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RED METAL RESOURCES, LTD.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: January 31, 2008

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to _____

Commission file number 000-52055

RED LAKE EXPLORATION, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

20-2138504

(I.R.S. Employer
Identification No.)

195 Park Avenue, Thunder Bay, Ontario, Canada, P7B 1B9

(Address of principal executive offices)
(Zip Code)

(807) 345-5380

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

State issuer's revenues for its most recent fiscal year. \$0

State the aggregate market value of the voting and non-voting common equity held by **non-affiliates** computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days: **\$14,066,276 as of April 28, 2008.**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at April 28, 2008</u>
Common Stock - \$0.001 par value	57,183,334

Transitional Small Business Disclosure Format (Check one): Yes No

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Forward-Looking Statements

This annual report on Form 10-KSB filed by Red Lake Exploration, Inc. contains forward-looking statements. These are statements regarding financial and operating performance and results and other statements that are not historical facts. The words “expect,” “project,” “estimate,” “believe,” “anticipate,” “intend,” “plan,” “forecast,” and similar expressions are intended to identify forward-looking statements. Certain important risks could cause results to differ materially from those anticipated by some of the forward-looking statements. Some, but not all, of these risks include, among other things:

- general economic conditions, because they may affect our ability to raise money,
- our ability generally to raise enough money to continue our operations,
- changes in regulatory requirements that adversely affect our business,
- changes in the prices for minerals that adversely affect our business,
- political changes in Chile, which could affect our interests there, and
- other uncertainties, all of which are difficult to predict and many of which are beyond our control.

We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as of the date of this report. We are not obligated to update these statements or publicly release the results of any revisions to them to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events. You should refer to and carefully review the information in future documents we file with the Securities and Exchange Commission.

PART I

As used in this report, references to “Red Lake”, “the company,” “management,” “we” and “our” refer to Red Lake Exploration, Inc. and, where appropriate, our subsidiary. References to Polymet refer to our Chilean subsidiary, Minera Polymet Limitada.

Item 1. Description of Business

Business Development

Red Lake was incorporated in Nevada on January 10, 2005.

On August 21, 2007, we formed Minera Polymet Limitada, a limited liability company, under the laws of the Republic of Chile. We own a 99% interest in Polymet, which will hold our Chilean mineral property interests. Under Chilean law, a resident of Chile must be a shareholder in a limitada. To meet this requirement, 1% of Polymet is owned by a Chilean resident, an experienced manager who has organized an office and other resources for Red Lake and is Polymet’s legal representative in Chile.

Our resident agent’s office is at 711 S Carson Street, Carson City, Nevada, 89701. Our business office is at 195 Park Avenue, Thunder Bay, Canada, P7B 1B9. Our telephone number is (807) 345-5380; our email address is info@redlakeexploration.com; and our web address is www.redlakeexploration.com.

We have not been involved in any bankruptcy, receivership or similar proceedings, and have not materially reclassified, merged, consolidated or bought or sold any significant assets other than in the ordinary course of our business.

Business of Red Lake

We are a startup exploration stage company without operations. We are in the business of acquiring and exploring mineral resources. We own one mineral property and have two options to purchase mineral concessions in Chile. We had claims in Ontario, Canada, but were not encouraged by the results of the work that we conducted on them and let them lapse on November 27, 2007.

We have not determined whether our mineral properties contain mineral reserves that are economically recoverable and cannot assure you that an economically viable mineral deposit exists on any of our mineral properties. Additional exploration will be required before we can evaluate the economic and legal feasibility of our mineral properties.

Red Lake Property—Canada

On November 15, 2005, we acquired three mineral claims in Ontario from Ridgestake Resources Inc. for \$9,000. In November 2006, we spent \$13,953 completing phase one of our mineral exploration program on these claims. We were not encouraged by the results of this exploration program and let the claims lapse on November 27, 2007.

Farellón Property—Chile

The Farellón property is the first mineral property interest that we acquired in Chile. It consists of the concessions known as the Farellón Alto Uno al Ocho covering 66 hectares (163 acres) located in Sierra Pan de Azucar, province of Huasco, Commune of Huasco, III Region of Atacama, Chile.

We acquired it through an assignment agreement between Polymet and Minera Farellón Limitada dated September 25, 2007 and amended on November 20, 2007. Under the assignment agreement, Minera Farellón agreed to assign to Polymet its option to buy the Farellón property for \$250,000 payable by April 30, 2008. We paid Minera Farellón for the assignment on April 25, 2008, and assumed all of Minera Farellón's rights and obligations under the Farellón option agreement on the same day.

Under the Farellón option agreement, we must pay the property vendor a total of \$900,000 to purchase the Farellón property: \$300,000 by May 4, 2008 to acquire title to the property; and \$600,000 as a royalty equal to 1.5% of the net that we receive from the processor, payable monthly and subject to a monthly minimum of \$1,000 when we start exploiting the minerals we extract from the property. We can pay any unpaid balance of the royalty at any time. Our right to exercise the option expires on May 4, 2008. We exercised our option on April 25, 2008 and paid the vendor \$300,000.

LOCATION AND MEANS OF ACCESS TO THE FARELLÓN PROPERTY

The Farellón property is centered about latitude 28° 05'S and longitude 70° 54'W. The area is approximately 40 kilometres west of the Pan-American Highway, about one hour and 15 minutes by vehicle from the town of Vallenar, Chile, which has a population of 40,000 and modern facilities. High-tension power lines and a fiber-optic communications line run along the highway and both power and rail are connected to the Cerro Colorado iron ore mine only 20 kilometres from the Farellón property.

The area is serviced from Copiapó, Chile, a city of 70,000 with daily air and bus services to Santiago, Chile, and other centers.

The Farellón property can be accessed by driving approximately 20 kilometres north on the Pan-American Highway from Vallenar then turning northwest towards Canto del Agua. From Canto del Agua, the Farellón property is approximately 10 kilometres along a well-maintained gravel road. There are numerous gravel roads in the area, so a guide is necessary to access the property the first time. All of the roads are well maintained and can support large machinery necessary to transport drills, backhoes and bulldozers. Water is readily available in Canto del Agua and could probably be found on the Farellón property where all of the historic drill holes intersected water.

The Farellón property is in the Carrizal Alto mining district and lies five kilometres along strike south of the centre of the historic Carrizal Alto copper-gold mine. Veins of the Farellón property were exploited as part of the Carrizal Alto mines. No hard data summarizing all of the past mining activity have been located, but tailings, slag dumps and the size of the shafts and some of the shallow surface workings are evidence of significant mining history. Some reports state that the Carrizal Alto mines went to depths of up to 600 metres, and that the area once produced more than 3 million tonnes of mainly copper ore at 5-15% copper.

Mine workings of various sizes are all along the Farellón property, but only one modern exploration program has been completed. In 1996, the Farellón and two other veins, the Fortuna and the Theresa, were explored by an Australian junior mining company under the name Minera Stamford S.A. Their exploration included a large mapping and surface sampling program followed up by a 34-hole reverse circulation (RC) drilling program. Out of these 34 drill holes, 23 were drilled on the Farellón property. The RC drilling program on the Farellón property consistently intersected mineralization in both oxide and sulphide facies and outlined a two-kilometre-long zone covering the Farellón property and strike extents to the south. Mineralization is 2 to 35 metres wide with an average width of five metres. The mineralized zone consists of one or more discrete veins and, in places, stockwork veining and mineralization. While drilling covered the length of the property, gaps up to 350 metres are untested and infill drilling is required to confirm an economic ore body.

GEOLOGY OF THE FARELLÓN PROPERTY

The Farellón area has two major lithological units: Palaeozoic metamorphic sediments consisting of schists, phyllites and quartzites; and the Franja Central diorites. The metamorphosed sediments outcrop in the western part of the property and have been metamorphosed to lower greenschist facies and then extensively overprinted by hydrothermal alteration. Hydrothermal alteration is directly associated with the shear zone. The diorite underlies the eastern part of the project area and has been extensively intruded by northeasterly trending intermediate mafic dykes. At the Farellón property, a small stock-like felsic body named Pan de Azúcar intrudes the diorite. The intrusive relationship between the diorite and metamorphic sediments always appear to be tectonic. Within the property and at the main Carrizal Alto workings to the north, the major mineralization is intimately related to the south-southwest trending mylonitic sheared contact between the metamorphic sediments and the diorite. The shear is considered a splay of the main Atacama Fault Zone and dips 30° to 65° west. This contact parallels the regional geological trend and coincides with a major lineament which extends for hundreds of kilometres. The sheared contact is 50 metres to 200 metres wide over the 1.7-kilometre strike length of the Farellón property. Veins are typically 3 to 15 metres wide, striking south-southwest and dipping approximately 65° degrees to the northwest.

MINERALIZATION OF THE FARELLÓN PROPERTY

The Farellón property lies within the Candelaria iron-oxide-copper-gold (IOCG) belt of Chile. The IOCG belt is host to many major deposits such as the Candelaria Mine and the Mantos Verde Mine. Ore bodies in the belt occur in veins, breccias, stringer bodies and layer parallel replacement bodies and are typically associated with north-south trending faults related to the Atacama Fault Zone. All IOCG deposits have a strong association with iron oxides in the form of hematite or magnetite. In the Candelaria region, larger ore bodies are located where the fault zones intersect a lithological contact with significant rheological contrast such as a sedimentary and volcanic intrusive contact.

Economic IOCG deposits are generally polymetallic and can include iron, copper, gold, zinc, lead, uranium and cobalt among others. The Farellón property has been historically exploited for copper and lesser gold. Cobalt mineralization was observed during the 1996-97 exploration work, but we have found no records of cobalt extraction.

We acquired our interest in the Santa Rosa property through another agreement between Polymet and Minera Farellón on February 1, 2008. The Santa Rosa property consists of Santa Rosa Uno al Seis concessions located in Sierra Cordon El Tomate, and the Porfiada Uno al Diez concessions located to the north of Sierra Cordon el Tomate, both in the Quebrada de Agua Grande, Commune of Freirina, Province of Huasco, III Region of Atacama. The concessions cover 110 hectares (274 acres).

Minera Farellón granted us the option to buy its option to acquire the Santa Rosa property from Antolin Crespo. The option expires on August 5, 2008. We paid \$9,500 as consideration for the Minera Farellón option on February 1, 2008, and agreed to pay \$8,500 on the fifth day of the next five months ending on July 5, 2008, for a total of \$52,000. We have paid \$26,500 to date and are in good standing under the terms of the option. To exercise our option, we must pay another \$50,000 by August 5, 2008, for a total of \$102,000. We must reimburse Minera Farellón on request for any property costs that it pays during the term of the option and have paid all requests to date. If we exercise our option, we will acquire all of Minera Farellón's rights and obligations under the Crespo agreement.

If we exercise our option with Minera Farellón, then we will be required to make all of the payments that are due under the Crespo agreement in order to keep it in good standing. The payments are \$7,500 per month for 13 months from August 20, 2008 to August 20, 2009, and \$10,000 per month for 22 months from September 20, 2009 to June 20, 2011, for a total of \$317,500; and a royalty equal to 1.5% of the net that we receive from the processor to whom we sell any ore that we extract, payable monthly, subject to a monthly minimum of \$1,000, to a maximum of \$600,000. The total of these payments is \$917,500. Together with the cost of the option from Minera Farellón, our total acquisition costs will be \$1,019,500.

Minera Farellón may continue to mine the Santa Rosa property until August 5, 2008, and must pay us a royalty equal to 5% of the net proceeds that it receives from the sale of any minerals it extracts from the Santa Rosa property during that time. Minera Farellón must also make all option payments to the vendor during the term of our option.

LOCATION AND MEANS OF ACCESS TO THE SANTA ROSA PROPERTY

The Santa Rosa property is centered about latitude 28° 23'S and longitude 70° 59'W. The property is located approximately 30 kilometres northwest of Vallenar at a maximum elevation of 700 metres above sea level. The Santa Rosa property can be accessed by driving 14 kilometres north from Vallenar on the Pan-American Highway and then west 28 kilometres along a dirt road. There are many unmarked dirt roads in the area and a map is required to navigate to the Santa Rosa property.

DESCRIPTION OF THE SANTA ROSA PROPERTY

The Santa Rosa property is a copper-gold project that lies in the highly prospective but under-explored Candelaria IOCG belt in the Chilean Coastal Cordillera. The Santa Rosa property has undergone some modern exploration. We have reviewed all records of work completed to date. Recent exploration in the region has highlighted favorable geology for high-grade veins and skarn style mineralization associated with IOCG deposits. The Santa Rosa property is an advanced project with potential for a large-scale, multi-million-tonne copper-gold deposit.

The Santa Rosa property consists of two mensura mining and exploration concessions totaling 110 hectares (274 acres). It was held by Latitude Resources PLC until the summer 2006. While Latitude Resources was exploring, the Santa Rosa property was also being mined using Chilean artisanal mining methods. All mining activity was restricted to near surface and drifts entering the hillside for no more than 200 metres.

Latitude Resources completed an exploration program consisting of surface mapping, trenching, surface geophysics and drilling in 2004 and 2005 with encouraging results. The induced polarization geophysical surveys indicate three anomalous zones coinciding with known mineralization within the project area. These areas were further examined using trenching methods, identifying four mineralized zones. Two zones were drilled in the winter of 2004–05 with eight RC drill holes totaling 1580 metres. All eight holes intercepted IOCG-type mineralization. Significant results from the 2004–05 exploration program include a drill hole intersection of 1.76% copper over 10 metres in oxide mineralization.

Surface mapping has delineated a large-scale vein system with associated copper oxide mineralization on surface. A single mineralized structure, interpreted to be a supergene enrichment zone along a major thrust fault, has been exposed on surface for 400 metres of strike length. The mineralized zone is up to 10 metres wide of pervasive copper oxide mineralization with wider iron oxide alteration consistent with IOCG-type mineralization. To date, exploration has focused solely on the oxide zone. We will have to conduct more work to explore the sulphide potential at depth.

Minera Farellon continues to mine on the Santa Rosa property according to the terms of our agreement with them. Results from this mining include a large, hand-picked load of 1.63 tonnes grading 19.78% copper and 13.90 grams per tonne of gold. Larger loads of up to 20 tonnes have returned copper grades of up to 2.2% copper.

GEOLOGY OF THE SANTA ROSA PROPERTY

The Santa Rosa property is located within the brittle-ductile north-south-trending Astillas Shear Zone within the larger Atacama Fault System. The deposit is hosted in a volcanoclastic andesite sequence assigned to the La Negra Formation. The sequence is intruded by tabular bodies of dioritic to gabbro-dioritic composition. Widespread iron oxide and potassic alteration indicate an IOCG mineralizing system, further supported by copper oxide and gold mineralization seen in multiple zones on surface.

Camila Breccia—Chile

We acquired a third Chilean property interest in the Camila Breccia through another option between Polymet and Minera Farellón on February 1, 2008. The Camila Breccia consists four sets of mineral concessions covering 770 hectares (1,900 acres). The mining holdings are known as Camila, Uno al Viente, Camila Dos, Uno al Viente, Camila Tres, Uno al Viente, and Camila Cuatro, Uno al Viente. They are located in Quebrada Jilguero, Commune of Vallenar, Province of Huasco, III Region of Atacama.

Under our Minera Farellón option agreement, we can acquire all of Minera Farellón's interest in its option with Hernan Iribarren and others to buy the Camila Breccia concessions for \$105,000. We paid \$5,000 in February when we acquired the option and must pay \$50,000 on May 23, 2008 and \$50,000 on November 21, 2008 to exercise our option. We must reimburse Minera Farellón on request for any property costs that it pays during the term of the option and have paid all requests to date. If we exercise the option, we will acquire all of Minera Farellón's rights and obligations under the Iribarren agreement as of November 21, 2008. Under the Iribarren agreement, we must pay \$50,000 on December 7, 2008, \$100,000 on June 7, 2009, \$200,000 on December 7, 2009, and a royalty equal to 6% of the net proceeds that we receive from the sale of ore that we extract from the Camila property, to a maximum of \$1 million, which is due in full by December 7, 2011. The total of these payments is \$1.35 million. Together with the cost of the option from Minera Farellón, our total acquisition costs will be \$1,455,000.

