
DEFICIT	(2,072,980)	(2,059,429)
	6,877,848	6,189,931
	7,108,982	6,388,789

APPROVED ON BEHALF OF THE BOARD

Signed “Lloyd Hillier”, Director

Signed “Gordon Barnhill”, Director

Unaudited
CONSOLIDATED STATEMENT OF LOSS AND DEFECIT

	3 Months ended	
	Jan. 31, 2007 $	Jan. 31, 2006 $
ADMINISTRATIVE EXPENSES		
Legal fees	18,770	58,990
Stock based compensation	140,974	264,408
Management fees	24,900	10,500
Consulting fees	10,500	77,750
Accounting and auditing	2,000	3,050
Shareholders' expense	9,791	7,000
Stock exchange fees	3,397	6,991
Telephone	1,350	3,274
Office and general	20,830	9,264
Occupancy costs	7,224	1,800
Wages and benefits	-	4,263
Travel	13,165	4,342
Wages and benefits	4,263	-
Bank Charges	259	91
Depreciation	4,796	294
Loss before the undernoted	262,219	453,524
Management fees	32,592	-
Interest income	35,876	-
Loss before income taxes	193,751	453,524
Income taxes	(180,200)	-
NET LOSS FOR THE PERIOD	13,551	453,524
DEFICIT, beginning of period	2,059,429	1,651,064
DEFICIT, end of period	2,072,980	2,104,588
NET LOSS PER SHARE - Basic and diluted	0.00	(0.039)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	23,375,780	11,430,064

See accompanying notes to the financial statements

Unaudited - see Notice to Reader

CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 Months ended Jan. 31, 2007 $	Jan. 31, 2006 $
CASH FLOWS (USED IN) OPERATING ACTIVITIES		
Net (loss) for the period	(13,551)	(453,524)
Operating items not involving cash :		
Stock - based compensation	140,974	264,408
Future income tax asset	(180,200)	-
Depreciation	4,796	294
	(47,981)	(188,822)
(Increase) in deposits and prepaids	(80,123)	(170,376)
Decrease (Increase) in accounts receivable	160,537	(61,898)
(Increase) in due from joint venture partner	(3,236)	-
(Decrease) Increase in accounts payable and liabilities	34,217	(52,576)
	111,395	(284,850)
Cash flows (used in) operating activities	63,414	(473,672)
CASH FLOWS FROM FINANCING ACTIVITIES		
Exercise of warrants	76,875	(2,600)
Issuance of shares for cash	500,500	816,125
Decrease in long term debt	(2,241)	-
Share issue costs	(16,880)	(98,850)
Cash flows from financing activities	558,254	1,059,150
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mining interests and equipment	(49,948)	(68,800)
Expenditures on equipment	(74,069)	-
Cash flows from investing activities	(124,017)	(68,800)
Increase (decrease) in cash	497,650	516,678
Cash, beginning of period	3,564,064	45,435
Cash, end of period	4,061,714	562,113

SUPPLEMENTAL INFORMATION

Interest paid in the year	-	-
Income taxes paid in the year	-	-

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Spruce Resources Inc. (the "Company") was incorporated in Alberta on May 8, 1996 under the name First Labrador Acquisitions Inc. The Company changed its name to "Silver Spruce Resources Inc." on October 22, 2003. The Company's business is exploration for precious and base minerals.

There has been no determination whether the Company's interest in mineral properties held for exploration contain reserves which are economically recoverable. To date, the Company has earned no revenues and is considered to be an exploration stage company.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

The Company has a need for equity capital and financing for working capital requirements. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

The accompanying financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The accompanying financial statements have been solely prepared by management and have not been discussed or reviewed with the auditors regarding any matters whatsoever.

2. SUMMARY OF ACCOUNTING POLICIES

Principles of Consolidation:

These consolidated financial statements include the accounts of the Company and its 100% owned subsidiary, First Labrador Resources Ltd. First Labrador Resources Ltd. is inactive and has no assets or liabilities.

Mineral Exploration and Development Properties and Deferred Exploration Expenditures:

Exploration and development expenses relating to properties in which the Company has an interest are deferred until the properties are brought into production, at which time they are amortized on a unit of production basis. Other general exploration expenses are charged to operations as incurred. The cost of properties abandoned or sold and their related deferred exploration costs are expensed to operations in the year of abandonment or sale.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of properties. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company are recorded in the accounts at the time of payment.

Continued…

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Equipment and Amortization:

Equipment is stated at acquisition cost. Amortization is provided on the diminishing-balance basis at the following annual rates:

Equipment	20 %
Computer	30 %
Automotive	30 %

Income Taxes:

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

Loss Per Share:

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Stock-based Compensation Plan:

Effective November 1, 2002, the Company adopted the recommendations of CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These recommendations require that compensation for all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. This Section also sets out a fair value based method of accounting for stock options issued to employees and applies to awards granted on or after November 1, 2002. These financial statements do not reflect the effect of stock options granted before November 1, 2002.

Effective November 1, 2004, the Company adopted the revisions to CICA Handbook Section 3870, which require a fair value based method of accounting to be applied to all stock-based compensation arrangements. The fair value of each option is accounted for in operations, over the vesting period of the options, and the related credit is included in contributed surplus.

The Company's stock-based compensation plan is described in Note 5(c).

Continued…

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Investments

The Company accounts for investments at the lower of cost or fair market value.

Asset Retirement Obligations

The Company is required to record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its mineral exploration and development properties. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to mineral exploration and development properties and amortized over the useful life of the properties. The Company does not currently have any legal obligations relating to the reclamation of its mineral exploration and development properties.

Use of Estimates:

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the related reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

3. INTEREST IN MINERAL PROPERTIES

Newfoundland and Labrador	
Balance, October 31, 2006	$ 958,427
Additions	49,948
Balance, January 31, 2007	$ 1,008,375

The Company has an agreement in place with Universal Uranium Ltd., whereby 5,563 claims in Seal Lake and Central Mineral Belt properties have been staked. The Company also has a 100 % interest in 2,988 claims of which 200 claims are located in Makkovich River, 758 are located in the Double Mer Property, 1,048 claims in the Mount Benedict Property and 896 claims in the Straits Property. The Company has an agreement in place whereby it can earn a 100% interest in approximately 138 claims called the Motherlode Gold Property located in the Province of Newfoundland, subject to a net smelter royalty of 2.0%. The Company has another agreement in place whereby it can earn a 100% interest in 86 claims in Snegamook Lake, located in the Province of Newfoundland, subject to a net smelter royalty of 2.0%. See Note 12.

4. EQUIPMENT

	Cost	Accumulated Amortization	Net 2007	Net 2006
	$	$	$	$
Equipment	108,811	31,394	77,417	3,871
Computer	13,362	6,359	7,003	1,284
Automotive	85,319	11,110	74,209	-
	207,492	48,863	158,629	5,155

Continued…

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

5. CAPITAL STOCK

(a) The capital stock is as follows:

Authorized	
Unlimited number of non-voting preference shares	
Unlimited number of common shares	
Issued	
24,131,813 Common shares	$6,405,748

The following is a summary of capital stock outstanding at January 31, 2007:

	Number of Shares	Amount
	#	$
Balance, October 31, 2005	7,559,564	1,902,237
Private placement	14,492,250	4,290,135
Acquisition of property	325,000	199,800
Warrants exercised	552,499	166,749
Options exercised	120,000	51,000
Share issue costs	-	(682,318)
Balance, October 31, 2006	23,049,313	5,927,603
Private Placement	770,000	400,400
Warrants exercised	312,500	94,625
Share issue fees	-	(16,880)
Balance, January 31, 2007	24,131,813	6,405,748

During the three months ended January 31, 2007, the Company issued 770,000 units at $0.65 per unit. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $1.00 until June 20, 2008.

Continued…

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

5. CAPITAL STOCK (Continued)

(b) WARRANTS

The following is a summary of warrants outstanding at January 31, 2007

	Number of Warrants	Average Price
	$	$
Balance, October 31, 2005	1,584,000	0.31
Warrants granted	14,492,250	0.51
Warrants exercised	(552,499)	(0.24)
Balance, October 31, 2006	15,523,751	0.50
Warrants granted	385,000	1.00
Warrants exercised	(312,500)	(0.25)
Warrants expired	(400,000)	(0.50)
Balance, January 31, 2007	15,196,251	0.52

Summary of warrants outstanding at January 31, 2006 :

Number of Warrants	Exercise Price	Fair Value of Warrants	Expiry Date
#	$	$	
176,500	0.15	7,060	February 26, 2007
500,000	0.30	30,000	November 14, 2006
5,383,751	0.30	323,025	December 10, 2007
8,751,000	0.65	1,369,140	November 18, 2007
385,000	1.00	100,100	June 22, 2008
		1,829,325	

The grant date fair value of the warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate at 4%, expected life of 1.5 years, dividend rate at 0% and volatility of 100%.

(c) Stock Options

The Board of Directors of the Company has adopted a stock option plan for the Company. Pursuant to the plan, the board of directors of the Company may allocate common shares to its directors, officers and certain consultants. The aggregate number of stock options to be granted under the plan should not exceed 10% of the issued and outstanding capital of the Company and the aggregate number of shares reserved for issuance to anyone person shall not exceed 5% of the issued and outstanding common shares. The options are non-transferable and non-assignable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the board of directors of the Company at the time of grant at the market price of the common shares, subject to all applicable regulatory requirements. All options are exercisable upon issuance.