LOCATION AND MEANS OF ACCESS TO THE CAMILA BRECCIA

The Camila Breccia property is centered about latitude 28°36'S and longitude 70° 42'W. The property is located approximately 8.5 kilometres east of Vallenar with the highest point at approximately 750 metres above sea level. Many unmarked dirt roads in the area provide reliable access to all areas of the Camila Breccia.

The Camila Breccia is another copper-gold property in the highly prospective but under-explored Candelaria IOCG belt. Like the Santa Rosa property, it has undergone some modern exploration and we have reviewed all records of work completed to date. Recent exploration in the region has highlighted the favorable geology for high-grade veins and skarn style mineralization associated with IOCG deposits. The Camila Breccia project is an early stage exploration project with surface mapping, sampling and geophysics completed that have identified two mineralized structures with drill-ready targets.

The Camila Breccia is made up of four mensura mining and exploration concessions totaling 770 hectares. It has been mined in the past using Chilean artisanal mining methods. All mining activity is restricted to near surface in adits and shafts no deeper than 50 metres.

EXPLORATION HISTORY ON THE CAMILA PROPERTY

Trilogy Metals Inc. completed a surface mapping, sampling and ground geophysics program on the Camila Breccia in 1999 with encouraging results. Two significant, mineralized structures were identified: the Camila Breccia outcrop, and the Zorro Vein. At the north end of the property, the Camila Breccia outcrop is an outcrop, 250 metres in diameter, of brecciated andesite in an iron-oxide matrix. The iron-oxide matrix is indicative of a large mineralizing system such as the systems associated with other large IOCG deposits in the belt.

The El Zorro Vein is a gold-bearing specular hematite-pyrite-quartz vein with brecciated wallrock showing similar mineralogical qualities as the Camila Breccia outcrop. The El Zorro vein is hosted in a NNW-SSE trending structure and is exposed on surface at the south end of the property. The vein continues under the Atacama Gravels to the north and is interpreted to connect to the Camila Breccia.

GEOLOGY OF THE CAMILA BRECCIA

The Camila Breccia is located within the brittle-ductile north-south-trending Atacama Fault System. Known mineralization is hosted in an andesitic volcanoclastic sequence assigned to the Bandurrias Formation. Widespread iron oxide and potassic alteration indicate an IOCG mineralizing system, further supported by copper oxide and gold mineralization seen in multiple zones on the surface.

Competition

The mineral exploration business is an extremely competitive industry. We are competing with many other exploration companies looking for minerals. We are one of the smallest exploration companies and a very small participant in the mineral exploration business. Being a junior mineral exploration company, we compete with other similar companies for financing and joint venture partners, and for resources such as professional geologists, camp staff, helicopters and mineral exploration contractors and supplies.

Raw Materials

The raw materials for our exploration programs include camp equipment, hand exploration tools, sample bags, first aid supplies, groceries and propane. All of these types of materials are readily available from a variety of suppliers.

Dependence on Major Customers

We have no customers. Our first customer likely will be Enami, the Chilean national mining company, which refines and smelts copper from the ore that it buys from Chile's small- and medium-scale miners. Enami is located in Vallenar. We could also deliver our ore to a private smelter located about fifty kilometers south of Vallenar.

Patents/Trade Marks/Licences/Franchises/Concessions/Royalty Agreements or Labour Contracts

We have no intellectual property such as patents or trademarks, and, other than a short-term royalty receivable from exploitation of the Santa Rosa property and the royalties that we must pay if we begin to exploit our Chilean properties, no royalty agreements or labor contracts.

Government Controls and Regulations

Our business is subject to various levels of government controls and regulations, which are supplemented and revised from time to time. We cannot predict what additional legislation or revisions might be proposed that could affect our business or when any proposals, if enacted, might become effective. Such changes, however, could require more operating capital and expenditures and could prevent or delay some of our operations.

The various levels of government controls and regulations address, among other things, the environmental impact of mining and mineral processing operations. For mining and processing, legislation and regulations in various jurisdictions establish performance standards, air and water quality emission standards and other design or operational requirements for various components of operations, including health and safety standards. Legislation and regulations also establish requirements for decommissioning, reclaiming and rehabilitating mining properties following the cessation of operations, and may require that some former mining properties be managed for long periods of time. In certain jurisdictions, we are subject to foreign investment controls and regulations governing our ability to remit earnings abroad.

We believe that we are in substantial compliance with all material government controls and regulations at each of our mineral properties.

Costs and Effects of Compliance with Environmental Laws

We have incurred no costs to date for compliance with environmental laws for our exploration programs on any of our properties

Expenditures on Research and Development during the Last Two Fiscal Years

We have incurred no research or development costs since our inception on January 10, 2005.

Number of Total Employees and Number of Full Time Employees

We do not have any employees other than Caitlin Jeffs and Michael Thompson, both of whom are directors and officers of Red Lake, and Kevin Mitchell, who is Polymet's legal representative and manager in Chile. We intend to contract for the services of geologists, prospectors and other consultants as we require them to conduct our exploration programs.

Item 2. Description of Property

Our executive offices are located at 195 Park Avenue, Thunder Bay, Ontario, Canada, P7B 1B9. Our president, Caitlin Jeffs, provides this space free of charge. This space might not always be available to us free of charge. We have field and administrative offices in Vallenar, Chile.

We have interests in three mineral properties in Chile, which we have described above in "Item 1. Description of Business".

Item 3. Legal Proceedings

We are not a party to any pending legal proceedings and, to the best of our knowledge, none of our properties or assets is the subject of any pending legal proceedings

Item 4. Submission of Matters to a Vote of Security Holders

We did not submit any matter to our security holders for their vote, by soliciting their proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

Market Information

Our common stock has been quoted on the NASD OTC Bulletin Board since January 16, 2007 under the symbol "RLKX". Table 1 gives the high and low bid information for each fiscal quarter of trading and for the interim period ended April 24, 2008. The bid information was obtained from Pink OTC Markets Inc. (fka Pink Sheets LLC) and reflects inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

Table 1: High & Low Bids

Period ended	High	Low
April 24, 2008	\$0.37	\$0.24
January 31, 2008	\$0.30	\$0.15
October 31, 2007	\$0.40	\$0.20
July 31, 2007	\$0.50	\$0.05
April 30, 2007	\$0.25	\$0.05
January 31, 2007	none	none

Holdings of Record

We have 16 holders of record of our common stock as of April 28, 2008.

Dividends

We have declared no dividends on our common stock. Our ability to pay dividends is not restricted or limited. Dividends are declared at the sole discretion of our directors.

On June 15, 2007, we decided to forward split our issued and outstanding common stock and declared a stock dividend of 13 shares for every one share of common stock issued. The forward split was effective on June 29, 2007.

Recent Sales of Unregistered Securities

Table 2 discloses all of the unregistered securities that we have issued within the last three years without registering them under the Securities Act of 1933.

Table 2: Sales of Unregistered Securities

Date	Shares			Warrants*		
	Number	Price	Proceeds	Number	Price	Expiry
October 3, 2005	3,000,000	\$0.01	\$ 3,000			
October 28, 2005	1,750,000	\$0.01	17,500			
January 31, 2006	775,000	\$0.05	38,750			
Number of shares before split (1)	5,525,000					
Number of shares after split	77,350,000					
Shares cancelled (2)	(24,500,000)					
Number of shares after cancellation	52,850,000					
August 1, 2007	333,334	\$0.30	100,000	166,667	\$0.50	August 1, 2009
April 21, 2008	4,000,000	\$0.25	1,000,000	4,000,000	\$0.35	April 21, 2010
	57,183,334		\$1,159,250	4,166,667		

(1) These shares were forward split on June 29, 2007 after our directors declared a stock dividend on June 15, 2007, of 13 shares of common stock for each share outstanding.

(2) These shares were cancelled on June 20, 2007.

* The warrants can be exercised any time before their expiry date for one share of our common stock at the exercise price.

We sold all of these securities to non-US persons in offshore transactions, relying on the registration exemption in Rule 903 of Regulation S of the 1933 Act. We did not engage in any directed selling efforts in the United States, and each investor represented to us that the investor was not a U.S. person and was not acquiring the stock for the account or benefit of a U.S. person. The subscription agreements included statements that the securities had not been registered pursuant to the 1933 Act and could not be offered or sold in the United States unless they are registered under the 1933 Act or an exemption from registration is available to the seller. Each investor agreed (i) to resell the securities only in accordance with the provisions of Regulation S or pursuant to registration or an exemption from registration under the 1933 Act, (ii) that we must refuse to register any sale of the securities purchased unless the sale is in accordance with the provisions of Regulation S or pursuant to registration or an exemption from registration under the 1933 Act, and (iii) not to engage in hedging transactions with the securities purchased unless the transaction complies with the 1933 Act. The certificates representing the securities issued were endorsed with a restrictive legend confirming that the securities had been issued pursuant to Regulation S of the 1933 Act and could not be resold without registration under the 1933 Act or an applicable exemption from the registration requirements of the 1933 Act.

We gave each investor adequate access to sufficient information about the company to make an informed investment decision. We sold none of the securities through an underwriter and had no underwriting discounts or commissions; and we granted no registration rights to any of the investors.

Item 6. Management's Discussion and Analysis or Plan of Operation

Management's Discussion and Analysis or Plan of Operation.

General

You should read this discussion and analysis in conjunction with our consolidated financial statements and related notes included in this Form 10-KSB. Our inclusion of supplementary analytical and related information may require us to make estimates and assumptions to enable us to fairly present, in all material respects, our analysis of trends and expectations with respect to our results of operations and financial position taken as a whole.

In this discussion, "we", "us" or "our" refer to Red Lake Exploration, Inc. and its subsidiary. Polymet refers to our Chilean subsidiary, Minera Polymet Limitada.

Our principal business is acquiring, exploring and developing mineral resources. We have options to purchase mineral concessions in Chile. Our web address is www.redlakeexploration.com. We had mineral claims in Ontario, Canada, but were not encouraged by the work that we conducted on them and let them lapse on November 27, 2007. We have not determined whether our properties contain mineral reserves that are economically recoverable. We have not begun significant operations and are considered an exploration stage company as defined by Statement of Financial Accounting Standard No.7 *Accounting and Reporting by Development Stage Enterprises*.

Critical Accounting Policies and Estimates

An appreciation of our critical accounting policies is necessary to understand our financial results. These policies may require that we make difficult and subjective judgments regarding uncertainties; as a result, our estimates may significantly impact our financial results. The precision of our estimates and the likelihood of future changes depend on a number of underlying variables and a range of possible outcomes. Other than our accounting for mineral property costs, our critical accounting policies do not involve the choice between alternative methods of accounting. We have applied our critical accounting policies and estimation methods consistently.

Principles of Consolidation

We have prepared our consolidated financial statements in accordance with accounting principles generally accepted in the United States.

Our consolidated financial statements include the financial statements of Red Lake and our subsidiary, Minera Polymet Limitada. All significant intercompany balances and transactions have been eliminated from the consolidated financial results.

Financial Instruments

FOREIGN EXCHANGE RISK

We are subject to foreign exchange risk for sales and purchases denominated in foreign currencies. Foreign currency risk arises from the fluctuation of foreign exchange rates and the degree of volatility of these rates relative to the United States dollar. At the present time we do not believe that we have any material foreign currency exchange risk.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Our financial instruments include cash, accounts payable and accrued professional fees. The fair value of these financial instruments approximates their carrying values due to their short maturities.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash.

At January 31, 2008 and 2007, we had approximately \$1,900 and \$15,000, respectively in cash that was not insured by the FDIC. This cash is on deposit with a major chartered Canadian bank. As part of our cash management process, we perform periodic evaluations of the relative credit standing of this financial institution. We have not experienced any losses in cash balances and do not believe that our cash is exposed to any significant credit risk.

Unproved Mineral Property Costs

We have been in the exploration stage since our inception on January 10, 2005 and have not yet realized any revenues from our operations except for a royalty (5% of net mining proceeds received from the processor) that we started receiving in April 2008 from a related company that has the right to mine the Santa Rosa mineral property. We are engaged in acquiring and exploring mining properties. We expense mineral property exploration costs as we incur them. We capitalize mineral property acquisition costs when they are incurred using the guidance in Emerging Issues Task Force (EITF) 04-02, *Whether Mineral Rights Are Tangible or Intangible Assets*.

We assess the carrying costs for impairment under SFAS No. 144, *Accounting for Impairment or Disposal of Long Lived Assets* at each fiscal quarter end. When we determine that a mineral property can be economically developed as a result of establishing proven and probable reserves, we capitalize the costs then incurred to develop the property. We will amortize these costs using the units-of-production method over the estimated life of the probable reserve. If we abandon mineral properties or they are impaired, we will charge any capitalized costs to operations. During the twelve months ended January 31, 2008, we spent approximately \$55,000 conducting groundwork on approximately twelve mineral properties of interest to us in Chile.

Recent Accounting Pronouncements

In February 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 155, *Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140*. This statement amends FASB Statements No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, and resolves issues addressed in Statement 133 Implementation Issue No. D1, *Application of Statement 133 to Beneficial Interests in Securitized Financial Assets*. This statement is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. Our adoption of SFAS 155 did not have a material impact on our consolidated financial statements.

In March 2006, the FASB issued SFAS No. 156, *Accounting for Servicing of Financial Assets - an amendment of FASB Statement No. 140*. SFAS 156 amends SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*, with respect to accounting for separately recognized servicing assets and servicing liabilities. SFAS 156 is effective for fiscal years that begin after September 15, 2006, with early adoption permitted as of the beginning of an entity's fiscal year. We do not have any servicing assets or servicing liabilities and, accordingly, our adoption of SFAS 156 did not have a material impact on our consolidated financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48 (or FIN 48), *Accounting for Uncertainty in Income Taxes*. Interpretation No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. Interpretation No. 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Interpretation No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interpretation No. 48 was effective on February 1, 2007.

We adopted the provisions of FIN 48 on February 1, 2007. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements in accordance with SFAS 109. Tax positions must meet a “more-likely-than-not” recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. The adoption of FIN 48 had an immaterial impact on our consolidated financial position and did not result in unrecognized tax benefits being recorded. Accordingly, we have accrued no corresponding interest and penalties. We file income tax returns in the U.S. federal, state and Chilean jurisdictions. No federal or state income tax examinations are underway in these jurisdictions. We have prior years’ net operating losses which remain open for examination.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measures required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. SFAS No. 157 was effective for us on February 1, 2008. We do not expect that our adoption of SFAS 157 will have a significant impact on our consolidated financial statements.

In September 2006, the FASB issued SFAS 158, *Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)*. This statement requires an employer to recognize the over-funded or under-funded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity. This statement also requires an employer to measure the funded status of a plan as of the date of its year end statement of financial position, with limited exceptions. We are required to initially recognize the funded status of a defined benefit postretirement plan and to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. The requirement to measure plan assets and benefit obligations as of the date of the employer’s fiscal year end statement of financial position is effective for fiscal years ending after December 15, 2008, which is January 31, 2009 for us. We do not expect that our adoption of SFAS 158 will have a material impact on our consolidated financial statements.

In September 2006, the Securities and Exchange Commission staff published Staff Accounting Bulletin SAB No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*. SAB 108 addresses quantifying the financial statement effects of misstatements; specifically, how the effects of prior years’ uncorrected errors must be considered in quantifying misstatements in the current year’s financial statements. SAB 108 is effective for fiscal years ending after November 15, 2006. We adopted SAB 108 on February 1, 2007. Our adoption did not have a material impact on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities - including an amendment of SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities*, which applies to all entities with available-for-sale and trading securities. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This statement is effective as of the beginning of an entity’s fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, *Fair Value Measurements*. We adopted SFAS 159 effective February 1, 2008. We are in the process of determining the effect, if any, that our adoption of SFAS 159 will have on our consolidated financial statements.

In June 2007, the EITF of the FASB reached a consensus on Issue No. 07-3, *Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities*. EITF 07-3 requires that non-refundable advance payments for goods or services that will be used or rendered for future research and development activities must be deferred and capitalized. As the related goods are delivered or the services are performed, or when the goods or services are no longer expected to be provided, the deferred amounts must be recognized as an expense. This issue is effective for financial statements issued for fiscal years beginning after December 15, 2007 and earlier application is not permitted. This consensus is to be applied prospectively for new contracts entered into on or after the effective date. EITF 07-03 was effective for us on February 1, 2008. We do not expect that the pronouncement will have a material effect on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations*, which replaces SFAS 141, *Business Combinations*. SFAS 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions. This statement also requires the acquirer in a business combination achieved in stages to recognize the identifiable assets and liabilities, as well as the non-controlling interest in the acquiree, at the full amounts of their fair values. SFAS 141(R) makes various other amendments to authoritative literature intended to provide additional guidance or to confirm the guidance in that literature to that provided in this statement. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141(R) will be effective for us on February 1, 2009. We do not expect that our adoption of SFAS 141(R) will have a significant impact on our consolidated financial statements.

In December 2007, the EITF of the FASB reached a consensus on Issue No. 07-1, *Accounting for Collaborative Arrangements*. The EITF concluded on the definition of a collaborative arrangement and that revenues and costs incurred with third parties in connection with collaborative arrangements would be presented gross or net based on the criteria in EITF 99-19 and other accounting literature. Companies are also required to disclose the nature and purpose of collaborative arrangements along with the accounting policies and the classification and amounts of significant financial-statement amounts related to the arrangements. Activities in the arrangement conducted in a separate legal entity should be accounted for under other accounting literature; however, required disclosure under EITF 07-1 applies to the entire collaborative agreement. This issue is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, and is to be applied retrospectively to all periods presented for all collaborative arrangements existing as of the effective date. EITF 07-1 will be effective for us on February 1, 2009. We do not expect that our adoption of EITF 07-1 will have a significant impact on our consolidated financial statements.

In December 2007, FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*, which amends Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements. SFAS 160 establishes accounting and reporting standards that require the ownership interests in subsidiaries not held by the parent to be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. This statement also requires the amount of consolidated net income attributable to the parent and to the non-controlling interest to be clearly identified and presented on the face of the consolidated statement of income. Changes in a parent's ownership interest while the parent retains its controlling financial interest must be accounted for consistently, and when a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary must be initially measured at fair value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any non-controlling equity investment. The statement also requires entities to provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. This statement applies prospectively to all entities that prepare consolidated financial statements and applies prospectively for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS 160 will be effective for us on February 1, 2009. We do not expect that our adoption of SFAS 160 will have a significant impact on our consolidated financial statements.

Risks and Uncertainties

An investment in our common stock involves a number of very significant risks.

A number of known material risks and uncertainties are reasonably likely to have a material impact on our revenue, operations, liquidity and income over the short and long term. The primary risk that we face over the long term is that our mineral properties might not contain economically viable mineral deposits. If our mineral properties do not contain economically viable deposits, this will have a material effect on our ability to earn revenue and income as we will have no minerals to sell.

A number of industry-wide risk factors affect our business. Mineral exploration is inherently risky. Very few exploration companies go on to discover economically viable mineral deposits or reserves that ultimately result in an operating mine. For us to begin mining operations, we face a number of challenges, which include finding qualified professionals to conduct our exploration programs, obtaining adequate financing to continue our exploration programs, locating a viable ore body, partnering with a senior mining company, obtaining mining permits, and ultimately selling minerals in order to generate revenue.

Another important industry-wide risk factor is that the price of commodities can fluctuate based on world demand and other factors. For example, if the price of a mineral were to decline dramatically, our ore could become uneconomical to mine. We, and other companies in our business, rely on a price of ore that will allow us to develop a mine and ultimately generate revenue by selling minerals.

We may be unable to finance our exploration plans. With each unsuccessful attempt to locate a commercially viable mineral deposit, we become more unattractive in the eyes of investors. Over the long term this can become a serious issue that can be difficult to overcome. Without adequate financing, we cannot operate exploration programs. This risk is faced by all exploration companies and it is not unique to us.

We cannot assure you that we will succeed in developing our business plan and achieving a profitable level of operations sufficient to meet our ongoing cash needs. We have, however, successfully generated sufficient working capital and liquidity through the issuance of common stock until the date of this filing, and believe that we can continue to do so for the next twelve months.

Overview

On November 27, 2007 we abandoned our mineral claims in the Red Lake Mining District, Ontario, Canada.

In anticipation of acquiring properties in Chile, on August 21, 2007 we formed Minera Polymet Limitada, a Chilean limited liability company, to hold our Chilean mineral property interests. We have a 99% interest in Minera Polymet. Minera Polymet had no assets, liabilities or operations when we formed it.

On November 20, 2007, we acquired an option to purchase mineral properties covering 66 hectares in the III Region of Chile. On February 1, 2008, we acquired options to purchase two additional mineral properties covering a total of 880 hectares in the III Region of Chile. We are conducting groundwork on approximately nine other properties of interest to us in Chile. Over the next year we plan to concentrate on exploring and developing our properties in Chile.

Plan of Operation

Chilean Mineral Claims

For the last twelve months, we have conducted groundwork on approximately twelve properties of interest to us in the III Region of Chile. We have performed a considerable amount of due diligence on three of these properties. We have also contracted with an experienced manager resident in Chile who has organized an office and expedites other resources for us, and who acts as the legal representative for Polymet.

On September 25, 2007, a related company agreed to assign to us its option to buy the mineral concessions Farellon Alto Uno al Ocho located in the Sierra Pan de Azucar, Province of Huasco, III Region of Atacama in Chile. We agreed to pay the assignor \$250,000 when the assignment was recorded with the Conservator of Mines in Freirina, Chile. On November 20, 2007, the assignment was recorded. The assignor granted us an extension for the payment of \$250,000 until April 30, 2008. Under the terms of the assigned option agreement, we can buy the mining property by paying the vendor \$300,000 by May 4, 2008, and a royalty equal to 1.5% of the net sales of minerals extracted from the property for a total of \$600,000. The royalty payments are due monthly once exploitation begins, and are subject to a minimum monthly payment of \$1,000. We have paid the assignor the \$250,000 and the vendor \$300,000 and have sent the transfer documents for recording in Chile. We own the Farellon property as of April 25, 2008.

The Farellon property is located in Chile's III Region in the highly prospective Candelaria iron-oxide-copper-gold (IOCG) belt, home of the Phelps Dodge Candelaria Mine. The Candelaria copper mine has been in production since 1993 and has reported proven reserves of 283 million tonnes grading 0.64% copper. Recent surface sampling on the Farellon property has returned values of up to 6.7% Cu, and ICP analysis of surface samples indicates mineralogy assemblages consistent with classic IOCG deposits. Historic drilling on the property has intersected sulphide and oxide mineralization to a depth of 150 meters and outlined a 1.7 kilometer strike length. Significant intersections included:

9m 3.72 g/T Au 2.49% Cu 0.06% Co
 3m 4.17 g/T Au 5.29% Cu 0.11% Co
 10m 1.53 g/T Au 1.31% Cu 0.04% Co
 20m 0.97 g/T Au 1.22% Cu 0.02% Co

CAMILA MINERAL PROPERTIES

On February 1, 2008, a related company granted us an option to acquire its option to buy the Camila mineral concessions located in the Sector of Quebrada, Commune of Vallenar, Province of Huasco, III Region of Atacama, Chile. We paid \$5,000 when we signed the agreement and agreed to pay an additional \$100,000 in two equal payments of \$50,000 on May 23, 2008 and November 21, 2008. If we elect to exercise our option on November 21, 2008, we assume all of the optionor's rights and obligations for the mining properties and will be required to pay the vendor \$50,000 by December 7, 2008 and \$100,000 by June 7, 2009. We can exercise our option to buy the mining property by paying the vendor \$200,000 by December 7, 2009. Thereafter, we must pay the vendor a royalty equal to 6% of the net sales of minerals extracted from the property for a total of \$1,000,000. The royalty payments are due monthly once exploitation begins; and the total amount is payable in full by December 7, 2011.

The Camila property is made up of four mining and exploration concessions totaling 770 hectares. The property is located in the highly prospective Candelaria IOCG Belt. The Camila property was last explored in the late 1990s by Trilogy Metals, Inc., formerly Thyssen Mining Exploration Inc., who identified two mineralized structures with up to 1.12% Cu and 7.5 g/t Au from surface grab samples.

We began exploring the Camila property on March 14, 2008. The planned exploration program consists of six drill holes totaling approximately 1000 metres of diamond drilling on two previously identified mineralized structures. The drilling will target depth extents of surface copper mineralization and coincident induced polarization anomalies identified in the previous geophysics survey. A second target along the El Zorro Vein is planned to intercept depth and strike extents of the known mineralized structure containing gold bearing hematite quartz.

On February 1, 2008, a related company granted us an option to acquire its option to buy the Santa Rosa mineral concessions located in Sierra Cordon El Tomate, Province of Huasco, III Region of Atacama, Chile. We paid \$9,500 when we signed the agreement and agreed to pay \$8,500 per month for five months ending July 5, 2008 and \$50,000 by August 5, 2008 to exercise the option, for a total exercise price of \$102,000. Once we have exercised the option, we will assume the optionor's rights and obligations and will be required to pay the vendor a total of \$317,500 by June 20, 2011, on monthly terms. If we make all of these payments, we will own the property. We will still owe the vendor a royalty equal to 1.5% of the net sales of minerals extracted from the property for a total of \$600,000. The royalty payments are due monthly once exploitation begins, and are subject to a minimum monthly payment of \$1,000. The optionor retained the right to continue to mine the property until we exercise our option and must pay us a royalty equal to 5% of the net proceeds from the sale of ore. We received our first royalty payment in April 2008.

The Santa Rosa property is made up of two mining and exploration concessions totaling 110 hectares. The property is located in the highly prospective Candelaria IOCG belt. Recent exploration has identified multiple mineralized structures with significant alteration indicators of IOCG systems. The optionor is selling the ore that it mines to Enami, a Chilean national mining company. The ore is returning grades of up to 19.78% copper and 13.9 grams per ton gold.

OTHER PROPERTIES

While we intend to concentrate our efforts on exploring and developing the three properties that we have, we are reviewing other interesting properties in the same general area. We are waiting for the geological results on approximately nine other mineral properties. On all of these properties, we have contracted with geologists to analyze the rock samples, perform due diligence, evaluate and analyze their findings, and prepare geological reports. If our initial evaluation results are promising, we intend to acquire additional Chilean mineral properties.

The acquisition and exploration of our Chilean mineral claims is subject to our obtaining the necessary funding.

Chilean Subsidiary

On August 21, 2007, we formed Minera Polymet Limitada, a limited liability company, under the laws of the Republic of Chile. We own a 99% interest in this company, which will hold our Chilean mineral property interests. The 1% interest that we don't own is held for us by a Chilean resident as required by Chilean law. He is an experienced manager who has organized an office and expedites other resources for us. We have agreed to pay him \$2,000 per month to act as the legal representative and manager.

Equity Financing

To generate working capital, on July 26, 2007, we approved a Regulation S offering for the issuance of up to 6,666,667 units at \$0.30 per unit. Each unit consists of one common share and one-half of a share purchase warrant (a total of 3,333,334 warrants). The warrants are exercisable for two years at \$0.50 per share. On August 1, 2007, we issued 333,334 units in a private placement under this offering for cash of \$100,000. The warrants will expire on August 1, 2009.

On April 21, 2008 we completed another Regulation S offering and issued another 4,000,000 shares of our common stock for \$0.25 per share and warrants exercisable, for two years, for another 4,000,000 shares at \$0.35. We realized \$1 million dollars from this offering.

Based on our operating plan, we anticipate incurring operating losses in the foreseeable future and will require additional equity capital to support our operations and develop our business plan. Our ability to achieve and maintain profitability and positive cash flow depends upon our ability to locate profitable mineral properties, generate revenue from our mineral production and control production costs. However, a failure to generate sufficient revenue or raise sufficient working capital will adversely affect our ability to achieve our ultimate business objectives. We cannot assure you that we will be able to raise additional equity capital, locate profitable mineral properties, generate revenue from our mineral production or control production costs in the future. These factors raise substantial doubt about our ability to continue as a going concern. The accompanying consolidated financial statements do not give effect to any adjustments that would be necessary should we be unable to continue as a going concern and be required to liquidate our assets and discharge our liabilities in other than the normal course of business and at amounts different from those reflected in our consolidated financial statements.

If we are successful in completing an equity financing, the issuance of the additional shares will result in dilution to our exiting shareholders.

Operations Review

During the year ended January 31, 2008, we had a net loss of \$232,499. At January 31, 2008, our current assets consisted of cash of \$1,901. Offsetting this cash balance, we had current obligations of \$44,719 in accounts payable, \$32,018 in accrued professional fees and \$41,237 in amounts due to related parties, leaving us with a working capital deficit of \$116,073.

Although we have raised \$1,000,000 since January 31, 2008, our cash position as of the date of this filing is inadequate to satisfy our working capital needs for the next twelve months. Over the next twelve months we will need to raise capital to cover our operating costs, fulfill our option and property purchase obligations pay for our Chilean properties and to cover any exploration or development costs on our property.

We expect our general and administrative expenses to increase due to the costs associated with setting up operations in Chile including hiring a resident manager, exploring and developing our mineral properties, and sourcing additional mineral properties.

We do not anticipate generating any revenue over the next twelve months. We plan to fund our operations through equity financing from the sale of our common stock, private loans, joint ventures or through the sale of a part interest in our mineral properties. We do not have any financing arranged and cannot provide any assurance that we will be able to raise sufficient funding from the sale of our common stock, private loans, joint ventures or that we will be able to sell a part interest in our mineral properties in order to cover our general and administrative expenses, acquire and develop properties in Chile, commit to pay a resident manager and set up operations in Chile.

We may consider entering into a joint venture partnership with a more senior resource company to provide the funding needed to complete our mineral exploration program in Chile. Although we have not attempted to locate a joint venture partner, if we enter into a joint venture arrangement, we would assign a percentage of our interest in our mineral property to our joint venture partner.

Related-Party Transactions

On November 20, 2007 and February 1, 2008 we entered into option agreements to acquire options to purchase the Farellon, Santa Rosa and Camila Breccia mineral properties from a company controlled by a shareholder.

At January 31, 2008 we owed a company controlled by a director \$39,010. During the year ended January 31, 2008, we paid \$54,345 in exploration fees to the same company.

At January 31, 2008 we owed a director \$2,227 for expenses that this director paid on our behalf.

We do not have any loans or advances payable to our directors and we do not have any commitments to pay any administrative or directors' fees to any related party.

On June 20, 2007, our president returned 24,500,000 restricted shares to treasury in return for \$1. We cancelled these shares.

We recognized donated rent at \$250 per month and donated services provided by our president at \$500 per month until April 30, 2007. For the years ended January 31, 2008 and 2007, we recognized \$750 and \$3,000 respectively in donated rent, and \$1,500 and \$6,000 respectively in donated services.

Comparison of the Years Ended January 31, 2008 and 2007

Overall Results of Operations

During the year ended January 31, 2008, we had a net loss of \$232,499, which is an increase of \$188,614 from our net loss of \$43,885 for the year ended January 31, 2007. This increase in our net loss was primarily due to increases in our administrative, mineral and exploration costs, professional fees, regulatory and travel and entertainment.

We expect our net loss over the next twelve months to be significantly higher. We do not expect to generate any revenue; and we expect our operating costs to increase due to our operations in Chile.

Revenue

We did not have any operating revenue from inception (January 10, 2005) to January 31, 2008. We began receiving a 5% royalty in April 2008 from a related company who has the right to mine our Santa Rosa properties until we exercise our option. To date, we have financed our activities with the proceeds of share subscriptions. From our inception on January 10, 2005, to the date of this filing, we have raised a total of \$1,173,500 from private offerings of our common stock. Due to the nature of our business, we do not expect to have operating revenue within the next year.

Operating Expenses

Our operating expenses increased by \$188,614, or 430%, from \$43,885 for the year ended January 31, 2007, to \$232,499 for the year ended January 31, 2008. The increase was primarily due to increases of approximately \$56,000 in administrative costs, \$5,000 in advertising and promotional activities, \$40,000 in mineral and exploration costs, \$2,000 in office costs, \$54,000 in professional fees, \$8,000 in regulatory costs and \$29,000 in travel and entertainment costs. These costs were partially offset by decreases in donated services of \$5,000 and donated rent of \$2,000.