Continued…

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

5. CAPITAL STOCK (Continued)

(c) Stock Options (Continued)
Stock option activity for the period ended January 31, 2006 and October 31, 2005 is summarized as follows :

	Common Shares #	Exercise Price $
Balance, October 31, 2005	600,000	0.30
Granted	1,812,800	0.65
Cancelled	(244,000)	0.52
Exercised	(120,000)	0.30
Balance, October 31, 2006	2,048,800	0.58
Granted	585,000	0.52
Balance, January 31, 2007	2,618,800	0.57

(d) Contributed Surplus
The following is a summary of contributed surplus activity:

Balance, October 31, 2005	74,948
Employee stock - based compensation	368,741
Exercise of options	(15,000)
Brokered stock options	106,092
Balance, October 31, 2006	534,781
Employee stock - based compensation	140,974
Warrants expired	40,000
Balance, January 31, 2007	715,755

6. LONG TERM DEBT

Chattel Loan Payable	$ 39,592
Less due in 12 months	8,964
Long term portion	$ 30,628

Repayable at $ 747 monthly, principle plus 0% interest, in 60 equal installments secured by 2006 GMC vehicle.

7. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities as at January 31, 2007 is $ 86,396 (2006 - $15,632) owing to directors of the Company. Related parties were also reimbursed for out of pocket expenses.

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

Continued…

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

7. FINANCIAL INSTRUMENTS

Fair Value:

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

The carrying amounts for cash, amounts receivable, deposits and prepaid expenses, loan receivable and accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments.

8. SUBSEQUENT EVENTS

Subsequent to the period end, the Company granted 200,000 stock options at a price of $0.65 per share for a period of 5 years with vesting on a quarterly basis over the first year of the option term to its investor relations firm.

9. CONTINGENT LIABILITIES

On January 13, 2006 the Company entered into an agreement to purchase 138 gold claims on approximately 4,200 hectares of land called the Motherlode Gold property located in the province of Newfoundland, for $55,000.00 cash and 200,000 shares, payment as follows: year one $25,000 cash and 150,000 shares with a value of $0.76 each totaling $114,000 (already paid), year two cash payment of $ 15,000 and delivery of 25,000 shares and year three cash payment of $15,000 and delivery of 25,000 shares. The Company has a work commitment in place whereby it must spend $800,000 on exploration over three years to earn a 100% interest subject to a 2% NSR. If either party terminates the agreement, then any unpaid amounts and undelivered shares is forfeited.

During the year ended October 31, 2006, the Board of Directors agreed to pay a finders fee of 265,000 shares at a value of $0.50 per share to an agent of the Company upon a successful consummation of a contract to joint venture its uranium exploration and development within the regions of Central Mineral Belt and Seal Lake with Universal Uranium Ltd. On January 17, 2006 a contract was executed and signed by both parties. Upon the Company receiving a deposit from Universal Uranium Ltd., it agreed to release 165,000 shares leaving a balance of 100,000 shares to be paid at a later date. If either party terminates the agreement then any and all undelivered shares will be forfeited.

On February 28, 2006 the Company entered into an option and royalty agreement on The Double Mer Property which allows the Company to own the 758 claims in six licenses outright. Terms of the agreement is that Silver Spruce Resources paid $12,000 on execution of the agreement and pays $12,000 on each of February 28, 2007 and 2008. In addition a 1% Net Smelter Return royalty ("NSR") is payable derived from commercial production from the property. At any time during the agreement if the Company terminates the agreement by abandoning the property the other party has the option to re-license the claims, at his cost, in his own name. Any unpaid monies will be forfeited.

Unaudited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2007

9. CONTINGENT LIABILITIES (Continued)

On March 15, 2006 the Company entered into an option and royalty agreement on The Straits Property which allows the Company to own the 800 claims in four licenses outright. Terms of the agreement are that the Company pay $12,000 on execution of the agreement and pays $12,000 on each of March 15, 2007 and 2008. In addition a 1% Net Smelter Return royalty ("NSR") is payable derived from commercial production from the property. At any time during the agreement if the Company terminates the agreement by abandoning the property the other party has the option to re-license the claims, at his cost, in his own name. Any unpaid monies will be forfeited.

On June 27, 2006 the Company entered into an option and royalty agreement on The Snegamook Property which allows the Company to own the 86 claims in four licenses outright. Terms of the agreement is that the "Company" paid $8,000 and 10,000 common shares of the Company on execution of the agreement and pays $8,000 and 10,000 common shares on each of June 27, 2007 and 2008. In addition a 2% Net Smelter Return royalty ("NSR") is payable derived from commercial production from the property. At any time during the agreement if the Company terminates the agreement by abandoning the property the other party has the option to re license the claims, at his cost, in his own name. Any unpaid monies will be forfeited.

Silver Spruce Resources Inc.
Management Discussion & Analysis
For the Quarter Ended January 31, 2007

Containing information up to and including March 15, 2007

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Silver Spruce Resources Inc**.** (the "Company") financial statements. The information provided herein should be read in conjunction with the Company's unaudited financial statements and notes for the quarters ended January 31, 2007 and 2006. The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review Company statutory filings on www.sedar.com and to review general information including reports and maps on the Company's website at www.silverspruceresources.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

The Company is a mineral exploration company engaged in the acquisition and exploration of mineral properties (primarily uranium, base and precious metals). The Company's business is focused on the exploration and evaluation of various mineral deposits in the Province of Newfoundland and Labrador and elsewhere in the world. The Company does not have any producing mineral properties at this time.

SELECTED QUARTERLY INFORMATION

Selected financial indicators for the past nine quarters are shown in the following table:

	Jan 06 Quarter	**Oct. 06 Quarter**	July 06 Quarter	April 06 Quarter	Jan.06 Quarter	**Oct. 05 Quarter**	July 05 Quarter	April 05 Quarter	Jan. 05 Quarter
Total Revenue	68,468	**94,065**	44,063	15,067	Nil	**Nil**	Nil	Nil	Nil
Earnings (loss) for the period	(13,551)	**(51,740)**	458,020	(361,121)	(453,524)	**(7,864)**	(27,100)	(53,035)	(46,730)
Earnings (loss) per Share (Basic)	0.00	**.0001**	.023	(0.026)	(0.039)	**(0.011)**	(0.005)	(0.01)	(0.009)
Earnings (loss) per Share (Diluted)	0.00	**.0001**	.021	(0.026)	(0.039)	**(0.011)**	(0.005)	(0.009)	(0.009)
Total Assets	7,111,982	**6,388,789**	6,617,950	1,428,698	1,376,684	**559,406**	241,838	242,324	244,539
Total long-term liabilities	30,628	**32,869**	34,364	Nil	Nil	**Nil**	Nil	Nil	Nil
Cash dividends declared	Nil	**Nil**	Nil	Nil	Nil	**Nil**	Nil	Nil	Nil

Continued …

Containing information up to and including March 15, 2007

Results of Operations for the three months ended January 31, 2007 and three months ended January 31, 2006.

For the three months ended January 31, 2007, the Company had a net loss of $ 13,551 (earnings per share - $ 0.00) compared to a net loss of $ 453,524 (loss per share - $0.039) for the same period in the prior year. The earnings is comprised of revenues of $ 68,468 (2006 – $ Nil), less general and administrative expenses of $ 116,449 (2006 – $ 188,822), amortization expense of $ 4,796 (2006 - $ 294), less recovery of income taxes of $ 180,200 (2006 – $ Nil).

The major expense categories were stock based compensation $ 140,974 (2006 – $ 264,408); consulting fees of $ 10,500 (2006 - $ 77,750); management fees $ 24,900 (2006 - $ 10,500); legal fees $ 18,770 (2006 - $ 58,990; travel expenses $ 13,165 (2006 - $ 4,342); amortization $ 4,796 (2006 - 294); and office and miscellaneous expenses $ 20,830 (2006 - $ 9,264).

During the three months ended January 31, 2007, the Company spent a total of $ 49,948 on its properties compared to $ 68,800 incurred during the three months ended January 31, 2006.

NEWFOUNDLAND AND LABRADOR

The Company has acquired 9773 claims with uranium potential in the Central Mineral Belt (CMB), Seal Lake, Double Mer , Mount Benedict, Snegamook, Makkovik River and the Straits areas of Newfoundland and Labrador up to March 15, 2007. The Company has entered into an option agreement with Universal Uranium Ltd. to fund the costs of exploration on 5,563 of the claims in the CMB and Seal Lake areas. Universal has to spend $ 2,000,000 prior to April 1, 2008 to acquire a 60% ownership in these claims.