The increase in our operating expenses was primarily due to increases in administrative costs associated with outsourcing our administration, accounting services and rent; exploration and travel costs associated with performing preliminary fieldwork and locating mineral properties in Chile; and professional and regulatory compliance costs.

Over the next twelve months, we expect our net loss to increase primarily due to the costs associated with outsourcing our administrative and accounting services and paying rent and costs associated with our mining properties in Chile, such as our option and mineral property acquisition costs; legal costs associated with our option and property acquisition agreements; mineral exploration costs, including the cost of geologists; administrative costs, including the costs associated with having a resident manager and office in Chile; and additional travel and entertainment costs.

Off-Balance-Sheet Arrangements

We have no off-balance sheet arrangements and no non-consolidated, special-purpose entities.

Liquidity, Capital Resources and Financial Position

At January 31, 2008, we had a cash balance of \$1,901 and negative cash flow from operations of \$113,576.

The notes to our consolidated financial statements as of January 31, 2008, disclose our uncertain ability to continue as a going concern. We have not generated, and do not expect to generate, any revenue to cover our expenses while we are in the exploration stage and as a result we have accumulated a deficit of \$289,572 since inception. As of January 31, 2008, we had \$117,974 in current liabilities. When our current liabilities are offset against our current assets of \$1,901, we are left with a working capital deficit of \$116,073. While we have successfully generated sufficient working capital to the date of this filing through the sale of common stock and we believe that we can continue to do so for the next year, we cannot assure you that we will succeed in generating sufficient working capital to meet our ongoing cash needs through the sale of common stock or from private loans or advances.

Net Cash Used In Operating Activities

We used \$113,576 net cash in operating activities during the year ended January 31, 2008, and \$232,499 to cover operating costs. These costs were offset by increases in accounts payable of \$43,417, accrued professional fees of \$32,018, amounts due to related parties of \$41,235, and donated services and rent of \$2,250.

We intend to go to the public markets and raise sufficient working capital and obtain advances and loans to sustain our operating and mining activities until we become profitable.

Net Cash Used in Investing Activities

We did not have any investing activities during the year ended January 31, 2008.

Net Cash Provided By Financing Activities

Financing activities during the year ended January 31, 2008, provided net cash of \$100,000. On August 1, 2007, we issued a total of 333,334 units at \$0.30 per unit in a private placement for cash of \$100,000. Each unit comprises one common share and one-half of one share purchase warrant entitling the holder to purchase one common share for \$0.50. The warrants have a two-year term ending on August 1, 2009.

Income Taxes

Table 3 sets out our deferred tax assets as of January 31, 2008 and 2007. We have established a 100% valuation allowance, as we believe it is more likely than not that the deferred tax assets will not be realized.

Table 3: Deferred Tax Assets

	January 31,	
	2008	2007
Federal loss carryforwards (estimated at 34%)	\$ 64,998	\$ 5,481
Foreign loss carryforwards	-	-
Less: valuation allowance	(64,998)	(5,481)
	\$ -	\$ -

We established a 100% valuation allowance against our deferred tax assets based on our current operating results. If our operating results improve significantly, we may have to record our deferred taxes in our consolidated financial statements, which could have a material impact on our financial results.

Contingencies and Commitments

We had no contingencies at January 31, 2008. We had the following long-term commitments at April 28, 2008:

On September 27, 2007, a related company assigned to us an option to purchase the Farellon mining holdings located in the Sierra Pan de Azucar, Province of Huasco, III Region of Atacama in Chile. Under the terms of the assignment, we have agreed to pay \$250,000 on or before April 30, 2008, \$300,000 before May 4, 2008, and a royalty equal to 1.5% of the net sales of minerals extracted from the property for a total of \$600,000. The royalty payments are due monthly once exploration begins, and are subject to a minimum monthly payment of \$1,000.

On February 1, 2008, a related company assigned to us an option to purchase four mineral concessions called the Camila Breccia, located in the Sector of Quebrada Jilguero, Commune of Vallenar, Province of Huasco, III Region of Atacama, Chile. Under the terms of the assignment we paid \$5,000 upon signing the agreement and have agreed to pay \$50,000 by May 23, 2008, \$50,000 by November 21, 2008, \$50,000 by December 7, 2008, \$100,000 by June 7, 2009, \$200,000 by December 7, 2009 and a royalty equal to 6% of the net sales of minerals extracted from the property for a total of \$1,000,000. Any unpaid portion of the royalty is payable in full on December 7, 2011.

On February 1, 2008, a related party assigned to us an option to purchase two mineral concessions called the Santa Rosa, located in Sierra Cordon El Tomate, Quebrada de Agua Grande, Commune Freirina, Province of Huasco, III Region of Atacama, Chile. Under the terms of the assignment, we paid \$9,500 upon signing the agreement and have agreed to pay \$8,500 per month from April 5 to July 5, 2008, \$50,000 on August 5, 2008, \$7,500 per month from August 20, 2008 to August 20, 2009, \$10,000 per month from September 20, 2009 to June 20, 2011 and a royalty equal to 1.5% of the net sales of minerals extracted from the property for a total of \$600,000. The royalty payments are due monthly once exploration begins, and are subject to a minimum monthly payment of \$1,000.

On March 5, 2008, we entered into a diamond-drilling contract with a Chilean drilling company to conduct exploration work on the Camila and Santa Rosa mineral properties. We agreed to pay \$386,145 (169,400,000 Chilean pesos) and the drilling company has agreed to complete our exploration program by June 27, 2008. On March 18, 2008, we advanced \$30,000 (12,855,000 Chilean pesos) to the exploration company to be applied against the total cost of the contract. The drilling contract was legalized in Chile on April 15, 2008.

Contractual Obligations

Our commitments under the Farellon, Camila Breccia, and Santa Rosa assignments and the contract for the Camila and Santa Rosa drilling programs are the only contractual obligations that we have. Table 4 summarizes contractual obligations and commitments as of April 28, 2008 for the next fiscal years.

Table 4: Contractual Obligations

	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Option payments	\$ 457,000	\$ 457,000	\$ -	\$ -	\$ -
Partial purchase payment	967,500	395,000	522,500	50,000	-
Royalty payments	2,200,000	16,000	48,000	1,048,000	1,088,000(1)
Drilling contract	386,145	386,145			
Total	\$4,010,645	\$1,254,145	\$570,500	\$1,098,000	\$1,088,000

(1) The Farellon and Santa Rosa agreements have minimum royalty payments of \$1,000 per month that are payable when exploitation begins. We do not know when exploitation will begin; in this table we have assumed that we will start exploitation in June of 2008.

Internal and External Sources of Liquidity

To date we have funded our operations by selling shares of our common stock. In April, 2008, we began receiving a 5% royalty from a related company that has the right to mine one of our properties.

Foreign Exchange

We are subject to foreign exchange risk for transactions denominated in foreign currencies. Foreign currency risk arises from the fluctuation of foreign exchange rates and the degree of volatility of these rates relative to the United States dollar. We do not believe that we have any material risk due to foreign currency exchange.

Inflation

We do not believe that inflation will have a material impact on our future operations.

FACTORS AFFECTING OUR BUSINESS, OPERATING RESULTS AND FINANCIAL CONDITION

You should consider each of the following risk factors and the other information in this annual report, including our financial statements and the related notes, in evaluating our business and prospects. The risks and uncertainties that we describe below are not the only ones that impact our business. Other risks and uncertainties not known to us or that we consider immaterial may also impact our business operations. If any of the following risks actually occur, our business and financial results could be harmed. In that case, the trading price of our common stock could decline.

If we do not obtain additional financing, our business plan will fail.

We have limited financial resources. We had cash of \$1,900 as of January 31, 2008. Since then, we have raised \$1 million and spent funds to, among other things, buy the Farellón property, acquire the Santa Rosa and Camila options, begin a drilling program at the Camila Breccia, organize an office in Vallenar, and complete our audit and other administrative and reporting obligations. We have no operating revenue, and must finance our plan of operation, which consists of exploring and developing our mineral properties, entirely by other means. Our ability to continue exploring and developing our properties will depend on our ability to develop our properties and generate operating revenue or obtain more external financing. Mineral exploration and development are very expensive. We will need to raise significant additional capital in order to implement our plan of operation.

The sources of external financing available to us for these purposes include public or private offerings of equity and debt, strategic alliances or joint ventures with more experienced and better financed mining companies, selling some of our mineral properties, or any combination of these alternatives. These financing alternatives may not be available to us on acceptable terms, or at all. If additional financing is not available, we may have to postpone the development of our mineral properties or sell them.

If we fail to make required payments on our mineral properties, we could lose our rights to the properties.

To retain our interest in our mineral properties for the next 12 months, we have to make payments totaling \$293,000 to the property owners to keep the option agreements in good standing. If we fail to make all of these payments we will lose our interests in some or all of our mineral properties.

Our auditors have expressed substantial doubt about our ability to continue as a going concern; as a result we could have difficulty finding additional financing.

Our accompanying financial statements have been prepared assuming that we will continue as a going concern. As discussed in Note 1 to the financial statements, we were incorporated on January 10, 2005. Except for approximately \$3,000 of royalty income that we have recently received from Minera Farellón from their mining the Santa Rosa, we have not generated any revenue since inception and have accumulated losses. As a result, our auditors have expressed substantial doubt about our ability to continue as a going concern. Our ability to continue our operations depends on our ability to complete equity or debt financings or generate profitable operations. Such financings may not be available or may not be available on reasonable terms. Our financial statements do not include any adjustments that could result from the outcome of this uncertainty.

As a result of only recently starting our business operations, we face a high risk of business failure.

We were incorporated on January 10, 2005 and to date have been involved primarily in organizational activities, acquiring mineral properties and obtaining financing. We have not earned any revenue other than a nominal royalty from the local miner who is mining the Santa Rosa property, and have, as a result, never had a profit. You should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of these enterprises. The likelihood of success must be considered in the light of the costs, difficulties, complications and delays encountered in connection with our proposed exploration programs. These potential problems include, but are not limited to, the unavailability of human or equipment resources, and costs and expenses that exceed our estimates. We have no history upon which to base any assumption about whether our business will prove successful, and we cannot assure you that we will ever generate revenue from our operations or realize a profit. If we are unsuccessful in addressing these risks our business will probably fail.

We expect to incur operating losses for the foreseeable future, which could cause us to run out of funds.

We have earned no revenue and never been profitable. Before we complete any exploration on our properties, our operating expenses could increase without our realizing any revenues from our mineral properties, which could cause us to run out of funds. If this happens, our business will probably fail.

If we do not find a joint venture partner for the development of our mineral properties, we may not be able to develop them.

If our exploration programs are successful, we may try to form a joint venture with a partner for further exploration and development of our mineral properties. We would face competition from other junior mineral resource exploration companies who have properties that they believe have more potential for higher economic returns and lower investment costs. If we entered into a joint venture, we would probably have to assign a percentage of our interest in our mineral properties to the joint venture partner. If we are unable to find a suitable joint venture partner, we could fail to find the required funding for further exploration and eventual production.

Access to our mineral properties could be restricted by inclement weather, which could delay our proposed mineral exploration program and prevent us from generating revenue.

Our properties are located in the Atacama Desert, the driest desert in the world, and no higher than 800 metres above sea level. The weather where our properties are located is generally the same all year—warm and dry. Rain rarely falls, although heavy rain has been known to fall at least once a decade. If heavy rain should fall, access to our properties could be restricted during the rainfall. We do not believe that weather will be a significant factor in our operations.

In some instances members of the board of directors may be liable for losses incurred by holders of our common stock. If a shareholder were to prevail in such an action in the U.S., it may be difficult for the shareholder to enforce the judgment against any of our three board members who are not U.S. residents.

In certain instances, such as trading securities based on material non-public information, a director may incur liability to shareholders for losses sustained by the shareholders as a result of the director's illegal or negligent activity. However, all of our directors live and maintain a substantial portion of their assets outside the United States. As a result it may be difficult or impossible to effect service of process within the U.S. upon these directors or to enforce in the U.S. courts any judgment obtained here against them predicated upon any civil liability provisions of the U.S. federal securities laws.

Foreign courts may not entertain original actions predicated solely upon U.S. federal securities laws against these directors; and judgments predicated upon any civil liability provisions of the U.S. federal securities laws may not be directly enforceable in foreign countries.

As a result of the foregoing, it may be difficult or impossible for a shareholder to recover from any of these directors if, in fact, the shareholder is damaged as a result of a director's negligent or illegal activity.

Mineral exploration is highly speculative and risky: we might not find economic mineral deposits on our properties.

Exploration for commercially viable mineral deposits is a speculative venture involving substantial risk. We cannot assure you that our mineral properties contain economic mineral deposits. Our exploration program might not result in the discovery of economically viable mineral deposits. Problems such as unusual and unexpected rock formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. In such a case, we may be unable to complete our plan of operation.

Mineral exploration is hazardous: we could incur liability or damages as we conduct our business due to the dangers inherent in mineral exploration.

The search for minerals is hazardous. We could become liable for hazards such as pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. We have no insurance for these kinds of hazards, nor do we expect to get such insurance for the foreseeable future. If we were to suffer from such a hazard, the costs of rectifying it could exceed our asset value and require that we liquidate our assets.

We must comply with government regulations affecting mineral exploration, which could increase the time and cost of our exploration programs.

Our business is subject to various levels of government controls and regulations, which are supplemented and revised from time to time. We cannot predict what legislation or revisions might be proposed that could affect our business or when any such proposals, if enacted, might become effective. Such changes, however, could require more capital and increase our operating expenditures, which could prevent or delay some of our operations.

Our exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and protection of endangered and other special status species. Our ability to successfully obtain key permits and approvals to explore and develop mineral properties and to successfully operate in Chile will depend on our ability to explore and develop our properties in a manner that is consistent with the creation of social and economic benefits in the surrounding communities. Our ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with our activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could adversely affect our financial condition or the results of our operations.

We could be required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these regulations. Delays in obtaining or failure to obtain government permits and approvals could adversely affect our operations, including our ability to explore or develop properties, start producing or continue our operations. We expect to spend significant amounts to comply with such laws and regulations and, to the extent possible, create social and economic benefit in the surrounding communities. While we include the costs of regulatory compliance in the budget for our mineral exploration programs, new regulations could increase the time and costs of doing business and prevent us from carrying out our mineral exploration programs within our budget.

If we do not comply with applicable environmental and health and safety laws and regulations, we could be fined, enjoined from continuing our operations, have our permits suspended or revoked, and suffer other penalties. We cannot assure you that we have fully complied or will always fully comply with the laws and regulations that apply to us and our environmental and health and safety permits, or that we have all the permits that we need. The costs and delays associated with compliance with these laws, regulations and permits could stop us from developing a project or operating or further developing a mine on our properties, and could materially adversely affect our business, the results of our operations and financial condition. We could be liable for the costs of addressing contamination at the site of current or former activities or at third-party sites. We could be liable for exposure to hazardous substances. The costs associated with such liabilities could be significant.

We might not be able to market any minerals that we find on our mineral properties due to market factors that are beyond our control.

The mining industry, in general, is intensely competitive and we cannot assure that, even if we discover economic minerals, we will find a ready market for our minerals. Many factors beyond our control affect the marketability of minerals. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. We cannot accurately predict the effect of these factors, but any combination of these factors could result in an inadequate return on invested capital.

We conduct operations in a foreign jurisdiction, and are subject to certain risks that may limit or disrupt our business operations.

Our head office is in Canada; and our mining operations are in Chile. Mining investments are subject to the risks normally associated with the conduct of any business in foreign countries including uncertain political and economic environments; wars, terrorism and civil disturbances; changes in laws or policies, including those relating to imports, exports, duties and currency; cancellation or renegotiation of contracts; royalty and tax increases or other claims by government entities, including retroactive claims; risk of loss due to disease and other potential endemic health issues; risk of expropriation and nationalization; delays in obtaining or the inability to obtain or maintain necessary governmental permits; currency fluctuations; restrictions on the ability of local operating companies to sell gold, copper or other minerals offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of gold, copper or other minerals; limitations on the repatriation of earnings; and increased financing costs.

These risks could limit or disrupt our exploration programs, restrict the movement of funds, cause us to spend more than we expected or required, or deprive us of contract rights or result in our operations being nationalized or expropriated without fair compensation, and could materially adversely affect our financial position or the results of our operations. If a dispute arises from our activities in Chile, we could be subject to the exclusive jurisdiction of courts outside North America, which could adversely affect the outcome of the dispute.

We hold a significant portion of our cash in United States dollars, which could weaken our purchasing power in other currencies and limit our ability to conduct our exploration programs.

Currency fluctuations could affect the costs of our operations and affect our operating results and cash flows. Gold and copper are sold throughout the world based principally on the U.S. dollar price, but most of our operating expenses are incurred in local currencies, such as the Canadian dollar and the Chilean peso. The appreciation of other currencies against the U.S. dollar can increase the costs of our operations.

We hold a significant portion of our cash in United States dollars. Currency exchange rate fluctuations can result in conversion gains and losses and diminish the value of our United States dollars. If the United States dollar declined significantly against the Canadian dollar or the Chilean peso, our US-dollar purchasing power in Canadian dollars and Chilean pesos would also significantly decline and we would not be able to afford to conduct our mineral exploration programs. We have not entered into derivative instruments to offset the impact of foreign exchange fluctuations.

We do not expect to declare or pay dividends in the foreseeable future.

We have never paid cash dividends on our common stock and have no plans to do so in the foreseeable future. We intend to retain any earnings to develop, carry on, and expand our business.

“Penny Stock” rules may make buying or selling our common stock difficult, and severely limit their market and liquidity.

Trading in shares of our common stock is subject to regulations adopted by the SEC commonly known as the “penny stock” rules. These rules govern how broker-dealers can deal with their clients and penny stocks. The additional burdens imposed upon broker-dealers by the penny stock rules could discourage broker-dealers from participating in transactions involving shares of our common stock, which could severely limit their market price and liquidity. Under the penny stock rules, broker-dealers participating in penny-stock transactions must first deliver to their customer a risk disclosure document describing the risks associated with penny stocks, the broker-dealer’s duties in selling the stock, the customer’s rights and remedies, and certain market and other information. The broker-dealer must determine the customer’s suitability for penny- stock transactions based on the customer’s financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing to the customer, obtain specific written consent from the customer, and provide monthly account statements to the customer. The effect of these restrictions can decrease broker-dealers’ willingness to make a market in our shares of common stock, decrease the liquidity of our common stock, and increase transaction costs for sales and purchases of our common stock as compared to other securities.

Item 7. Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Red Lake Exploration, Inc.

We have audited the accompanying consolidated balance sheet of Red Lake Exploration, Inc. (an exploration stage company), as of January 31, 2008 and the related consolidated statements of operations, changes in stockholders' (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Red Lake Exploration, Inc. (an exploration stage company), as of January 31, 2007 were audited by other auditors, whose report dated April 23, 2007, on those statements included an explanatory paragraph that described the uncertainty of the Company's ability to continue as a going concern discussed in Note 3 to the financial statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Red Lake Exploration, Inc. (an exploration stage company) as of January 31, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Mendoza Berger & Company, LLP

/s/ Mendoza Berger & Company, LLP

Irvine, California

April 25, 2008



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Red Lake Exploration, Inc. (An Exploration Stage Company)

We have audited the accompanying balance sheet of Red Lake Exploration, Inc. (An Exploration Stage Company) as of January 31, 2007 and the related statements of operations, cash flows and stockholders' equity for the year then ended and accumulated from January 10, 2005 (Date of Inception) to January 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Red Lake Exploration, Inc. (An Exploration Stage Company) as of January 31, 2007 and the results of its operations and its cash flows for the year then ended and accumulated from January 10, 2005 (Date of Inception) to January 31, 2007 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has not generated any revenue and has accumulated losses since inception and will need additional equity financing to begin realizing its business plan. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Manning Elliott LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada
April 23, 2007

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
AT JANUARY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 1,901	\$ 15,477
Total assets	<u>\$ 1,901</u>	<u>\$ 15,477</u>
<u>LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 44,719	\$ 1,299
Accrued professional fees	32,018	-
Due to related parties	<u>41,237</u>	<u>1</u>
Total liabilities	<u>117,974</u>	<u>1,300</u>
Commitments and contingencies		
Stockholders' (deficit) equity:		
Common stock, \$0.001 par value, authorized 200,000,000, 53,183,334 and 77,350,000 issued and outstanding at January 31, 2008 and January 31, 2007, respectively	53,183	77,350
Additional paid in capital	120,316	(6,100)
Deficit accumulated during exploration stage	<u>(289,572)</u>	<u>(57,073)</u>
Total stockholders' (deficit) equity	<u>(116,073)</u>	<u>14,177</u>
Total liabilities and stockholders' (deficit) equity	<u>\$ 1,901</u>	<u>\$ 15,477</u>

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

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended January 31,		From January 10, 2005 (Inception) to January 31, 2008
	2008	2007	2008
Operating Expenses:			
Administrative	\$ 56,368	\$ 541	\$ 56,909
Advertising and promotion	4,837	-	4,837
Bank charges and interest	263	514	907
Donated rent	750	3,000	4,750
Donated service fees	1,500	6,000	9,500
Mineral and exploration costs	54,345	13,953	68,298
Office	2,061	-	2,061
Professional fees	72,747	18,250	91,822
Regulatory	9,830	1,607	11,670
Travel and entertainment	29,131	-	29,131
Impairment loss on mineral property costs	-	-	9,000
Foreign exchange	667	20	687
 Net loss for the period	 <u>\$ (232,499)</u>	 <u>\$ (43,885)</u>	 <u>\$ (289,572)</u>
Net loss per share - basic and diluted	 <u>\$ (0.00)</u>	 <u>\$ (0.00)</u>	
Weighted average number of shares outstanding - basic and diluted	 <u>62,348,174</u>	 <u>77,350,000</u>	

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

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' (DEFICIT) EQUITY
FOR THE PERIOD FROM JANUARY 10, 2005 (INCEPTION) TO JANUARY 31, 2008

	Common Stock Issued		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total
	Number of Shares	Amount			
Balance at January 10, 2005 (Inception)	-	\$ -	\$ -	\$ -	\$ -
Net loss	-	-	-	(825)	(825)
Balance at January 31, 2005	-	-	-	(825)	(825)
Common stock issued for cash	77,350,000	77,350	(18,100)	-	59,250
Donated services	-	-	3,000	-	3,000
Net loss	-	-	-	(12,363)	(12,363)
Balance at January 31, 2006	77,350,000	77,350	(15,100)	(13,188)	49,062
Donated services	-	-	9,000	-	9,000
Net loss	-	-	-	(43,885)	(43,885)
Balance at January 31, 2007	77,350,000	77,350	(6,100)	(57,073)	14,177
Donated services	-	-	2,250	-	2,250
Return common shares to treasury	(24,500,000)	(24,500)	24,499	-	(1)
Common stock issued for cash	333,334	333	99,667	-	100,000
Net loss	-	-	-	(232,499)	(232,499)
Balance at January 31, 2008	<u>53,183,334</u>	<u>\$ 53,183</u>	<u>\$ 120,316</u>	<u>\$ (289,572)</u>	<u>\$ (116,073)</u>

On June 15, 2007, the Company declared a forward split of 13 new common shares for every one common share outstanding. All share amounts have been retroactively adjusted for all periods presented.

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

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended January 31,		From January 10, 2005 (Inception) to January 31, 2008
	2008	2007	
Cash flows from operating activities:			
Net loss	\$ (232,499)	\$ (43,885)	\$ (289,572)
Adjustments to reconcile net loss to net cash used in operating activities:			
Donated services and rent	2,250	9,000	14,250
Impairment loss on mineral property costs	-	-	9,000
Changes in operating assets and liabilities:			
Accounts payable	43,420	1,300	44,720
Accrued professional fees	32,018	-	32,018
Due to related parties	41,235	-	41,235
Net cash used in operating activities	<u>(113,576)</u>	<u>(33,585)</u>	<u>(148,349)</u>
Cash flows from investing activities:			
Acquisition of mineral properties	-	-	(9,000)
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(9,000)</u>
Cash flows from financing activities:			
Proceeds from issuance of common stock	100,000	-	159,250
Net cash provided by financing activities	<u>100,000</u>	<u>-</u>	<u>159,250</u>
(Decrease) increase in cash during the period	(13,576)	(33,585)	1,901
Cash, beginning of period	15,477	49,062	-
Cash, end of period	<u>\$ 1,901</u>	<u>\$ 15,477</u>	<u>\$ 1,901</u>
Supplemental disclosures:			
Cash paid during the period for:			
Taxes	\$ -	\$ -	\$ -
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-cash financing transaction:			
Acquisition of 24,500,000 common shares	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>

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

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2008 AND 2007

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Nature of Operations

Red Lake Exploration, Inc. (the Company or Red Lake) was incorporated on January 10, 2005, under the laws of the State of Nevada. On August 21, 2007, Red Lake acquired a 99% interest in Minera Polymet Limitada (Polymet), a limited liability company formed on August 21, 2007, under the laws of the Republic of Chile.

Red Lake is involved in the acquisition and exploration of mineral resources. On November 20, 2007, through Polymet, the Company acquired an option on mineral holdings in Chile. On November 27, 2007, Red Lake abandoned their mineral claims in Ontario, Canada. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. In these notes, the terms "Company", "we", "us" or "our" mean Red Lake Exploration, Inc. and its subsidiary whose operations are included in these consolidated financial statements.

Exploration Stage

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States of America, and are expressed in United States dollars. Red Lake has not produced any revenues from its principal business or commenced significant operations and is considered an Exploration Stage Company, as defined by Statement of Financial Accounting Standard (SFAS) No.7 *Accounting and Reporting by Development Stage Enterprises*.

The Company is in the early exploration stage. In an exploration stage company, management devotes most of its time to conducting exploratory work and developing its business. These consolidated financial statements have been prepared on a going-concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The Company's continuation as a going concern and its ability to emerge from the exploration stage with any planned principal business activity is dependent upon the continued financial support of its shareholders and its ability to obtain the necessary equity financing and attain profitable operations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

These consolidated financial statements include the financial statements of Red Lake and Polymet, its majority owned subsidiary. All significant intercompany balances and transactions have been eliminated from the consolidated financial results.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all amounts on deposit with financial institutions and highly liquid investments with maturities of 90 days or less to be cash equivalents. At January 31, 2008 and 2007, the Company had no cash equivalents.

Financial Instruments

Foreign Exchange Risk

The Company is subject to foreign exchange risk for sales and purchases denominated in foreign currencies. The functional currency for Polymet is the Chilean peso. Foreign currency risk arises from the fluctuation of foreign exchange rates and the degree of volatility of these rates relative to the United States dollar. The Company does not believe that it has any material risk to its foreign currency exchange.

Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts payable and accrued professional fees. The fair value of these financial instruments approximates their carrying values due to their short maturities.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash.

At January 31, 2008 and 2007, the Company had approximately \$1,900 and \$15,000, respectively in cash that was not insured. This cash is on deposit with a major chartered Canadian bank. As part of its cash management process, the Company performs periodic evaluations of the relative credit standing of this financial institution. The Company has not experienced any losses in cash balances and does not believe it is exposed to any significant credit risk on its cash.

Accounting Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company's consolidated financial statements are based on a number of significant estimates, including an estimate for accrued professional fees.

Revenue Recognition

Mining revenue will be recognized as income when minerals are produced and sold. Interest revenue is recognized at the end of each month.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Long-lived Assets

In accordance with SFAS No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*", the carrying value of long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value. The Company's only long-lived asset is its unproven mineral interests. At January 31, 2008 and 2007 the Company had no impairment losses with respect to its unproven mineral interests.

Unproved Mineral Property Costs

The Company has been in the exploration stage since its inception on January 10, 2005 and has not yet realized any revenues from its operations. It is primarily engaged in acquiring and exploring mining properties. Mineral property exploration costs are expensed as incurred. Mineral property acquisition costs are initially capitalized when incurred using the guidance in Emerging Issues Task Force (EITF) 04-02, *Whether Mineral Rights Are Tangible or Intangible Assets*. The Company assesses the carrying costs for impairment under SFAS No. 144, *Accounting for Impairment or Disposal of Long Lived Assets* at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Asset Retirement Obligations

SFAS No. 143, *Accounting for Asset Retirement Obligations* addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Specifically, SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. In addition, the asset retirement cost is capitalized as part of the asset's carrying value and subsequently allocated to expense over the asset's useful life. At January 31, 2008 and 2007, the Company did not have any asset retirement obligations.

Income Taxes

Income tax expense is based on pre-tax financial accounting income. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123(R), *Share-Based Payment* (SFAS 123(R)), which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation*. SFAS 123(R) is effective for public companies for the first fiscal year beginning after June 15, 2005, supersedes Accounting Principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*, and amends SFAS 95, *Statement of Cash Flows*. SFAS 123(R) eliminates the option to use APB 25's intrinsic value method of accounting and requires that the expense for stock compensation be recorded based on a fair value method.

The Company follows the "modified prospective method", which requires the Company to recognize compensation costs for all share-based payments, whether granted, modified or settled, in its consolidated financial statements.

Comprehensive Income

Comprehensive income reflects changes in equity that result from transactions and economic events from non-owner sources. The Company had no comprehensive income for the years ended January 31, 2008 and 2007.

Basic and Diluted Net Loss per Common Share

Basic net loss per share is computed by dividing the net loss attributable to the common stockholders by the weighted average number of common shares outstanding during the reporting period. Diluted net income per common share includes the dilution that could occur upon the exercise of options and warrants to acquire common stock, computed using the treasury stock method which assumes that the increase in the number of shares is reduced by the number of shares that the Company could have repurchased with the proceeds from the exercise of options and warrants (which are assumed to have been made at the average market price of the common shares during the reporting period).

Potential common shares are excluded from the diluted loss per share computation in net loss periods as their inclusion would be anti-dilutive.

At January 31, 2008 and 2007, the Company had 53,183,334 and 77,350,000, shares of common stock issued and outstanding, respectively, 166,667, and 0 warrants outstanding, respectively and no outstanding options or convertible debt.

Recent Accounting Pronouncements

In February 2006, FASB issued SFAS No. 155 (SFAS 155), *Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140*. This Statement amends FASB Statements No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. This Statement resolves issues addressed in Statement 133 Implementation Issue No. D1, *Application of Statement 133 to Beneficial Interests in Securitized Financial Assets*. This statement is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. Adoption of SFAS 155 did not have a material impact on the Company's consolidated financial statements.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Recent Accounting Pronouncements, continued

In March 2006, the FASB issued SFAS No. 156 (SFAS 156), *Accounting for Servicing of Financial Assets - an amendment of FASB Statement No. 140*. SFAS 156 amends SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*, with respect to accounting for separately recognized servicing assets and servicing liabilities. SFAS 156 is effective for fiscal years that begin after September 15, 2006, with early adoption permitted as of the beginning of an entity's fiscal year. The Company does not have any servicing assets or servicing liabilities and, accordingly, the adoption of SFAS 156 did not have a material impact on the Company's consolidated financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*; prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return; and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 was effective beginning February 1, 2007.

The Company adopted the provisions of FIN 48 on February 1, 2007. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements in accordance with SFAS 109. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. The adoption of FIN 48 had an immaterial impact on the Company's consolidated financial position and did not result in unrecognized tax benefits being recorded. Accordingly, no corresponding interest and penalties have been accrued. The Company files income tax returns in the U.S. federal, state and Chilean jurisdictions. No federal, state income tax examinations are underway in these jurisdictions. The Company has prior years' net operating losses which remain open for examination.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measures required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. SFAS No. 157 will be effective for the Company beginning on February 1, 2008. The adoption of SFAS 157 is not expected to have a significant impact on our consolidated financial statements.