In each of past nine quarters, the Company incurred the following expenditures on exploration of properties:

Expressed in $	**Jan 07 Quarter**	**Oct 06 Quarter**	July 06 Quarter	April 06 Quarter	Jan.06 Quarter	**Oct. 05 Quarter**	July 05 Quarter	April 05 Quarter	Jan. 05 Quarter
Seal Lake		**Nil**	Nil	763	24,878	**25,206**	Nil	Nil	Nil
Central Mineral Belt		**3,000**	Nil	1,094	8,891	**21,999**	Nil	Nil	Nil
Double Mer		**71,228**	34,188	50,268	7,755	**Nil**	Nil	Nil	Nil
Mount Benedict		**185,470**	23,448	26,992	4,920	**Nil**	Nil	Nil	Nil
Straits		**39,711**	35,787	52,080	8,000	**Nil**	Nil	Nil	Nil
Snegamook		**2,164**	14,825	Nil	Nil	**Nil**	Nil	Nil	Nil
Makkovik River		**2,000**	Nil	Nil	Nil	**Nil**	Nil	Nil	Nil
Reid Lot 50		**Nil**	Nil	(6,500)	3,031	**(25,092)**	Nil	5,582	Nil
Motherlode		**39,709**	103,522	127,683	10,525	**18,288**	Nil	Nil	Nil
Genex		**4,310**	3,280	701	Nil	**Nil**	Nil	Nil	Nil

Continued …

Containing information up to and including March 15, 2007

PROPERTIES - URANIUM

General

A fully winterized camp was permitted and built on a peninsula on the southern bank of the Kanairiktok River in October 2006. Fall work mainly on the CMBNW block, was curtailed in late October 2006, due to snowfall and onset of winter conditions. The diamond drilling program on the CMBNW block, Two Time showing, was carried out in early to mid December 2006, with the camp de-mobbed on December 17, 2006 for Christmas. A skidoo trail was cut from the north end of the baseline to the Kanairiktok River for skidoo access for the diamond drilling.

The crew returned to the camp to begin a winter drilling program in late January 2007. The second phase drill program began on February 02, 2007. .

All samples including rock, soil, stream and core, were shipped by courier or air to Activation Laboratories in Ancaster ONT, for analysis for U by delayed neutron counting (DNC) and ICP for 31 elements. The DNC technique gives accurate results for U values up to 1 % U_3O_8.

Central Mineral Belt (CMB) / Seal Lake (SL) Properties

Central Mineral Belt

General

The Central Mineral Belt properties, acquired by staking and now part of the Silver Spruce/Universal Uranium option agreement, are located inland from the Postville-Makkovik area of Labrador, approximately 150 kilometers north and northeast of Happy Valley-Goose Bay. The properties consist of 3,094 map-staked claims of 25 hectares each (773.5 km^2) in 10 separate blocks and 39 licenses.

The claims cover uranium in lake sediment anomalies located by the Newfoundland and Labrador government with anomalous values ranging from 8 to 98 ppm, with many in the 20 to 70 ppm range, against a background of <5 ppm hosted in felsic volcanic, sedimentary and plutonic rocks, with potential for unconformity style deposits similar to those in the Athabasca Basin, iron oxide copper gold deposits such as the Olympic Dam, shear hosted style uranium deposits such as the Michelin and granite hosted deposits such as the Rossing Mine in Namibia. The properties are proximal to the Michelin, Moran Lake and other uranium showings being explored by Aurora Energy, Crosshair Exploration and Mining, and Santoy / Monster Copper. The Michelin / Jacques Lake deposits host a resource of approximately 98 M lbs of U_3O_8 (Aurora Energy press release – Feb. 13, 2007). The CMB is the most active uranium exploration play in Canada outside of the Athabasca basin.

Geological Setting / Deposit Types / Mineralization

The Central Mineral Belt (CMB), part of the north eastern Laurentian Shield, is an area of Archean to Mesoproterozoic crustal units, located in eastern Labrador. It contains part of the Nain, Makkovik, and Churchill tectonic provinces and is overprinted in the south by the exterior thrust belt of the Grenville province. It is comprised of six protoerozoic suprcrustal sequences, intrusive suites of various ages and adjacent Archean units.

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Deformation from the Makkovikian, Labradorian and Grenvillian orogenies has affected the CMB. The two main units of interest for uranium exploration, to this point, within the CMB are the Aillik and Post Hill Groups, within the Aillik domain, where the Michelin deposit (Aurora), the Kitts deposit (on the LIL EML) and the Moran Lake deposits (Crosshair) are located. The Aillik Group consists of approximately 5 km of metasedimentary units, bimodal metavolcanic units (primarily felsic), sub volcanic intrusive and daibase dikes, with a lower mainly metasedimentary section and an upper mainly fragmental, felsic volcanic section. The Post Hill Group consists of approximately 2.7 km of metamorphosed siliceous and carbonaceous clastic sedimentary and mafic metavolcanic units in contact with Archean gneiss. It is generally highly strained and occurs in thrust sheets near Kaipokok Bay. The uranium mineralization, in the Post Hill and Aillik Groups, along with associated deformation, amphibolites facies regional metamorphism and metasomatism is thought to be associated with the Makkovikian orogeny from 1.9 to 1.7 Ga.

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Previous Work

Brinex carried out exploration over their mineral concession in the area in the 1950's and 60's, with the first discovery of uranium made in 1956 and the Kitts Deposit explored by drilling and underground development in 1957. A mining plan for the Kitts and Michelin deposits was completed in the mid 1970's but the drop in uranium prices around this time led to the abandonment of uranium exploration in Labrador by Brinex and the surrendering of its concessions in 1983 and 1985. The majority of airborne radiometric, magnetic and electromagnetic surveys in the Michelin and Kitts region of the CMB were completed by Brinex during their exploration, however, the coverage is not complete or consistent. In many cases, the original data from these surveys is not available.

A joint venture between Brinex and **Urangesellschaft Canada Ltd.** and a related airborne gamma-ray spectrometer survey by Barringer Research in 1967 resulted in the discovery of the Michelin in 1968 and later the Gear, Inda and Nash prospects in 1968 and 69 during a ground follow-up of the airborne anomalies. The data is old, and was flown mainly at wide flight line spacing.

The **Altius / Fronteer** joint-venture (now **Aurora Energy**) was formed in 2003 to evaluate the IOCG potential of the area. In the course of this work, shear zone hosted uranium potential was noted and the widespread hematite / chlorite / epidote / actinolite alteration associated with uranium mineralization, in the Aillik and Post Hill groups resulted in blanket staking of the portions of these groups covering the known showings. Airborne spectrometer surveys in 2004 and 2005 resulted in the definition of the known showings plus new targets in the Michelin, Otter Lake and Jacque's Lake areas, which are in the process of being explored. Uranium mineralization in the CMB is associated with hydrothermal breccias with well oxidized wall rocks and dark, hornblende rich, fracture fillings. Known showings include: Gear, Inda and Nash in the Post Hill Group and the McLean (Jacque's Lake), Emben (Otter Lake), Melody Hill, White Bear Lake, Melody Hill, Michelin, Michelin East and Rainbow in the Aillik Group. The Michelin and Jacques Lake deposits host resources of approximately 98 M lbs of U_3O_8 (Aurora press release – Feb 13, 2007) and are the most advanced of the projects. They are localized in high strain structural zones that parallels east-northeast trending and south dipping stratigraphic zones, and are hosted in sheared (foliated and deformed), metamorphosed felsic volcanic and volcanclastic units in which the quartzo-feldspathic groundmass is recrystallized. The Michelin deposit has been traced to 700 m vertical depth and over a strike length of 1200 m and remains open on strike and down dip. Grades average 0.12 % U_3O_8 range with thicknesses of up to 30 m, averaging > 10 m, as high grade shoots within a 50 m + deformed / altered zone. Hematite alteration is ubiquitous in the mineralized zone.

High grade values are found in the Otter Lake showing (0.5 m of 1 % U_3O_8) and boulders averaging 8.4 to 11 % % U_3O_8 are found in the Melody Hill area (Aurora prospectus) indicating that high grade potential does exist in the CMB.

Crosshair Exploration and Mining optioned the Moran Lake property in the winter of 2005 and flew an airborne survey that summer. They are exploring for unconformity style uranium mineralization in the northern portion of their claims, iron oxide copper gold (IOCG) mineralization in the central area and shear zone hosted uranium in the southern portion of their property. Their main target is the copper / uranium / magnetite / hematite mineralized zones of the Moran Lake A, B and C deposits, discovered and drilled by Shell Canada in the 1970's, which are peripheral to large gravity anomaly possibly representative of a Olympic Dam type target. Drilling has been carried out in 2006 and is ongoing in 2007. Some of the better intersections include: DDH ML-21 - 0.135 % U_3O_8 over 30.3 m and DDH MLBZ-1 - 0.269 % U_3O_8 over 7.6 m from the Moran C zone. Other significant values have been intersected in the Area 1, Moran Heights and Dominion zone areas.

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Santoy Exploration / Monster Copper have been carrying out exploration in the CMB also since 2005. Airborne surveys followed by ground follow up has resulted in a number of showings being located. Drilling in 2006 on known Brinex showings gave significant results in the Anomaly 7 area - DDH A7-05-01 2.7 m at 0.278 %; and the Mustang / Fishhook Lake area which gave values up to 0.12 % U3O8 over 9.11 m (DDH SP-06-10). They are continuing to explore their properties.