In September 2006, the FASB issued SFAS 158 (SFAS 158), *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)*. This statement requires an employer to recognize the over-funded or under-funded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity. This statement also requires an employer to measure the funded status of a plan as of the date of its year end statement of financial position, with limited exceptions. The Company is required to initially recognize the funded status of a defined benefit post retirement plan and to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year end statement of financial position is effective for fiscal years ending after December 15, 2008, or fiscal 2009 for the Company. Adoption of SFAS 158 is not expected to have a material impact on the Company's consolidated financial statements.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Recent Accounting Pronouncements, continued

In September 2006, the Securities and Exchange Commission staff published Staff Accounting Bulletin SAB No. 108 (SAB 108), *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*. SAB 108 addresses quantifying the financial statement effects of misstatements, specifically, how the effects of prior years' uncorrected errors must be considered in quantifying misstatements in the current year financial statements. SAB 108 is effective for fiscal years ending after November 15, 2006. The Company adopted SAB 108 on February 1, 2007. The adoption did not have a material impact on the Company's consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159 (SFAS 159), *The Fair Value Option for Financial Assets and Financial Liabilities* - including an amendment of SFAS No. 115 (SFAS 115), *Accounting for Certain Investments in Debt and Equity Securities*, which applies to all entities with available-for-sale and trading securities. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, *Fair Value Measurements*. The Company plans to adopt SFAS 159 effective February 1, 2008. The Company is in the process of determining the effect, if any, that the adoption of SFAS 159 will have on their consolidated financial statements.

In June 2007, the EITF of the FASB reached a consensus on Issue No. 07-3, *Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities* (EITF 07-3). EITF 07-3 requires that non-refundable advance payments for goods or services that will be used or rendered for future research and development activities must be deferred and capitalized. As the related goods are delivered or the services are performed, or when the goods or services are no longer expected to be provided, the deferred amounts must be recognized as an expense. This issue is effective for financial statements issued for fiscal years beginning after December 15, 2007 and earlier application is not permitted. This consensus is to be applied prospectively for new contracts entered into on or after the effective date. EITF 07-03 will be effective for the Company on February 1, 2008. The pronouncement is not expected to have a material effect on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations* (SFAS 141(R)), which replaces SFAS 141, *Business Combinations*. SFAS 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions. This statement also requires the acquirer in a business combination achieved in stages to recognize the identifiable assets and liabilities, as well as the non-controlling interest in the acquiree, at the full amounts of their fair values. SFAS 141(R) makes various other amendments to authoritative literature intended to provide additional guidance or to confirm the guidance in that literature to that provided in this statement. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141(R) will be effective for the Company on February 1, 2009. We do not expect the adoption of SFAS 141(R) to have a significant impact on our consolidated financial statements.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Recent Accounting Pronouncements, continued

In December 2007, the EITF of the FASB reached a consensus on Issue No. 07-1, *Accounting for Collaborative Arrangements* (EITF 07-1). The EITF concluded on the definition of a collaborative arrangement and that revenues and costs incurred with third parties in connection with collaborative arrangements would be presented gross or net based on the criteria in EITF 99-19 and other accounting literature. Companies are also required to disclose the nature and purpose of collaborative arrangements along with the accounting policies and the classification and amounts of significant financial-statement amounts related to the arrangements. Activities in the arrangement conducted in a separate legal entity should be accounted for under other accounting literature; however, required disclosure under EITF 07-1 applies to the entire collaborative agreement. This issue is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, and is to be applied retrospectively to all periods presented for all collaborative arrangements existing as of the effective date. EITF 07-1 will be effective for the Company on February 1, 2009. We do not expect the adoption of EITF 07-1 to have a significant impact on our consolidated financial statements.

In December 2007, FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (SFAS 160), which amends Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements. SFAS 160 establishes accounting and reporting standards that require the ownership interests in subsidiaries not held by the parent to be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. This statement also requires the amount of consolidated net income attributable to the parent and to the non-controlling interest to be clearly identified and presented on the face of the consolidated statement of income. Changes in a parent's ownership interest while the parent retains its controlling financial interest must be accounted for consistently, and when a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary must be initially measured at fair value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any non-controlling equity investment. The statement also requires entities to provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. This statement applies prospectively to all entities that prepare consolidated financial statements and applies prospectively for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS 160 will be effective for the Company on February 1, 2009. We do not expect the adoption of SFAS 160 to have a significant impact on our consolidated financial statements.

RED LAKE EXPLORATION, INC.
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NOTE 3 - GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated any revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support of its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations. The Company's ability to achieve and maintain profitability and positive cash flows is dependent upon its ability to locate profitable mineral properties, generate revenues from its mineral production and control production costs. Based upon its current plans, the Company expects to incur operating losses in future periods. At January 31, 2008, the Company had negative working capital of \$116,073 and accumulated losses of \$289,572 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. There is no assurance that the Company will be able to generate revenues in the future. These consolidated financial statements do not give any effect to any 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 discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

NOTE 4 – RELATED-PARTY TRANSACTIONS

At January 31, 2008 and 2007, the Company owed a company controlled by a director \$39,010 and \$0, respectively. During the years ended January 31, 2008 and 2007, the Company paid or accrued \$54,345 in exploration fees to the same company.

At January 31, 2008 and 2007, the Company owed its president \$2,227 and \$0 for expenses the president paid on behalf of the Company.

On November 20, 2007, the Company entered into an agreement to acquire an option to purchase the Farellon Alto Uno al Ocho mineral properties from a company controlled by a shareholder. (Notes 5 and 11)

The Company recognized donated rent at \$250 per month and donated services provided by the president of the Company at \$500 per month until April 30, 2007. For the years ended January 31, 2008 and 2007, the Company recognized \$750 and \$3,000 respectively in donated rent and \$1,500 and \$6,000 respectively in donated services.

On June 20, 2007 the president of the Company returned 24,500,000 restricted shares to treasury for consideration of \$1. (Note 6)

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NOTE 5 – UNPROVED MINERAL PROPERTIES

Canadian Unproved Mineral Properties

The Company entered into an agreement on November 15, 2005, whereby it acquired a 100% interest in three mineral claims, comprising an area of 413.3 hectares, located in the Red Lake mining district in Ontario, Canada, for \$9,000 in cash. On November 20, 2007, the Company abandoned these claims.

Chilean Unproved Mineral Properties

On September 25, 2007, Polymet entered into an agreement to acquire by assignment the option to purchase the Farellon Alto Uno al Ocho mineral properties located in the Sierra Pan de Azucar, Province of Huasco, III Region of Atacama in Chile from a related company. Under the terms of the agreement we agreed to pay \$250,000 to a related company to exercise the option when the assignment agreement was recorded with the registrar of the Registrar of Mines. Once the option is exercised, the Company can purchase the mining property by paying \$300,000 by May 4, 2008, and a royalty equal to 1.5% of the net sales of minerals extracted from the property up to a total of \$600,000. The royalty payments are due monthly once exploitation begins, and are subject to minimum payments of \$1,000 per month. On November 20, 2007, the assignment of the option on the mineral holdings was recorded with the registrar in Chile. On November 20, 2007, the Company entered into an amendment to the September 25, 2007 agreement whereby the option payment date was changed to April 30, 2008. (Notes 4, 8 and 11)

NOTE 6 - COMMON STOCK

On August 1, 2007, the Company issued 333,334 units at \$0.30 per unit by way of a private placement for cash of \$100,000. Each unit comprises one common share and ½ of one common share purchase warrant (a total of 166,667 common stock purchase warrants). Two warrants entitle the holder to purchase one common share for \$0.50. The warrants have a two-year term and will expire on August 1, 2009. (Note 7)

On June 20, 2007 the Company acquired 24,500,000 shares from the president for consideration of \$1. Upon acquisition, these shares were cancelled. (Note 4)

On June 19, 2007, the Company increased its authorized capital from 75,000,000 to 200,000,000 common shares with a par value of \$0.001 per share.

On June 15, 2007, the Company declared a 13 common share for every one common share, forward stock split. All share amounts were retroactively adjusted for all periods presented.

On January 31, 2006, the Company issued 10,850,000 (post forward split) shares of common stock at a price of \$0.0035714 per share for proceeds of \$38,750.

On October 28, 2005, the Company issued 24,500,000 (post forward split) shares of common stock at a price of \$0.0007143 per share for proceeds of \$17,500.

On October 3, 2005, the Company issued 42,000,000 (post forward split) shares of common stock to its president at the price of \$0.0007143 per share for proceeds of \$3,000.

For subsequent issuances refer to Note 11.

RED LAKE EXPLORATION, INC.
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NOTE 7 – WARRANTS

All of Red Lakes' warrants were issued in connection with the issuance of units (one common share and ½ common share purchase warrant). (Notes 6 and 11)

During the years ended January 31, 2008 and 2007, the following share purchase warrants were granted:

	<u>2008</u>	<u>2007</u>
Balance at the beginning of the period	-	-
Warrants granted	166,667	-
Balance at the end of the period	<u>166,667</u>	<u>-</u>

NOTE 8 - COMMITMENTS

Our commitments under the Farellon agreement are the only contractual obligations that we had at January 31, 2008. The following table contains information regarding total contractual obligations and commitments as of January 31, 2008. (Notes 5 and 11)

Future minimum payments	Option payment	Partial purchase payment	Royalty payments*
2009	\$ 250,000	\$ 300,000	\$ 8,000
2010	-	-	12,000
2011	-	-	12,000
2012	-	-	12,000
2013	-	-	12,000
After 2013	-	-	544,000
Total future minimum payments	<u>\$ 250,000</u>	<u>\$ 300,000</u>	<u>\$ 600,000</u>

* Assuming the Company commences exploitation in June of 2008 (Note 5)

NOTE 9 – ACQUISITION OF BUSINESS

The Company formed and acquired Polymet on August 21, 2007 and accounted for the acquisition by the purchase method of accounting. Polymet did not have any net assets or operations on the date of acquisition. The Company paid US\$1,895 to acquire a 99% interest in Polymet.

Pro-forma operating results for the Company, assuming the acquisition of Polymet occurred on January 31, 2007, have not been provided because Polymet was not formed at January 31, 2007 and there would be no material difference in the financial information presented.

RED LAKE EXPLORATION, INC.
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NOTE 10 – INCOME TAXES

Income tax expense has not been recognized for the years ended January 31, 2008 and 2007 and no taxes were payable at January 31, 2008 or 2007, because the Company has incurred losses since its inception. Red Lake is subject to United States federal and state taxes and Polymet is subject to federal taxes in Chile.

The components of the Company's net operating losses for the years ended January 31, 2008 and 2007, were:

	<u>2008</u>	<u>2007</u>
United States	\$ (175,050)	\$ (14,932)
Chile	-	-
	<u>\$ (175,050)</u>	<u>\$ (14,932)</u>

At January 31, 2008 and 2007, the Company had the following deferred tax assets that primarily relate to net operating losses. The Company established a 100% valuation allowance, as management believes it is more likely than not that the deferred tax assets will not be realized.

	<u>2008</u>	<u>2007</u>
Federal loss carryforwards (effective rate 34%)	\$ 64,998	\$ 5,481
Foreign loss carryforwards	-	-
	64,998	5,481
Less: valuation allowance	(64,998)	(5,481)
	<u>\$ ---</u>	<u>\$ ---</u>

The Company's valuation allowance increased during 2008 and 2007 by \$59,517 and \$5,077, respectively.

The Company had the following net operating loss carryforwards (NOLs) at January 31:

	<u>2008</u>	<u>2007</u>
United States of America	\$ 191,170	\$ 16,120
Chile	-	-
	<u>\$ 191,170</u>	<u>\$ 16,120</u>

The federal NOLs expire through January 31, 2028. The Company is a Nevada corporation and is not subject to state taxes.

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NOTE 11 – SUBSEQUENT EVENTS

Unproved Chilean Mineral Properties

Farellon Alto Uno al Ocho Mineral Properties

On April 25, 2008, we exercised the option to acquire the option to purchase the Farellon Alto Uno al Ocho mining holdings by paying \$250,000 to the optionor. (Notes 4, 5 and 8)

On April 25, 2008, in accordance with the terms of the option to purchase the Farellon Alto Uno al Ocho mineral properties, as required, we paid \$300,000 to the owner of the Farellon Alto Uno al Ocho mineral properties. (Notes 5 and 8)

Camila Mineral Properties

On February 1, 2008, Polymet entered into an option agreement with a related company to acquire mining concession whereby Polymet agreed to acquire an option to purchase the Camila, Camila Dos, Camila Tres and Camila Cuatro mineral properties, located in Quebrada Jilguero, Commune of Vallenar, Province of Huasco, III Region of Atacama in Chile. Under the terms of the agreement, we paid \$5,000 on February 1, 2008 and have agreed to pay \$50,000 on or before May 23, 2008 and \$50,000 on or before November 21, 2008 to exercise the option. Once the option is exercised with the optionor, we are required to pay \$50,000 on or before December 7, 2008 and \$100,000 on or before June 7, 2009 to the owners of the property to exercise the property purchase option. Once the option with the property owners is exercised, the Company can purchase the mining property by paying \$200,000 to the owners on or before December 7, 2009 and a royalty equal to 6% of the net sale of minerals extracted from the property up to a total of \$1,000,000. To complete the acquisition of the mineral properties, the full \$1,000,000 or unpaid portion is due and payable by December 7, 2011. The assignment of the option from the related company to Polymet still has to be legalized in Chile and recorded in the register of the Registrar of Mines. (Notes 5 and 8)

Santa Rosa Mineral Properties

On February 1, 2008, Polymet entered into an option agreement with a related company to acquire mining concessions whereby Polymet agreed to acquire an option to purchase the Santa Rosa Uno Al Seis and Porfiada Uno Al Diez mining properties, located in Sierra Cordon El Tomate, Quebrada de Agua Grande, Commune of Freirina, Province of Huasco, III Region of Atacama in Chile. Under the terms of the agreement we paid \$9,500 on February 1, 2008, and have agreed to pay \$8,500 per month from March 5, 2008 to July 5, 2008 and \$50,000 on or before August 5, 2008 to exercise the option. Once the option is exercised with optionor, we are required to pay \$7,500 per month from August 20, 2008 to August 20, 2009 and \$10,000 per month from September 20, 2009 to June 20, 2011 to the owner of the property to exercise the property purchase option. Once the option with the property owners is exercised, the Company will owe the owners of the property a royalty equal to 1.5% of the net sale of minerals extracted from the property to a total of \$600,000, subject to a minimum monthly payment of \$1,000 once exploitation begins until the total purchase price of \$600,000 is reached. The optionor has the right to extract minerals from the property until August 5, 2008, and must pay the Company a royalty equal to 5% of the net proceeds it receives from the processor. The assignment of the option from the related company to Polymet has been legalized in Chile and sent to the Registrar of Mines for recording. (Notes 5 and 8)

During April 2008, the Company received approximately \$3,000 in royalties from the optionor from minerals extracted, in respect of the 5% royalty.

RED LAKE EXPLORATION, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2008 AND 2007

NOTE 11 – SUBSEQUENT EVENTS, continued

Unproved Chilean Mineral Properties, continued

Drilling Contract

On March 5, 2008, we entered into a diamond-drilling contract with a Chilean drilling company, whereby the Chilean drilling company has agreed to conduct exploration work on the Camila and Santa Rosa mineral properties. Under the terms of the contract the Company has agreed to pay \$386,145 (169,400,000 Chilean pesos) and the drilling company has agreed to complete an exploration program by June 27, 2008. On March 18, 2008, we advanced \$30,000 (12,855,000 Chilean pesos) to the exploration company, to be applied against the total cost of the contract. On April 15, 2008, the drilling contract was legalized in Chile. (Notes 5 and 8)

Private Placements

On April 21, 2008, the Company received subscriptions from four subscribers for a total of 4,000,000 units at \$0.25 per unit by way of a private placement for cash of \$1,000,000. Each unit consists of one share of common stock and one common stock purchase warrant entitling the holder to purchase one share of common stock for \$0.35. The warrants have a term of two years and will expire on April 21, 2010. (Notes 6 and 7)

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On April 17, 2008, our board of directors approved a change in our independent registered public accounting firm. None of the reports of Manning Elliott LLP on our financial statements for the past two years contained any adverse opinion or disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope or accounting principles. Although audited statements prepared by Manning Elliott LLP contained a going concern qualification, the financial statements did not contain any adjustments for uncertainties stated in them, nor have we had, at any time, disagreements with Manning Elliott LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

On April 17, 2008, we engaged the accounting firm of Mendoza Berger & Company, L.L.P., in Irvine, California, to serve as our independent accountants and audit our consolidated financial statements beginning with the period ended January 31, 2008. We did not consult with Mendoza Berger & Company, L.L.P. regarding the application of accounting principles to a specific transaction or the type of audit opinion that might be rendered on our consolidated financial statements or on any other matter before we engaged them as our independent auditors.