2006 Exploration

The properties were covered by an airborne radiometric / magnetic survey carried out under contract by Fugro Airborne Surveys, in the summer of 2006. Line spacing was 100 m with a total of 8059 line km flown. The CMB area gave a of 17 high priority targets which were selected for priority follow up. These included 4 on the Jacques Lake property, 2 on the CMB NW property, 4 on the CMB SE property, 1 on the CMB E property and 6 on the CMB NE property, however many other lower priority targets are also shown. The targets were selected on the basis of U/Th ratios, using the 95th percentile; total uranium, total field magnetics and geology. Ground follow up, consisting of prospecting using hand-held scintillometers, using a helicopter supported, five man crew, was carried out from late August to late September.

Prospecting – Prospecting was carried out in conjunction with stream sediment sampling utilizing helicopter support. A total of 33 rock samples were taken. U and ICP analyses showed no significant values.

Geochemistry (Stream sediments) - Samples were taken on the CMBNW block in conjunction with prospecting, on streams draining into the Kanairiktok River and Snegamook Lake. Forty six (46) samples were acquired. A total of 13 were considered to be anomalous (> 20 ppm U) with sample values varying from 1.4 to 117 ppm U. The two most anomalous streams were the two streams draining the ponds which lie to the south and southwest of the Two Time showing, where an anomalous lake bottom value is found. The highest value (117 ppm U) was found in the vicinity of the soil anomalies on the southern part of the Two Time grid. Other weaker anomalous values were noted in streams to the east along the Kanairiktok River and in the streams draining into Snegamook Lake from the north. ICP results remain pending.

Two Time Showing

The only significant showing located in the airborne follow up on the CMB properties was coincident with the CMBNW 2 anomaly, located on the Kanairiktok River, just to the east of Snegamook Lake. The "Two Time" showing, uranium mineralization with grab sample values from 20 ppm to 0.28 % U_3O_8 in an altered / brecciated felsic intrusive, probably a monzonite, was located just to the south of the Kanairiktok River, on the valley edge, where it outcropped. The zone was traced over an area of 300 m by 50 by prospecting, gridding, ground scintillometer surveys and hand trenching.

Prospecting – Twenty two (22) rock samples, which gave significant scintillometer values with 8 > 10,000 cps (upper limit of instruments) were taken over an area of approximately 300 m by 50 m, along the trend of the radiometric anomaly. Values ranged from 2783 to 18 ppm U_3O_8. Eight samples gave individual values > 0.1 % U_3O_8 with 12 samples averaging > 0.05 % U_3O_8. Re-analysis using pulps and rejects gave comparable values. The host rock is a felsic intrusive which has been brecciated and fractured with red earthy hematite and a grey mineral, possibly uraninite, associated with the fractures. Uranophane, a yellow alteration product of uranium, has been tentatively identified in the field.

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Containing information up to and including March 15, 2007

Gridding - A baseline was cut for control extending from 2+25 S at a small pond, to 5 N, for a total length of 725 m. Lines were flagged to the east and west of the baseline for approximately 200 m, for control of soil geochemistry and scintillometer surveys.

Soil Sampling - B horizon soil samples were taken on the grid at 25 m intervals on lines 25 m apart. In the northern portion of the grid, a total of 28 samples gave anomalous values (> 2 ppm) ranging from 2.1 to 5220 ppm, with 6 samples giving values greater than 50 ppm U. The only anomalous values found coincident with the trenched mineralization were on Lines 2+75 and 3 N just east of the baseline, where values from 4.9 to 700 ppm U were found. The three strongest values, all over 500 ppm U, were located on Lines 3, 3+25 and 3+50 N at 0+50 E, giving results of 700, 5220 and 674 ppm, and lying on strike and down slope from the Cliff showing. The anomalous zone is traced from 2+75 to 4+50 N, at approximately 0+50 E, a distance of 175 m
In the southern portion of the grid, values up to 532 ppm U (0+25 S, 1 W), with 20 anomalous samples (> 2 ppm) were located. Background is < 2 ppm. Two trends were noted – the strongest extending from Line 0+25 S, 1-1+50 W with values of 532, 197 and 38.1 ppm across Line 0+50 S, 1+25–1+50 W, 134 and 53.2 ppm, across Line 0+75 S, 1+50-1+75 W, 74.3 and 4.5 ppm, to Line 1+00 S, 1+75 W, 47 ppm. The second trend lies along a possible southern extension of the mineralization tested by the trenching, extending from 1+00 S, 1 W - 21.6 ppm, across Line 1+25 S, 0+50-1+00 W - 9.1, 46.1 and 59.9 ppm, across Line 1+50 S, 0+75-1+00 W - 2.1 and 3.5 ppm, to Line 1+75 S, 1+00 W - 6.4 ppm U. The southernmost trench (# 6) was flanked to the east by two weakly anomalous samples of 3.4 and 3 ppm at 0+25 and 0+50 W and to the west, the most anomalous sample located, 532 ppm at 1+00 W, 25 m downhill from trench 6. The geological crew noted a “radioactive spring” near the high sample site. It could not be trenched due to excessively wet, boggy conditions. The high values on the western trend to the west and south of Trench 6 may be related to downhill movement of soils (creep) or groundwater leaching from the mineralized zone tested by trench 6, however the values further south are unlikely to have been derived from the known mineralization as they lie to the west of the brook coming out of the small pond. This pond gives a lake bottom anomaly of 46 ppm U and this might be explained by U mineralization extending along the more eastern trend into the pond.

Trenching - Six hand dug trenches were emplaced across the mineralized, radioactive zone, over a strike length of approximately 300 m and across a width of 30-50 m. The zone extends, in an approximate north-south direction, from the “Cliff zone”, the northernmost mineralization, at approximately 2+75 N to Trench 6, the southernmost trench, at approximately 0+25 S. The trenches were targeted using anomalous scintillometer readings. Channel samples at 1 m intervals were taken using a chisel to remove the rock between the parallel saw cuts. The cliff face was chip sampled. A description of the trenches and scintillometer results follows:

Trench 1 – 0+87.5 N; Samples 4126-34 (9); 200 to > 10 K, generally 500 to 2 K cps.
Trench 2 – 1+25 N; Samples 4135-42 (8); 200 – 4200, generally > 1K cps
Trench 3 – 1+65 N; Samples 4205-11 (7); 200 to 3900, generally 1-3 K cps
Trench 4 – 2+05 N; Samples 4170-98 (29); 200 to 3600, generally 500-1500 cps.
Trench 5 – 2+45 N, Samples 4143-50 (8); 800-9700, generally 1-2 K cps
Trench 6 – 0+75 S, Samples 4199-4204 (6); no cps readings taken
Cliff face – 2+75 N, Samples 4151-69 (19), no cps readings taken due to the mass effect of the cliff face.

The highest grades were located in Trench 5 which gave 324 ppm U_3O_8 over 5 m. Two other trenches gave values over 300 ppm including Trench 2 – 304 ppm over 4 m and the Cliff showing at 315 ppm over 6 m. The other trenches gave U_3O_8 values as follows: Trench 1 – 214 ppm over 3 m, Trench 3 – 223 ppm over 3 m, and Trench 4 – 217 ppm over 3 m. The two highest values were 807 and 506 ppm U_3O_8 over 1 m each in the Cliff and Trench 5 respectively.

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Petrology

Four polished thin sections were prepared from the U enriched surface rocks. They were submitted to Caracle Creek International Consulting, for petrology using transmitted and reflected light followed by scanning electron microscope (SEM) work to identify the minerals, especially the U minerals. The rocks consist dominantly of sodic (Na rich) plagioclase, with minor K-spar and quartz, which are strongly brecciated and altered (abundant carbonate, chlorite and hematite). The uranium minerals are uraninite and brannerite (U / Ti oxide), and hydrated equivalents. Some of the uraninites contain Ce (cerium). The U mineralization is associated with carbonate–chlorite alteration in strongly altered breccias – a fractured / brecciated, mainly sodium feldspar rich rock unit, considered to be an altered monzonite or monzodiorite. Iron and Ti oxides are also abundant. The opaque minerals are spatially associated with the chlorite in veins but also occur disseminated in the breccia matrix.

Diamond Drilling

General

A total of 812 m in five drill holes tested the Two Time showing in December 2006 defining a wide zone of uranium mineralization. Drilling in late January and February further defined the mineralization and the two holes reported on in early March bring the total drilled to 1257 m in 6 holes. DDH CMB-07-6, gives the highest grades and thickest widths discovered to date.

Drilling Summary

The December, 2006 drilling defined a wide zone of low grade uranium mineralization in three of five holes. The best mineralization was located in DDH CMB-06-3, which gave 82.4 m of 0.021 % uranium oxide (U_3O_8), or approximately 0.5 lbs / ton, from 83.5 to 165.9 m, including two higher grade zones of 0.13 % U_3O_8 over 1.6 m from 100.8 to 102.4 m and 0.13 % U_3O_8 over 1.4 m from 106.1to 107.5 m. The host for the mineralization is a brecciated / fractured felsic intrusive, carrying extensive chlorite, carbonate and hematite alteration. Four of the five holes give narrow zones grading over 0.1% uranium oxide (U_3O_8) within wider zones of lower grade mineralization. Hole #4 which tested the high soil values to the north of the cliff zone, gave only low scintillometer values in interfingered felsic and mafic intrusives, and was not sampled.

At the start of the 2007 drill program, DDH CMB-06-5 was extended 85.4m from 140.2m to 225.6 m. Uranium mineralization was located in the interval between 170m and 195m giving three zones, two grading 0.02% to 0.03% U_3O_8 and the third zone graded 0.088% U_3O_8 over 3.4m from 180.8m to 184.2m.

A wide zone of uranium mineralization was intersected in DDH CMB-07-6, which was drilled under DDH CMB-06-5 at a 50 degree dip, intersecting the zone between 150m and 200m deep. This hole gave 107m of 0.052% uranium oxide (U_3O_8) from 172m to 279m, including higher grade zones: 0.11% U_3O_8 over 30m from 172m to 302m including 0.312% U_3O_8 over 3.0m from 172m to 175m. This is the deepest intersection to date and may indicate that the zone is increasing in size and grade to depth. The host for the mineralization is an altered, brecciated and fractured felsic intrusive, a monzonite to monzodiorite, which carries extensive chlorite, carbonate and hematite alteration.

The mineralized zone appears to be near vertical to steeply dipping to the east at 75 to 80 degrees, indicating that drill intersections are probably one half to two thirds true width. The zone has been traced over a 200m plus strike length from Line 1+25 N where CMB-06-2 gave 71.5m of 0.015% U_3O_8 to Line 0+50 S, where CMB-06-5 gave 59.2m of 0.024% U_3O_8. It appears to narrow to the north, where CMB-06-1 gave 15.8m of 0.033% U_3O_8. Stronger mineralization is located in

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the southern portion of the grid where anomalous soil geochemistry indicates the zone may continue under a small pond.

Selected analytical values for the sections sampled are shown in the table below. A plan map of the drilling, plus a section through DDH's 3, 5 and 6, are shown on Silver Spruce's and Universal Uranium's websites.

TABLE 1
ANALYTICAL RESULTS
Diamond Drilling – CMBNW Property – Two Time Showing

DDH #	From	To	Length m	% U_3O_8	lbs / ton U_3O_8
CMB-06-1	41.7	57.5	15.8	0.0326	0.65
incl.	41.7	44.8	3.1	0.0494	0.99
incl.	42.9	43.6	0.7	0.14	2.8
incl.	42.9	43.1	0.2	0.28	5.66
incl.	51.3	53.3	2.0	0.0546	1.09
CMB-06-2	90.0	161.5	71.5	0.0148	0.30
"	126.2	126.6	0.4	0.104	2.08
"	136.1	139.9	3.8	0.0394	0.79
CMB-06-3	83.5	165.9	82.4	0.0211	0.42
" incl.	83.5	107.5	24.0	0.0404	0.81
" incl.	86.8	93.7	6.9	0.0561	1.12
"	100.8	102.4	1.6	0.13	2.6
"	106.1	107.5	1.4	0.13	2.6
"	159.8	161.9	2.1	0.0766	1.53
CMB-06-4	No	Samples	Taken		
CMB-06-5	44.0	103.2	59.2	0.0238	0.48
	46.0	56.0	10.0	0.0417	0.83
	97.2	97.5	0.3	0.1639	3.28
CMB-06-5 ext	169.9	172.0	2.1	0.021	0.42
	180.8	184.2	3.4	0.088	1.76
	189.6	195.2	5.6	0.031	0.62
CMB-07-6	172.0	279.0	107.0	0.052	1.04
incl.	172.0	202.0	30.0	0.11	2.2
incl.	172.0	175.0	3.0	0.312	6.24
incl.	177.3	173.7	0.4	1.19	23.8
and	179.0	187.0	8.0	0.137	2.74
and	192.0	198.0	6.0	0.143	2.86
	303.0	307.0	4.0	0.05	1.0

All core showing significant scintillometer values was cut and analyzed. Core samples were halved by sawing on site, with one half sent for analysis and the other half retained for further study.

ICP analyses showed no significant values in other elements. Highest anomalous values were 1.6 ppm Ag (background < 0.2 ppm) and 130 ppm Pb (background 30 ppm) in sample 10562 which gave also 2400 ppm U, and 101 and 173 ppm Cu (10558, 10559) in the mafic intrusive in CMB-06-1, which had significant disseminated pyrite. Elevated Ba to 1160 ppm (background < 100), and La to 48 ppm (background < 10 ppm) were also noted. The ICP values for U are consistent with the DNC values although generally 10-20 % lower – for example 10562 gave 1950 U in ICP and 2400 ppm in DNC and 10567 gave 157 U in ICP and 173 ppm in DNC.

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Drill Hole Summaries

CMB-06-1 2+52 N, 0+02.5 E 618221E, 6048036N 070/-45 170.7 m
Samples 10551-10569 (19)

0 - 5.9 Overburden
5.9 - 70.2 Felsic Intrusive – dk, siliceous

70.2 - 137.0 Mafic Intrusive – gy/grn, chloritic;
137.0 - 170.7 Mafic intrusive – dk grn, amphibolitic
170.7 - EOH

CMB-06-2 1+52 N, 0+73 W 618182E, 6047932N 071/-45 161.5 m
Samples 4102-4125, 4076 (25)

0 - 11.8 Overburden
11.8 - 161.5 Felsic Intrusive – chlorite prevalent
161.5 - EOH

CMB-06-3 0+25 S, 1+00 W 618221E, 6047759N 070/-45 193.2 m
Samples 4077-4097 (21)

0 - 4.4 Overburden
4.4 - 193.2 Felsic Intrusive – brecciated / fractured; extensive chlorite, hematite in fractures
193.2 - EOH

CMB-06-4 3+25 N, 0+26 E 618221E, 6048126N 071/-45 146.4 m
No samples taken

0 - 21.3 Overburden
21.3 - 120.7 Interfingered felsic / mafic intrusives
120.7 - 146.4 Felsic intrusives – no significant anomalous radioactivity
146.4 EOH

CMB-06-5 0+50 S, 0+83 W 618250E, 6047746N 070/-45 140.2 m
Samples 61001-61011 (11)

0 - 4.5 Overburden
4.5 - 62.0 Felsic Intrusive – brecciated / fractured
62.0 - 68.4 Mafic Intrusive – amphibolitic
68.4 - 225.6 Felsic Intrusive – bracciated / fractured, some mafic dikes
225.6 EOH

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Containing information up to and including March 15, 2007

CMB-07-6

Planned Work

On the CMB properties in general, only compilation will be carried out over the winter months. In the summer, starting in mid to late June, prospecting, geological mapping, geochemical and possibly geophysical surveys will cover all the claim blocks. The CMBNW property will be covered by a closely spaced lake bottom survey in the winter of 2007 to define other targets for summer follow up. Summer work on the CMBNW property, beginning in mid to late June, will include line cutting, detailed prospecting, geological mapping, geochemical and geophysical surveys. The western portion of the CMBNW block will be covered by an airborne magnetic / radiometric survey. The Two Time showing will be tested along strike and to depth by a significant follow up, 3rd phase drill program, once all data has been received and plotted.

Seal Lake

General

The Seal Lake (SL) properties, also included in the Universal Uranium option, consist of 2,469 map-staked claims of 25 hectares each (617.25 km^2) in three separate blocks and 38 licenses, located in the Naskaupi River area to the west of Postville-Makkovik, approximately 150 kilometers to the northwest of Happy Valley-Goose Bay. The claims cover extensive copper mineralization in mafic volcanic units and uranium in lake sediment anomalies located by the Newfoundland and Labrador government with anomalous values ranging from 10 to 213 ppm against a background of <5 ppm. No significant uranium exploration has covered this area.

Previous Work

Occurrences of copper, silver, uranium, rare earth elements (REE's), nickel, platinum group elements, cobalt and titanium-vanadium are noted in the Seal Lake area. Copper occurrences are similar to the White Pine, Calumet-Hecla and Kearsarga deposits in Michigan with the majority of the occurrences located to the south of Seal Lake, extending from the east end of Whisky Lake to the western end of Adeline Lake, and from Seal Lake south to Salmon Lake, a distance of approximately 50 km.

Detailed uranium exploration, similar to that done in the CMB to the east, has not been carried out in the Seal Lake area prior to the Silver Spruce work, with only limited work carried out by Brinex in the 1960's and 70's. In 2005, Silver Spruce exploration, limited prospecting and stream sediment sampling, gave insignificant results.

2006 Exploration

Airborne Radiometrics / Magnetics - The properties were covered by an airborne radiometric / magnetic survey carried out under contract by Fugro Airborne Surveys, in the summer of 2006. Line spacing was 200 m with a total of 3435 line km flown. Targets were selected by consultant, Ted Urquhart, on the basis of U/Th ratios, using the 95th percentile; total uranium, total field magnetics and geology. No significant high priority targets were selected on the Seal Lake properties although a number of lower priority were selected for ground checking.

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Prospecting – The properties were prospected on a first pass basis utilizing helicopter support. No significant radioactive zones were located with most targeted anomalies related to outcrop or boulder exposures in areas otherwise tree or overburden covered. The Bessie Lake area, on Lic.11524M, has a 30-40 m wide area of granite outcrop which gives 200 cps with values up to 500 cps.