Item 8A. Controls and Procedures

Evaluation on controls and procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our president and our chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. We undertook our evaluation in consultation with our accounting personnel. Based on that evaluation, the president and the chief financial officer concluded that, as of the evaluation date, our disclosure controls and procedures are effective to ensure that information that we must disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Item 8A(T). Controls and Procedures

(a) Management's report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management assessed our internal control over financial reporting as of the end of our fiscal year. Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included the evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of the end of the fiscal year to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this report.

(b) Changes in internal control over financial reporting

We did not make any changes in our internal control over financial reporting during the fourth quarter of the 2008 fiscal year that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 8B. Other Information

During the fourth quarter of the fiscal year covered by this annual report on Form 10-KSB, we reported all information that we are required to disclose in a report on Form 8-K.

PART III

Item 9. Directors, Executive Officers, Promoters, Control Persons and Corporate Governance; Compliance with Section 16(a) of the Exchange Act

We have two directors and executive officers. Each director holds office until the next annual meeting of the stockholders, a successor has been elected and qualified, or the director resigns. In Chile, Polymet has one legal representative, which is similar to a director, and a manager, which is similar to a president.

Our directors and their executive offices are described in Table 5.

Table 5: Directors and Officers

Name	Age	Position
Caitlin Jeffs	32	Director, president, chief executive officer, chief financial officer, treasurer and corporate secretary
Michael Thompson	38	Director, vice-president of exploration
Kevin Mitchell	47	Legal representative, manager, Minera Polymet Limitada

During the past five years, none of our officers or directors has

- been convicted in a criminal proceeding and is not subject to a pending criminal proceeding,
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, futures, commodities or banking activities,
- been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated, or
- had any bankruptcy petition filed by or against any business of which he was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time.

Biographical Information

Caitlin Jeffs, P. Geo. Ms. Jeffs has been a director since October 2007 and our president, CEO and CFO since April 21, 2008. Ms. Jeffs has been a geologist since 2002. Ms. Jeffs graduated from the University of British Columbia in 2002 with an honours bachelor of science in geology. She is a professional geologist on the register of the Association of Professional Geoscientists of Ontario. She worked for Placer Dome (CLA) Ltd. in Canada from February 2003 until May 2006. She has been a self-employed consulting geologist since May 2006. She is an owner and the general manager of Fladgate Exploration Consulting Corporation in Ontario, Canada.

Michael Thompson, P. Geo. Mr. Thompson has been a director since October 2007 and our vice-president of exploration since April 2008. Mr. Thompson graduated from the University of Toronto in 1997 with an honours bachelor of science in geology. He is a professional geologist on the register of the Association of Professional Geoscientists of Ontario. He worked in Canada for Teck Cominco Limited from 1999 until 2002 and Placer Dome (CLA) Ltd. from January 2003 until May 2006. He has been a self-employed consulting geologist since May 2006. He is an owner and the president of Fladgate Exploration Consulting Corporation in Ontario, Canada.

Kevin Mitchell. Mr. Mitchell has been the legal representative and manager of Minera Polymet Limitada since it was formed in July 2007. He is a Canadian who has lived in Chile for more than twenty years. He has owned and operated a heavy equipment company for all of that time, mainly servicing the mining industry. Since 2007 he has been the legal representative and manager of Minera Farellón Limitada, a Chilean company that investigates potential projects, conducts due diligence reviews, and provides logistical support.

Significant Employees

We have no significant employees other than Caitlin Jeffs and Michael Thompson, who are the directors and officers of Red Lake, and Kevin Mitchell, who is Polymet's legal representative and manager in Chile.

Family Relationships

There are no family relationships among the directors, executive officers or persons whom we have chosen or nominated to be directors or executive officers, with the exception that Caitlin Jeffs and Michael Thompson live at the same address as a family.

Compliance with Section 16(a) of the Exchange Act

We have filed all reports with the SEC on a timely basis and are not aware of any failures to file a required report during the period covered by this annual report, except that neither John Di Cicco, Caitlin Jeffs, and Michael Thompson filed a Form 5 or informed us in writing that a Form 5 was not required.

Nomination Procedure for Directors

We have no procedure for shareholders to recommend nominees to our board of directors.

Audit Committee Financial Expert

We do not have a financial expert. We have retained the services of an experienced accounting and administrative firm which performs our accounting functions and advises us on financial matters.

Audit Committee

We do not have an audit committee. Our directors, neither of whom meets the independence requirements for an audit committee member, perform this function. They are responsible for selecting and overseeing our independent accountants, establishing procedures for receiving and treating complaints regarding accounting, internal controls and auditing matters, establishing procedures for our employees to express their concerns about accounting and auditing matters, and engaging outside advisors.

As of January 31, 2008, we did not have a written audit committee charter or similar document.

Code of Ethics

We adopted a code of ethics that applies to all of our directors, executive officers and employees. We have filed it as described in Exhibit 14—Financial Code of Ethics and will send a copy of it to any person on request free of charge. Your requests should be in writing and addressed to Ms. Caitlin Jeffs and mailed to 195 Park Avenue, Thunder Bay ON P7B 1B9 or emailed to info@redlakeexploration.com. We believe that our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

Item 10. Executive Compensation

We paid compensation to our named executive officers during the 2007 and 2008 fiscal years as set out in Table 6.

Table 6: Summary Compensation Table

Name and principal position (a)	Year (b)	All other compensation (\$) (i)	Total (\$) (j)
Caitlin Jeffs	2007	–	–
CEO, CFO, Apr 2008–present	2008	\$54,345 (1)	\$54,345
Michael Thompson	2007	–	–
VP–Exploration, Apr 2008–present	2008	\$54,345(1)	\$54,345
Kevin Mitchell	2007	–	–
Manager, Minera Polymet Limitada July 2007–present	2008	–	–
John Di Cicco	2007	\$9,000(2)	–
CEO, CFO, Jan 2005 – Apr 2008	2008	\$2,250(2)	–

(1) Paid to a company controlled by Caitlin Jeffs and Michael Thompson for geological consulting services.

(2) Donated rent and services.

Since our inception on January 10, 2005, we have paid no other compensation to our executive officers. We have no employment agreements with any of our executive officers, nor have we issued any options or other equity-based awards to our executive officers. We have a new president as of April 21, 2008. We are negotiating a compensation plan for her services as our president. We have agreed to pay our legal representative and manager in Chile \$2,000 per month for his services, but have not finalized or formalized this agreement in writing.

We have no other agreements with any named executive officer, and no employment agreements or other compensation plans or arrangements with any named executive officer for specific compensation on the resignation, retirement, other termination of employment, or from a change of control or in a named executive officer's responsibilities following a change in control.

We have not granted any stock options, stock appreciation rights, or long-term incentive plans.

We have no arrangements to compensate any of our directors for their services as directors.

Item 11. Security Ownership of Certain Beneficial Holders and Management

Table 7 shows the beneficial ownership, on April 28, 2008, of shares of our common stock held by all five-percent shareholders, executive officers and directors.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each shareholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the shareholder.

Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of April 28, 2008 are considered outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Table 7: Beneficial Ownership

Name and Address of Beneficial Owner	Beneficial Ownership		Percentage of Class*
	Number	Nature	
<i>Directors and Executive Officers</i>			
Caitlin Jeffs 195 Park Avenue Thunder Bay ON P7B 1B9	2,520,000	Direct	4.41
Michael Thompson 195 Park Avenue Thunder Bay ON P7B 1B9	40,000	Direct	.14(1)
Kevin Mitchell Baldomero Lillo 3260 Vallenar, Huasco III Region, Chile	7,500,010	Direct	13.12
Directors and executive officers as a group	10,060,010		17.67
<i>Five-percent Shareholders</i>			
Kevin Mitchell Baldomero Lillo 3260 Vallenar, Huasco III Region, Chile	7,500,010	Direct	13.12
Laboa Holdings Inc. Suite 1-A, #5 Calle Eusebio A. Morales El Cangrejo, Panama City, Panama	7,500,010	Direct	13.12
Five-percent shareholders as a group	15,000,020		26.24

(1) Includes 40,000 shares of common stock issuable on the exercise of warrants.

* Based on 57,183,334 shares of common stock issued and outstanding on April 28, 2008.

Changes in Control

We are not aware of any arrangement that could result in a change in control of Red Lake.

Item 12. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons

Since the beginning of our last fiscal year, none of our directors, executive officers, security holders, or nor any member of their immediate families has had any direct or indirect material interest in any transaction or proposed transaction in which we were or intend to be a participant that exceeded the lesser of \$120,000 and one percent of the average of our total assets at year-end for the last three completed fiscal years, except for the following:

Declaration of Trust

On November 15, 2005, we acquired three mineral claims in Ontario from Ridgestake Resources Inc. The mineral claims were registered in the name of our former president, John Di Cicco. Mr. Di Cicco agreed in writing to hold the mineral claims in trust for us. We completed phase one of our mineral exploration program on these claims, were not encouraged by the results, and let the claims lapse on November 27, 2007. Mr. Di Cicco's trust obligations ended with the lapse.

Donated Services and Rent

John Di Cicco, our former director and officer, donated services and rent to us, which we recognized in our financial statements. During the fiscal years ended January 31, 2008 and 2007, we recognized \$2,250 and \$9,000 respectively for donated services and rent.

Geological Services

We have contracted with Fladgate Exploration Consulting Corporation, a firm of geologists in Ontario, Canada, controlled by our directors, Michael Thompson and Caitlin Jeffs. During the fiscal year ended January 31, 2008, we paid \$54,345 to Fladgate for geological services and \$13,158 to reimburse Fladgate for out-of-pocket expenses.

Property Acquisitions

We have acquired interests in three properties in Chile through agreements with Minera Farellón Limitada, a Chilean company controlled by Kevin Mitchell, a shareholder of the company and the legal representative of our Chilean subsidiary.

Promoters and control persons

During the past five fiscal years, John Di Cicco has been the only promoter of our business, but has received nothing of value from us and is not entitled to receive anything of value from us for his services as a promoter of our business. Mr. Di Cicco resigned on April 21, 2008.

Director independence

Pursuant to Item 407(a)(1)(ii) of Regulation S-K of the Securities Act, our board adopted the definition of "independent director" found in Rule 4200(a)(15) of the NASDAQ Manual. In summary, an independent director means a person other than an executive officer or employee or any other individual having a relationship which, in the opinion of our directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and includes any director who accepts compensation from us exceeding \$200,000 during any period of 12 consecutive months within the three past fiscal years. Owning shares of our common stock does not preclude a director from being independent. In applying this definition, our directors, who are both executive officers, determined that neither of them qualifies as an independent director.

Our board adopted and applied the same definition of independent director to the members of our audit committee. In applying this definition, our directors, who are both on the audit committee, determined that neither of them qualifies as an independent director for purposes of Section 10A(m)(3) of the Securities Exchange Act.

As of the date of this report, we do not have a separately designated compensation or nominating committee.

Item 13. Exhibits

Index to and Description of Exhibits

Exhibit	Description	Status*
3.1	Articles of Incorporation filed as an exhibit to our registration statement on Form SB-2 filed on May 22, 2006	Filed
3.2	By-laws filed as an exhibit to our registration statement on Form SB-2 filed on May 22, 2006	Filed
10.1	Property Agreement dated November 15, 2005 between Ridgestake Resources Inc. and Red Lake Exploration, Inc. filed as an exhibit to our registration statement on Form SB-2 filed on May 22, 2006	Filed
10.2	Declaration of Trust dated January 13, 2006 filed as an exhibit to our registration statement on Form SB-2 filed on May 22, 2006	Filed
10.3	Agreement to assign contract for the option to purchase mining holdings dated September 25, 2007 between Minera Farellón Limitada and Minera Polymet Limitada, filed as an exhibit to our current report on Form 8-K filed on October 2, 2007	Filed
10.4	Contract for the option to purchase mining holdings dated May 2, 2007 between Compañía Minera Romelio Alday Limitada and Minera Farellón Limitada, filed as an exhibit to our current report on Form 8-K filed on October 2, 2007	Filed
10.5	Amendment number 1 to Agreement to assign contract for the option to purchase mining holdings dated November 20, 2007, filed as an exhibit to our current report on Form 8-K filed on May 1, 2008	Filed
10.6	Santa Rosa option agreement to acquire mining concession dated February 1, 2008 between Minera Farellón Limitada and Minera Polymet Limitada	Included
10.7	Contract for the option to purchase mining holdings dated September 10, 2007 between Antolin Amadeo Crespo Garcia and Minera Farellón Limitada	Included
10.8	Camila option agreement to acquire mining concession dated February 1, 2008 between Minera Farellón Limitada and Minera Polymet Limitada	Included
10.9	Contract for the option to purchase mining holdings dated December 7, 2007 between Ingenieria De Proyectos, Desarrollo, Estudios y Servicios H.I.T. Limitada and Minera Farellón Limitada	Included
14	Financial Code of Ethics filed as an exhibit to our registration statement on Form SB-2 filed on May 5, 2006	Filed
21	List of significant subsidiaries of Red Lake Exploration, Inc.	Included
31	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Included
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Included

*All filed exhibits are incorporated by reference in this annual report.

Item 14. Principal Accounting Fees and Services

Table 8 lists the fees that our auditors charged us during our fiscal years ended January 31, 2008 and January 31, 2007 for (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services that were reasonably related to the performance of the audit or review of our financial statements and are not reported as audit fees, (iii) services rendered in connection with tax compliance, tax advice and tax planning, and (iv) all other fees for services rendered.

Table 8: Auditors' Fees

Fees	January 31			
	2008	2007	2008	2007
	Manning Elliott L.L.P.		Mendoza Berger & Company, L.L.P	
Audit fees	\$ 11,270	\$ 8,450	\$ -	\$ -
Audit-related fees	-	-	-	-
Tax-related fees	-	-	-	-
All other fees	-	-	-	-
Total fees	\$ 11,270	\$ 8,450	\$ -	\$ -

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, Red Lake Exploration, Inc. has caused this report to be signed on its behalf by the undersigned duly authorized person.

RED LAKE EXPLORATION, INC.

Date: May 12, 2008

By: /s/ Caitlin Jeffs

Caitlin Jeffs
President, Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons signed this report on behalf of Red Lake Exploration, Inc. and in the capacities below on May 12, 2008.

Signature and Title

/s/ Caitlin Jeffs

Caitlin Jeffs
Director, President, Chief Financial Officer,
Secretary

/s/ Michael Thompson

Michael Thompson
Director

**OPTION AGREEMENT
TO ACQUIRE MINING CONCESSION**

Santa Rosa

This option agreement dated for reference 1st February 2008 is between **Minera Farellón Limitada**, a Chilean company with an office at Baldomero Lillo 3260, Vallenar, Huasco, III Region, Chile ("Farellón"), and **Minera Polymet Limitada**, a Chilean company formed by Red Lake Exploration, Inc., a Nevada corporation with a registered office at 711 South Carson Street, Suite 4, Carson City, Nevada 89701 ("Polymet").

Whereas Farellón has an option to purchase the Santa Rosa mining holdings in Chile ("Property") from Antolin Amadeo Crespo García, dated 10th September 2007, recorded in the register of the Conservador de Minas in Freirina on 13th September 2007, and attached as exhibit A (the "Crespo Agreement"), and has agreed to assign the Crespo Agreement to Polymet, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree that:

1. Farellón grants Polymet the option to buy the Crespo Agreement on the following terms ("Option"):
 - a. The Option begins on the date of this agreement and ends on 5th August 2008 (the "Term").
 - b. As consideration for granting the Option, Polymet will pay Farellón \$9,500 when this agreement is signed and \$8,500 per month on the fifth day of the month for five months ending on 5th July 2008, for a total payment of \$52,000.
 - c. During the Term, Polymet may conduct any exploration permitted by the Crespo agreement except extraction for exploitation.
 - d. Farellón will pay any Property costs that are due during the Term and required to keep the Crespo Agreement in good standing, and Polymet will reimburse Farellón on request.
 - e. Polymet can exercise the option at any time until the end of the Term by notifying Farellón in writing that it intends to exercise the Option and paying Farellón \$50,000 by the close of business on 5th August 2008.
 - f. The Option ends if Polymet fails to make any of the payments required during the Term or on 5th August 2008 if Polymet fails to notify Farellón that it intends to exercise the Option and pay the \$50,000 due.
 - g. All currency amounts are stated in United States dollars.
2. Farellón
 - a. may continue to mine the Property and exploit any minerals extracted during the Term and will pay Polymet a royalty equal to 5% of the net proceeds that it receives from Enami or other processor,
 - b. will deliver to Polymet monthly statements disclosing the ore delivered for processing and the net proceeds realized from the sale by the end of the month in which Farellón receives its payment from Enami, and
 - c. will pay the patentes due at the end of March 2008.
3. When Farellón receives the exercise notice and payment required in paragraph 1.e), Farellón will irrevocably assign the Crespo Agreement to Polymet and Polymet will accept the assignment and assume all of Farellón's rights and obligations under the Crespo Agreement as though Polymet were the original party to the Crespo Agreement.
4. The parties will use their best efforts to ensure that the terms of this agreement are legalized in Chile and recorded in the register of the Conservador de Minas in Freirina as soon as reasonably possible. In the case of any conflict between the provisions of this agreement and the provisions of the agreement recorded in Freirina, the terms of the agreement recorded in Freirina govern.