Geology - A half day evaluation of the Seal Lake area was carried out by helicopter. The Adelin Island chalcocite showing and the North Salmon Pond native copper showing were visited. The Adelin Island showing, located on Adelin Island in Adelin Lake, which was extensively explored (including significant drilling) by Brinex in the 1960's and 70's is hosted by a sheared chlorite schist, up to 3-4 m wide, carrying chalcocite, malachite and azurite as massive to semi-massive boudins up to 10 cm across. Analysis of a selected grab sample gave 17.6 % Cu and 195.2 g/t Ag, with 27 ppb Au and 175 ppm Zn. Brinex work indicates that the mineralized zone is in a synclinal structure and has limited tonnage potential. The North Salmon Pond native copper showing consists of a 10-15 cm wide native copper / quartz-carbonate vein located on the north shore of the pond. The showing appears to have limited potential but is typical of the most of the known native copper veins in the Seal Lake belt.

Planned Work

Further work will depend upon compilation and evaluation work to be carried out over the winter.

Snegamook Property

General

The Snegamook option property was covered with the 100 m spacing, airborne magnetic / radiometric survey as part of the survey which covered the CMB properties. No targets were picked as high priority targets however limited prospecting carried out in conjunction with stream sediment sampling located a significant radioactive zone in the northwestern portion of the property, the Near Miss showing, which is described below.

The property also hosts copper mineralized zones consisting of chalcocite and malachite in an inter bedded red argillite / limestone sequence thought to be related to the Seal Lake Group units.

Near Miss Showing

The "Near Miss" showing, which gives total count scintillometer values to 10,000 cps, is located approximately 4 km from the CMBNW2 (TwoTime) showing. The mineralization occurs in sub angular boulders and outcrop, over an area of approximately 100 m in diameter. Rocks are similar to those at the Two Time showing, consisting of sheared / fractured felsic units carrying hematite and black fracture fillings. Yellow staining, thought to be uranophane was also noted. A total of 12 grab samples were taken with five samples giving values greater than 0.1 % U_3O_8 and four other samples giving values greater than 200 ppm U_3O_8, ranging from 7 to 1439 ppm U_3O_8. No follow up has been carried out.

Continued …

Containing information up to and including March 15, 2007

Planned Work

The entire property will be covered by closely spaced lake bottom surveys in the winter of 2007. Summer work, starting in mid to late June, will include line cutting, prospecting, geological mapping, geochemical and geophysical surveys.

Makkovik River Property

General

Two hundred (200) claims were staked, to the north east of the CMB NE block, outside of the area of influence of the CMB / Seal Lake JV option, along the Post Hill Group which hosts the Kitts deposit a little further to the northeast. These properties came open as part of the Nunatsiavut government's opening up of the LIL lands. The area around our claims was subsequently acquired by other parties.

Previous Work

Brinex and partners evaluated the area in a general fashion during their regional work for uranium in the 1970's. No significant showings are known from the area.

2006 Exploration

No data compilation or field work has been carried out on these claims by SSE.

Planned Work

Airborne surveys, consisting of radiometrics and magnetics will be carried out over the property in the summer of 2007. Further work is dependent upon results.

Double Mer

General

The Double Mer property consists of 758 claims (approx. 190 km^2), in six licenses, in one contiguous block, located in the Double Mer-Lake Melville area of Labrador, approximately 110 km east of Happy Valley-Goose Bay.

The properties cover strong uranium in lake sediment anomalies located by the Newfoundland and Labrador government with anomalous values ranging from 10 to 470 ppm against a background of approximately 5 ppm hosted in leucogranites of Helikian age. Four values >100 ppm uranium, with two over 400 ppm, are noted in this survey, all of which are covered by the staked properties.

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Containing information up to and including March 15, 2007

Previous Work

In 1978, exploration by the provincial government, which included an airborne radiometric survey and ground follow up, located uranium mineralization in float / outcrop with three values over 0.1 % U_3O_8, including a value of 0.29% U_3O_8, from eight samples. Work by Northgate / Whim Creek Consolidated in 1979-1980, which included ground scintillometer surveys, trenching and diamond drilling, located a number of uranium showings with bulk assays in four trenches ranging from 0.44 to 2.09 lbs uranium per short ton.

2006 Exploration

Compilation - Compilation of previous work was done in the spring of 2006.

Airborne - The property was covered by an airborne radiometric / magnetic survey, at 100 m line spacing, under contract by Fugro Airborne Surveys, in the summer of 2006. Total line kilometres were 2113. Targets were selected by consultant Ted Urquhart. A number of priority 1 targets were noted along a stratigraphic or structural horizon, with marginal magnetic coincidence, extending through the claim group. A number of weaker priority 2 /3 targets were also picked.

Prospecting - A total of 20 rock samples (DM-01 to 11 and 4026 to 4034) were taken. All units noted are granitic with anomalous total count readings to > 5000 cps in some areas where samples were acquired. Ten samples gave values > 100 ppm U, with three giving values > 500 ppm, with a high of 2640 ppm (4033). The other two values > 500 ppm U were 4030 at 635 ppm U and DM-06 at 644 ppm U. The anomalous samples occur in the area of the known, old mineralized trenches.

Geochemistry – Ninety two (92) B horizon and H (humus) samples were taken on paced and flagged lines across the anomalous zones. Results remain pending.

Planned Work

Ground follow up will continue on the picked airborne anomalies in the summer of 2007. Targets generated by the soil and humus geochemistry will be evaluated at this time also.

Straits

General

The Straits property consists of 896 claims (224 km^2) in one contiguous block, located in the Barge Bay-Henley Harbour area, on the Straits of Belle Isle, approximately 300 km southeast of Happy Valley-Goose Bay. The claims cover uranium in lake sediment anomalies located by the Geological Survey of Canada with anomalous values ranging from 10 to 239 ppm against a background of approximately 5 ppm (97% percentile - 28 ppm) associated with copper values over 75 ppm (99% percentile) against a background of <20 ppm, associated with a north-northwest trending fault structure.

Continued …

Previous Work

There is little documented exploration work for the area. The Newfoundland and Labrador government carried out limited follow up on the anomalous lake bottoms and sees IOCG potential for the area based on coincident anomalous copper / molybdenum / uranium / gold values in the lake sediments, associated with supracrustal units (Proterozoic felsic volcanics) localized in later faults or unconformities. Mineral occurrences of pyrite, malachite and molybdenite are known. The lake sediment anomalies are unexplained.

2006 Exploration

Compilation of work was carried out in the spring of 2006. The property was covered by an airborne radiometric / magnetic survey, at 100 m line spacing, under contract to Fugro Airborne Surveys, in the late summer of 2006. Total line kilometres were 2251. A total of 26 high priority (priorities 1 to 3) were selected for ground follow up by consultant Ted Urquhart, with four considered # 1 priority. Weather conditions prevented any follow up in 2006 and this will be budgeted for 2007.

Planned Work

A remote sensing study utilizing satellite imagery is proposed for the property. It will be carried out over the winter to generate targets for summer work. Ground follow up will take place in the summer of 2007, targeted on the airborne anomalies and any targets generated in the remote sensing study.

Mount Benedict

General

The Mount Benedict property consists of 1,048 claims (262 km^2) in four separate blocks, located in the Benedict Mountains area, approximately 180 km northeast of Happy Valley-Goose Bay. Five hundred fifty six (556) of the claims are subject to an option agreement with Paul MacNeill, an independent geological consultant, which provides for a single cash payment of $15,000 (made) plus a 1 % NSR.

The original properties were staked to cover uranium in lake sediment anomalies located by the Newfoundland government with anomalous values ranging from 10 to 87 ppm against a background of < 5 ppm hosted in felsic plutonic rocks of the Benedict Mountains Suite and felsic supracrustal units (Aillik Group metavolcanics) in the Burnt Island area. The new claims were acquired to cover Aillik Group stratigraphy, U/K anomalies coincident with VLF-EM anomalies located in Brinex / Placer surveys from the 1970's, anomalous lake sediment geochemistry and the strike extensions of known anomalies or groups of anomalies.

Previous Work

Brinex carried out exploration over their mineral concession covering the area in the 1950's and 60's. In 1978, the area was part of a Placer Development-Brinex joint venture that included geological mapping and a combined radiometric-VLF-EM survey that located anomaly B-22 associated with Aillik Group metavolcanics in the Burnt Island area. Assays from the zone were generally weak with values to a maximum of 200 to 400 ppm uranium. Further prospecting and diamond drilling to test the anomaly at depth was recommended but not carried out. The

Continued …

anomalous uranium lake bottom anomalies have not been explained.

2006 Exploration

Compilation of previous work was carried out in the spring and summer of 2006. The area was covered by an airborne radiometric / magnetic survey, at 100 m line spacing, under contract to Fugro Airborne Surveys, in the summer of 2006. All claims, including the newly acquired groups were covered for a total of 3012 line km.

The 56 claims optioned from Paul MacNeill plus the recently staked 500 claim extensions in the Mount Benedict area were flown by Fugro in early September, 2006, covering the entire 1048 claims. Consultant, Ted Urquhart has picked a number of targets, most of which are not considered high priority. No follow up has been completed. Ground follow up will take place in the summer of 2007.

PROPERTIES - GOLD

Centauro – Chihuahua, MX

General

The Centauro (# 13042 of 400 ha) and Tauro claims (300 ha), located in the southern part of Chihuahua state, Mexico, was optioned in January 2007 from Jesus Ayax Alba Pascoe. The property shows good potential for epithermal gold / silver mineralization with extensive silicification and kaolinization of a conglomerate unit over a minimum area of 2 km by 1 km.

Terms of the agreement are:

A three year term to earn a 100% interest subject to a 3 % NSR, with a 2 % buyback for $2.0 M.

Yr. 1 (on signing)	US $ 50,000	cash & 125,000	shares of Silver Spruce
Yr. 2 (1st anniversary)	US $ 75,000	cash & 200,000	shares of Silver Spruce
Yr. 3 (2nd anniversary)	US $ 100,000	cash & 400,000	shares of Silver Spruce
Yr. 4 (3rd anniversary)	US $ 150,000	cash & 600,000	shares of Silver Spruce
	Total US $ 375,000	**cash & 1,375,000**	**shares of Silver Spruce**

Yr 6 (5th anniversary) and on US $ 50,000 per year advance royalties (against NSR payable)

A finder's fee is payable to Mineral Development and Logistics Inc. and others of not more than as follows [TBD]:

Yr. 1 (on signing)	Cdn $9,600
Yr. 2 (1st anniversary)	31,595 shares of Silver Spruce
Yr. 3 (2nd anniversary)	52,044 shares
Yr. 4 (3rd anniversary)	81,831 shares

Total US $ 9,600 cash & 165,470 shares of Silver Spruce

Continued …

The final agreement is near and should be signed in April, 2007.

Previous Work

The most recent work was carried out by **Jaba Inc.** from 1995 to 1997. They compiled geochemical data using imagery and Interdex software for contouring / display and found realgar and orpiment in o/c in a silicified "feeder zone" on the northwest side. They also identified a N 10 / 35 W structural grain and N 20 / 50 E trends apparent in topographic breaks, streams and the compiled geochemical data (Au, Hg, Cu plots). They also noted "black Si showings", to the north, which formed ribs extending into the mesa then splaying out to form the Silica cap. They proposed 8-10 vertical dd holes, at 200 m intervals, from the mesa top down through the Silica cap to test the fossil boiling zone where the gold / silver values may be located.

Blue Ribbon Resources / Excellon Resources drilled 6 RC holes (CN-1 to 6), on the east side, 5 near the south end and 1 near the north end of the silicified mesa top. The holes appear to have been collared and drilled too low in the section and at angles which didn't test under the Silica cap. One hole got anomalous values of "toxic metals" in the ppm range and gold (in the ppb range). 659 "chip" samples gave < 5 ppb Au, 86 gave values from 6-50 ppb and 14 gave values from 50 ppb to 500 ppb, with the best values in oxidized – argillitized rocks with jasperoid fragments. Strong Hg-As values, in the ppm range, were also intersected over 150 feet in hole 6. They postulated that this possibly was a feeder zone. They also noted N10 / 40 W trending "feeder zones" which were cut as narrow, barren, argillitized zones.

In 1993**, Jesus Ayax Alba Pascoe,** the owner of the property, carried out geological mapping / geochemistry / petrography, and 28 line km mag / VLF-EM (omni Plus).

BHP took "bulk" samples from outcrop in late 1993, however the results of this work are unknown. The vendor indicates that they intended to lease the property and drill but a "management change" cancelled their plans. **Can-Mex a Placer Dome subsidiary took** 85 outcrop samples in 1993. They were reported as "almost all anomalous in gold".

Planned work

Exploration will begin once the final agreement has been signed. Environmental and work permit applications are underway and will be submitted in the near future. Landsat imagery has been ordered and is expected in early April. This will be utilized to plan the road building access to the mesa top for the planned 2007 diamond drilling program. The budget for 2007 is aproximately US $ 400, 000.

Continued …

Containing information up to and including March 15, 2007

Mother Lode – Burin Peninsula, NL

General

The Mother Lode property consists of 138 claims (35 km^2) in one contiguous block, located in the eastern part of the southern Burin Peninsula, Newfoundland, to the west of Placentia Bay, near the abandoned community of Corbin. The property was acquired by option from a local prospector in December, 2005. Terms of the option are: payment of $ 55,000 and 200,000 shares and a work commitment of $ 800,000 on exploration over three years to earn a 100 % interest subject to a 2 % NSR. The property was reduced from 168 claims to 138 claims in the summer of 2006 as the lake sediment survey carried out in the winter of 2006 did not show any significant values in the southern claim block of 30 claims.

The second year payment of $ 15,000 and 25,000 shares was made to Alex Turpin, the optionor in January 2007.

Previous Work

There is no recorded exploration work for gold in this part of the Burin Peninsula prior to the prospecting carried out by local prospectors over the past few years. As far as is known, this is the first discovery of gold in this part of the Burin Group although gold zones are known to the north in the Corbin and Burin (Kitchen showing) areas. Best reported values from the Kitchen showing, near Burin, include: grabs to 19.4 grams per tonne; channel samples to 4.85 grams per tonne over 4 meters and drill core samples to 3.85 grams per tonne over 3 meters. The mineralization on the Motherlode property, like the Kitchen prospect, is shear related, hosted in altered (sericitized, silicified, pyritic) mafic volcanics, intrusives and possible volcaniclastics which have been variably foliated over an area of 300 m along strike and 250 m across strike.

The foliation may control the mineralization as the sulphides occur as bands along the foliation, which are sometimes folded, and also as fracture fillings. The only sulphide noted is pyrite. The mineralization is poddy, probably related to boudinaging along the shear zones or folding. Assays show only weak arsenic (As) to 200 ppm indicating that arsenopyrite is probably not occurring, rather the arsenic may be associated with the pyrite as arsenious pyrite (similar to Carlin, NV). A number of parallel to sub parallel zones are noted, some in close proximity. Cross faults, obvious as linear structures extending from the coast may cut off and offset mineralized zones. The vendor / prospector reports values up to 10.1 grams per tonne over 1.5 m in chip samples in 2004 sampling. Grab sample assays up to 11.65 grams per tonne were located in 2004 during due diligence sampling by SSE from a new showing near the trail to Corbin. The highest chip sample assay (10.1 grams per tonne) was not duplicated (840 ppb) however, the due diligence samples were composite grabs which may not be as representative as channel samples.

Work in 2005 by the vendor / prospector, which included further prospecting and trenching using an excavator, resulted in the discovery of narrow (up to 25 cm) units of iron formation associated with shearing related to the main fault, which trends northeasterly through the group. Values up to 25 grams per tonne were located in limited sampling of the sulphidized iron formation.

2006 Exploration Work

Work in 2006 consisted of lake bottom sampling, regional and detailed prospecting, gridding, soil geochemistry, geological mapping, followed by trenching, washing and channel / chip sampling.

Continued …

Lake sediment samples (total 132) were taken to the north and south of the known mineralized area,. Thirteen anomalous gold values (> 2 ppb) were located, with three greater than 10 ppb and the highest at 29 ppb. These remain unexplained even with follow up prospecting and geological mapping.

A grid totaling 15.6 kilometers with a baseline at 050 degrees and cross lines at 50 meter line spacing was cut extending to the north and south along trend over three kilometers at 200 meter line spacing. Soil samples were taken at 25 meter intervals on all lines. A total of 465, mainly B horizon samples, were taken; 29 samples were found to be anomalous in gold (> 5 ppb) with values from 20 ppb (parts per billion) to 3,931 ppb. Eleven samples were strongly anomalous with values greater than 100 ppb gold. The two highest values were unexplained single-site samples with values of 1,062 ppb and 3,931 ppb located at the east end of the widely spaced lines.

A northeast trending series of foliated to variably sheared medium to dark green basalt, lighter green "andesitic" units and related pyroclastics and sedimentary units including some tuffaceous and agglomeratic subunits underlie the area. Other units noted include a talcose / serpentinized ultramafic unit (part of the Burin Ultramafic Belt – BUB), possibly a sliver of pyroxenite, and recrystallized iron formation (oxide-chlorite) interpreted as interflow sediment. A dominant planar regional shear fabric trending 050° to 060° and dipping sub-vertically (80° to 90° N), the orientation of the Handiland Fault, deforms most of the units. Alteration is related to the shearing, which is progressive from quartz-chlorite, quartz-chlorite ± sericite to quartz - sericite schist. The planar fabric is overprinted by an extension lineation, varying from 35° to 45° southwest at azimuth 230°, observed in fold structures in the center of the main grid area.

Alteration is consistent with structurally-related mesothermal / epithermal styles of gold mineralization. Silicification is prevalent along regional structures where it is associated with disseminated sulphides and gold enrichment. Chloritization is common in the sheared volcanic rocks forming schists in zones of intense deformation associated with shear zones. Sericitization is restricted to discrete, intensely hydrothermally-altered, dilational zones and shear fabrics in high strain, highly altered areas.

Disseminated sulphides, associated with higher gold values, occur along shear structures. Eight distinct, northeast trending, mineralized zones varying from 20 to 200 m in length and 2 to 10 m in width, with a consistent down-dip extension plunge of 40° / 230°, are noted. Sulphide mineralization is prevalent as typical mesothermal style, structurally-hosted, disseminated / fracture filling pyrite in quartz–chlorite ± sericite schist and quartz–sericite schist along shear structures. In the fold structures in Trench #5, and in Trenches 12 and 13 disseminated pyrite mineralization makes up 10 to 20 percent of the altered rock giving gold values of up to 10.1 g/t over 1.5 m. In Trench # 6 disseminated and fracture filling pyrite occurs in sulphidized magnetite–chlorite iron formation with grab sample values of up to 25 g/t. In Trenches #1 and #4 disseminated pyrite is pervasive throughout the fractured and intensely altered rock associated with brittle fault structures as fault splays off the Handiland Fault system where grab sample assays of up to 13 g/t have been located. Mineralized units in the main grid area are intensely deformed and hydrothermally altered, quartz-sericite schist. These units are only slightly enriched (< 300 ppb Au) in Trenches 12 and 13.

Trenching - Trenching and channel sampling showed highly variable results ranging from barely anomalous (10's of ppb's) to values up to 6-7 g/t Au in the sulphidized iron formation. Much of the apparently, highly prospective, silicified, sericitized, sulphide rich schist gave low to insignificant gold values. Table 2 summarizes the trench results.

Continued …

Containing information up to and including March 15, 2007

TABLE 2

MOTHER LODE
SIGNIFICANT CHANNEL SAMPLING RESULTS

Trench #	Au g/t	Cu %	Length (m)	Notes
1	2.11		1.0	quartz sericite / chlorite schist – fault zone
	1.96		1.8	
	1.85		2.7	
4	0.72	0.14	0.7	chlorite schist – fault zone
	0.27	0.23	1.2	
5	10.0		1.5	quartz ser. schist - chip sample taken by vendor
6	6.39		2.4	sulphidized iron formation – interflow sediment
	5.27		1.3	
8	0.77		2.0	Wide zone of sulphide rich foliated schist
9	0.93		3.5	chlorite / sericite schist
incl.	1.43		1.2	
12/13	2.42		2.2	chlorite / sericite schist w/ silicification
incl.	3.54		1.0	
	1.59		1.7	
incl.	2.19		0.7	
	2.1		1.8	
14	0.4		1.4	chlorite schist w/ silicification
15/16	nsv			chlorite schist w/ silicification
17	0.47		0.7	chlorite schist w/ silicification
18	nsv			chlorite schist
19	nsv			chlorite / sericite schist

Note: nsv – no significant values

Planned Work

Diamond Drilling - A small drilling program of 700 to 1000 m, consisting of a number of short holes to test the fault zones along the Corbin trail plus a few longer holes testing under the hill where extensive alteration, with variable gold values, has been located, was planned for this winter. A drill contract has been given and an exploration permit has been granted, however the drilling, planned for March, has been put off until April / May 2007 at the request of the contractor due to excessive snow in the area.

Continued …

Containing information up to and including March 15, 2007

PROPERTIES – GOLD / BASE METAL

Central Newfoundland

General

A total of 511 claims have been staked in central Newfoundland, to the south and west of Grand Falls-Windsor, on NTS areas 2 D/13 and 12 A/16, to cover areas with good potential for base and precious metals, based on geochemistry and geology.

The claims were staked by Silver Spruce in January 2007 under the terms of an option agreement with ASK Prospecting and Guiding, which gives them a 2 % NSR, with a 1 % buyback for $ 1 M, and a stock payment of 100,000 shares if the property is to be retained for the second year. ASK laid out the area to be staked using their information and data gained over 20 years of work in the area.

Previous Work

Extensive regional exploration has been carried out by Noranda and others through this area over the past 30 plus years. Numerous showings have been located carrying base metals, molybdenum and gold and unsourced massive sulphide floats have also been found in the area. Geological setting is felsic and mafic volcanics associated with deep water sedimentary units such as black shales and greywackes. A number of airborne surveys flown by Noranda, Fortune Bay Minerals and others are available and are being utilized to guide the work.

Planned Work

Exploration, consisting of basal till sampling, is being carried out by Al Keats and assistants from ASK this winter. This work began in early February 2007 and is ongoing.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

Liquidity

The Company had cash on hand of $ 4,061,714 as of January 31, 2007 (October 31, 2006 - $ 3,564,064). The Company currently has sufficient cash resources to meet its ongoing obligations as they become due. The working capital / (deficiency) at January 31, 2007 was $ 4,335,447 (October 31, 2006 – $ 3,974,742).

Capital Resources

The Company's authorized capital consists of unlimited number of common and preference shares without par value. At January 31, 2007 the Company had 24,210,713 issued and outstanding common shares (October 31, 2006 – 23,049,313 issued and outstanding common shares), and at February 15, 2007, the Company had 25,090,713 issued and outstanding common shares.

Continued …

Containing information up to and including March 15, 2007

Subsequent Events

Subsequent to the period end, 200,000 stock options were issued to the investor relations firm of the Company, under the Stock Option Plan exercisable at $0.65 per share, these options expire February 26, 2012.

Related Party Transactions

Included in accounts payable and accrued liabilities as at January 31, 2007 is $86,396 (2006 - $15,632) owing to directors of the Company. Related parties were also reimbursed for out of pocket expenses.

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

Contingent Liabilities

On January 13, 2006 the Company entered into an agreement to purchase 168 gold claims containing approximately 4,200 hectares of land called the Motherlode Gold property located in the province of Newfoundland, for $ 55,000.00 cash and 200,000 shares, payment as follows: year one $ 25,000 cash and 150,000 shares with a value of $ 0.76 each totaling $ 114,000 (paid), year two cash payment of $ 15,000.00 and 25,000 (paid) shares and year three cash payment of $15,000.00 and 25,000 shares. If either party terminates the agreement, then any unpaid amounts and undelivered shares will be forfeited. The property was subsequently reduced to 138 claims with the agreement of the vendor.

During the period ended April 30, 2006, the Board of Directors agreed to pay a finders fee of 265,000 shares at a value of $ 0.50 per share to an agent of the Company upon a successful consummation of a contract to joint venture it's uranium exploration and development within the regions of Central Mineral Belt and Seal Lake with Universal Uranium Ltd. On January 17, 2006 a contract was executed and signed by both parties. Upon the Company receiving a deposit from Universal Uranium Ltd., it agreed to release 165,000 shares leaving a balance of 100,000 shares to be paid at a later date. If either party terminates the agreement then any and all undelivered shares will be forfeited.

On February 28, 2006 the Company entered into an option and royalty agreement on The Double Mer Property which allows the Company to own the 758 claims in six licenses outright. Terms of the agreement is that Silver Spruce Resources paid $ 12,000 on execution of the agreement and pays $ 12,000 on each of February 28, 2007 and 2008. In addition a 1 % Net Smelter Return royalty (NSR) is payable derived from commercial production from the property. If the Company terminates the agreement by abandoning the property the other party has the option to re license the claims, at his cost, in his own name. Any unpaid monies will be forfeited.

On March 15, 2006 the Company entered into an option and royalty agreement on the Straits Property which allows the Company to own the 800 claims in four licenses outright. Terms of the agreement is that Silver Spruce Resources paid $ 12,000 on execution of the agreement and pays $12,000 on each of March 15, 2007 and 2008. In addition a 1 % Net Smelter Return royalty (NSR) is payable derived from commercial production from the property. If the Company terminates the agreement by abandoning the property the other party has the option to re license the claims, at his cost, in his own name. Any unpaid monies will be forfeited.

Continued …

Containing information up to and including March 15, 2007

On June 27, 2006 the Company entered into an option and royalty agreement on the Snegamook Property which allows the Company to own the 86 claims in four licenses outright. Terms of the agreement is that Silver Spruce Resources paid $ 8,000 and 20,000 common shares of Silver Spruce on execution of the agreement and pays $8,000 and 20,000 common shares on each of June 27, 2007 and 2008. In addition a 2 % Net Smelter Return royalty (NSR) is payable derived from commercial production from the property. At any time during the agreement if the Company terminates the agreement by abandoning the property the other party has the option to re license the claims, at his cost, in his own name. Any unpaid monies will be forfeited.

Proposed Transactions

The Company is not contemplating any other transactions, which have not already been disclosed. The Company continues to look at other property acquisitions on a regular basis with emphasis in those areas that it is already working.

Risks and Uncertainties

The Company's financial success is dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the previous section.

Outlook

The Company's objective is to work aggressively on the exploration of its mineral properties toward resource definition in the Province of Newfoundland and Labrador, Canada.

The Company, in combination with Universal Uranium, who is funding the work on the CMB / Seal Lake properties, has a budget of approximately $ 2.4 M for 2006, with contingent follow up of another $2 M mainly for diamond drilling to the end of April 2007. This work will consist of an airborne survey costing approximately $ 1 M covering all the uranium properties in Labrador, follow up on these properties, consisting of prospecting, geological mapping, gridding, ground geophysical and geochemical surveys and trenching and sampling, of approximately $1 M. The Mother Lode gold property, on the island of Newfoundland, is actively being explored by prospecting, geological mapping, geochemistry, and geophysics to be followed by trenching, sampling and diamond drilling as warranted.

The Company is also looking actively for properties of merit that fit the Company's criteria for exploration.

Forward Looking Statements

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties, and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

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