5. Farellón represents and warrants to Polymet that:
 - a. It is duly formed under the laws of Chile and has the authority and right to assign the Crespo Agreement.
 - b. It has made all of the payments required and fulfilled all other obligations under the Crespo Agreement to the date of this agreement.
 - c. It has not assigned any interest in the Crespo Agreement to any other party.
 - d. The Crespo Agreement is in good standing and free of any claims or potential claims from third parties as of the date of this agreement.
6. Polymet represents and warrants that it is duly formed under the laws of Chile and has the authority to make this agreement.
7. Time is of the essence of this agreement and of any amendment to it.
8. If either party must perform under this agreement on a day that is not a business day in Chile, then the party must perform on the next business day in Chile.
9. Any notice that must be given under this agreement must be in writing and delivered by hand or overnight courier to the party at the address given for the party on page 1 or transmitted by fax or email to the fax number or email address that the parties will give each other. Notice is deemed to have been received when it is delivered or transmitted if it is delivered or transmitted during normal business hours in Chile and on the next business day if it is delivered or transmitted outside of normal business hours.
10. This agreement is the entire agreement between the parties and its terms may be waived or amended only in writing. No waiver of any term operates to waive any other term.
11. This agreement does not create a partnership or joint venture or any other kind of business association between the parties and neither party has the power to bind the other in any way.
12. Polymet may not assign its interest in this agreement without Farellón's written consent.
13. This agreement is binding on the parties and upon their respective successors and assigns.
14. This agreement must be construed in accordance with the laws of Chile on the same terms as provided in the Purchase Agreement.
15. No finding by a court of competent jurisdiction that any provision of this agreement is invalid, illegal, or otherwise unenforceable operates to impair or affect the remaining provisions which remain effective and enforceable.
16. This agreement may be signed in counterparts and delivered to the parties by any means; and the counterparts together are deemed to be one original document.

The parties' signatures below are evidence of their agreement.

Minera Farellón Limitada

/s/ Kevin Robert Mitchell
Kevin Robert Mitchell

Signed on February 1, 2008

Minera Polymet Limitada

/s/ Kevin Robert Mitchell
Kevin Robert Mitchell

Signed on February 1, 2008

NOTARY

Ricardo Olivares Pizarro

A. Prat No. 960 – Locale 14 – Fax Phone (51) 610121

E-mail: notariaolivares@terra.cl

Vallenar – III Region

Digest No. 943

Yor//

Seal: Notary Public, Ricardo Olivares Pizarro, Vallenar - Signature

CONTRACT FOR THE OPTION TO PURCHASE MINING HOLDINGS

ANTOLIN AMADEO CRESPO GARCIA

TO

MINERA FARELLON LIMITADA

In Vallenar, Republic of Chile, on the tenth of September of two thousand and seven, before me, RICARDO OLIVARES PIZARRO, Attorney, Notary Public and Conservator of Commerce and Mines, Titleholder, with an office at Prat Street No. nine hundred and sixty, locale fourteen, Vallenar, appeared: Mr. ANTOLIN AMADEO CRESPO GARCIA, Chilean, married, separation of goods, industrial miner, National I.D. No. four million eight hundred and seventy-eight thousand five hundred and seventy-four dash three, residing at Carlos Dittborn No. four hundred and twenty-one, Town of Los Alemanes, Vallenar, hereafter the "Offering Party"; and Mr. KEVIN ROBERT MITCHELL, Canadian, married, separation of goods, miner, I.D. Document for Foreigners No. fourteen million four hundred and ninety-

eight thousand nine hundred and seventeen dash one. He is representing the company, MINERA FARELLON LIMITADA, a Chilean company engaged in what is indicated in the company name, Sole Taxation List No. seventy-six million eight hundred and fourteen thousand one hundred and seventy dash three, both with the address Prat one thousand and fifty-one, Office No. four, hereafter known as "Minera Farellon". The persons appearing are of legal age and verified their identity with the above-mentioned I.D. Documents and stated: That in virtue of this document, they have come to execute the following contract for the option to purchase Mining Holdings, in agreement with what is stipulated in Articles one hundred and sixty-nine and the others that are applicable of the Mining Code. FIRST ARTICLE: Individualization of the Holdings: Mr. Antolin Amadeo Crespo Garcia declares that he is the sole and exclusive owner of the following Mining Holdings: One) SANTA ROSA UNO AL SEIS, located in Sierra Cordon El Tomate, Quebrada de Agua Grande, Commune of Freirina, Province of Huasco, Third Region of Atacama. The measurement document is registered on Page No. fifty-eight No. fifteen, of the Property Registry of the Conservator of Mines of Freirina for the year nineteen eighty-nine. The control in the name of the Owner is registered on Page No. fifty-eight, No. thirty-five of the Registry of Mining Property of the Conservator of Mines of Freirina for the years two thousand and one; and Two) PORFIADA UNO AL DIEZ, located to the North of Sierra Cordon, El Tomate, Commune of Freirina, Province of Huasco, Third Region of Atacama, registered on Page No. fifteen, No. seven, of the Property Registry of the Conservator of Mines of Freirina for the year two thousand and four. The mining concessions for exploitation or holdings detailed above shall hereafter jointly be called "Mining Holdings" and/or "Properties". SECOND ARTICLE: One. Option Offer: In virtue of this document, the Offering Party grants to Minera Farellon the option to purchase and irrevocably offers to sell, cede and transfer to Minera Farellon the Mining Holdings detailed in the First Article of this document. Two. Price of the Purchase/Sale Offered: The price of the purchase/sale offered is the amount in pesos, national currency, equivalent to six hundred thousand dollars of the United States of America. Notwithstanding the above, in the case where the purchase option is exercised before the term for the expiration of the purchase option indicated in the following number, the price for the purchase/sale offered shall increase in the amount of the price for the option that has not accrued inters and been paid, in agreement with the Fifteenth Article below.

The Mining Holdings and the minerals that they contain shall be sold and transferred with all of their uses, rights, customs and easements, free from all encumbrances, prohibitions, resolatory conditions, embargos or pending litigation, as well as any other impediment whatsoever that could affect their free use, enjoyment and disposition: free from all superposition, and with their mining patents totally paid. The vendor or Offering Party is responsible for the Warranty of Title and Right of Possession according to the Law.

Three. Option Term: The term of the option, within which Minera Farellon shall be able to freely accept or refuse the purchase/sale offer of the holdings, shall expire the twentieth of July of two thousand and eleven.

Four. Option Price: The price of the option indicated in this document is the sum in pesos, national currency, equivalent to four hundred thousand dollars of the United States of America, which shall be paid under the terms that are indicated in the Fourth Article of this document.

THIRD ARTICLE: Mr. Kevin Robert Mitchell, as the representative of Minera Farellon Limitada, accepts the stipulations of this contract for the company that he is representing under the terms of Article one hundred and sixty-nine and the others that are applicable of the Mining Code, in virtue of the fact that the Third Clause grants Minera Farellon the power to accept or reject the offer made by the Offering Party. Therefore, Minera Farellon shall be able, at any time whatsoever counted from the date of this document and up to the expiration of the term indicated in No. Three of the Second Article of this document, to decide to accept the purchase/sale of the Mining Holdings under the terms indicated in this contract.

FOURTH ARTICLE. Option Payment: The price of the option contract that is indicated in this document is the amount of four hundred thousand dollars of the United States of America, payable in pesos, national currency, in the following amounts and times: /a/ the sum of seven thousand and five hundred dollars of the United States of America, equivalent on this date to the sum of three million nine hundred and nine thousand one hundred and fifty pesos national currency that Minera Farellon paid prior to this legal action in cash, with the Offering Party declaring that it was received to his complete satisfaction; /b/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of October of the year two thousand and seven; /c/ the sum in pesos on the day of payment equivalent to seven

thousand and five hundred dollars of the United States of America to be paid on the twentieth of November of the year two thousand and seven, or the following working day if that day falls on a statutory holiday or non-working day; /d/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of December of the year two thousand and seven, or the following working day if that day falls on a statutory holiday or non-working day; /e/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of January of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /f/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of February of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /g/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of March of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /h/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of April of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /i/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of May of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /j/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of June of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /k/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of July of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /l/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of August of the year two thousand and eight, or the following working

day if that day falls on a statutory holiday or non-working day; /m/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of September of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /n/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of October of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /ñ/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of November of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /o/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of December of the year two thousand and eight, or the following working day if that day falls on a statutory holiday or non-working day; /p/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of January of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /q/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of February of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /r/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of March of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /s/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of April of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /t/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of May of the year two thousand and nine, or the following working day if that day

falls on a statutory holiday or non-working day; /u/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of June of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /v/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of July of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /w/ the sum in pesos on the day of payment equivalent to seven thousand and five hundred dollars of the United States of America to be paid on the twentieth of August of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /x/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of September of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /y/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of October of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /z/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of November of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /aa/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of December of the year two thousand and nine, or the following working day if that day falls on a statutory holiday or non-working day; /bb/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of January of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /cc/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of February of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /dd/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the

United States of America to be paid on the twentieth of March of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /ee/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of April of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /ff/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of May of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /gg/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of June of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /hh/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of July of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /ii/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of August of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /jj/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of September of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /kk/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of October of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /ll/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of November of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /mm/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of December of the year two thousand and ten, or the following working day if that day falls on a statutory holiday or non-working day; /nn/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of January of the year two thousand and eleven,

or the following working day if that day falls on a statutory holiday or non-working day; /ññ/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of February of the year two thousand and eleven, or the following working day if that day falls on a statutory holiday or non-working day; /oo/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of March of the year two thousand and eleven, or the following working day if that day falls on a statutory holiday or non-working day; /pp/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of April of the year two thousand and eleven, or the following working day if that day falls on a statutory holiday or non-working day; /qq/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of May of the year two thousand and eleven, or the following working day if that day falls on a statutory holiday or non-working day; and /rr/ the sum in pesos on the day of payment equivalent to ten thousand dollars of the United States of America to be paid on the twentieth of June of the year two thousand and eleven, or the following working day if that day falls on a statutory holiday or non-working day. If Minera Farellon decides not to accept the purchase/sale offer indicated in this document before the due date of any of the terms indicated in letters /b/ to /rr/ above, both included, the obligation that Minera Farellon has to pay the following quotas of seven thousand and five hundred dollars and/or ten thousand dollars of the United States of America shall cease immediately. These are the payments listed in letters /b/ to /rr/ above, both included, of which the due date may be after the withdrawal date. FIFTH ARTICLE. Acceptance of the Offer: If Minera Farellon decides to accept the offer within the term agreed on to do so, the company shall state the desire to do so through a public document declaring that it wishes to accept the offer. In the event that Minera Farellon accepts the offer to sell and exercise the option to purchase prior to the date indicated in letter /rr/ of the Fourth Article, it shall be necessary to pay, as an increase in the purchase/sale price and in agreement with what is indicated in the Second Article Number Two, all of the sums indicated in letters /b/ to /rr/ of the Fourth Article above that may not have been paid prior to the date of

the acceptance of the offer, under the same terms indicated in the above-mentioned letters. The corresponding Conservator of Mines, after seeing a copy of this document and a copy of this document and a copy of the document showing the acceptance by Minera Farellon, shall register the Mining Holdings indicated in the acceptance document in the name Minera Farellon Limitada. All of this is in virtue of what is stipulated in the final section of Article one hundred and sixty-nine of the Mining Code according to which, when it has to do with an option contract for the purchase of rights specifically regulated by said Code, it shall be sufficient to have the sole acceptance of the irrevocable offer for the purchase/sale offered to be perfected. The sole requirement is that the offer as well as the acceptance must be verified in a public document. SIXTH ARTICLE. Payment of Purchase/Sale Price: Sixth One) The price of the purchase/sale indicated in this document shall be paid, if the purchase offer mentioned in this document is exercised, through monthly payments until the amount of the six hundred thousand dollars mentioned above is paid, from the royalties – hereafter the “Royalties” – of one point five percent of the value corresponding to the net sale of minerals that are extracted from the holdings and are paid by the National Mining Company, hereafter and indistinctly called “Enami” or by any other purchaser whatsoever. The payment and liquidation of the Royalties shall be effected monthly within the ten days following the date on which Enami or another purchaser has made the respective payment. Through this document, the parties agree on a minimum guaranteed monthly payment equivalent to one thousand dollars of the United States of America, from the date on which Minera Farellon begins the exploitation of the holdings after the option is exercised. For this purpose, Minera Farellon shall prepare the report regarding the monthly payment of the Royalties including sufficient information to determine the amount, which shall be delivered to Mr. Antolin Amadeo Crespo Garcia, together with the amount corresponding to the Royalties. If Mr. Antolin Amadeo Crespo Garcia does not make any observations regarding the payment within the seven days following this delivery by Minera Farellon, it shall be understood that final and total approval has been given to said liquidation and the corresponding payment. Included in the sufficient information that shall have to be provided by Minera Farellon, shall be the invoices for the sale to Enami or another purchaser, together with the respective

shipping logs. In the case where Mr. Antolin Amadeo Crespo Garcia has observations to make regarding said documents, he shall be able to apply to Minera Farellon for authorization to have access to the information related to the Royalties and shall have to send the request the required amount of time in advance. At any time whatsoever, until the amount indicated in this article is totally paid, Minera Farellon shall be able to terminate the payment of the Royalties mentioned above, for which the company shall have to pay Mr. Antolin Amadeo Crespo Garcia the difference that exists between what was effectively paid to said date on account for the Royalties and what remains to be paid to complete the six hundred thousand dollars indicated above. Sixth. Two) In the event that Minera Farellon begins the exploitation of the Mining Holdings prior to the date of the exercising of the purchase option, it shall have to pay the Offering Party the Royalties indicated above. If after having initiated the exploitation of the Mining Holdings, Minera Farellon decides to accept the offer for the sale and exercise the option to purchase the Mining Holdings, the amounts paid for the concept of the Royalties in the case described in this number, shall be considered as an advance payment towards the price of the purchase/sale. In addition, in the event where Minera Farellon decides not to accept the offer of the sale and not to exercise the option to purchase the Mining Holdings, the sums paid for the concept of Royalties in the case described in this number shall be kept by the Offering Party as an indemnity paid for damages.

SEVENTH ARTICLE. Irrevocability: This contract shall have the nature of a contract for the option to purchase Mining Holdings indicated in Article one hundred and seventy-nine of the Mining Code and it is agreed on with the nature of being irrevocable. Therefore, it shall be sufficient to have the sole acceptance of MINERA FARELLON LIMITADA, at any time whatsoever, of the irrevocable offer that is presented in this legal action, for the purchase/sale to be perfected. Nevertheless, if the term of effectiveness of the option has expired, and Minera Farellon has not accepted the offer of the sale of the holdings that are referred to in this document, it shall be understood that Minera Farellon has decided not to exercise the option that is granted in this document. If any of the quotas of the price of the option is not paid within the terms indicated in the Fourth Article of this document, it shall be understood that Minera Farellon has withdrawn from the option, without the above-mentioned unpaid amounts of the quota being payable. In this event, the Offering Party shall be able to require the cancellation of the registrations that may have been

made in virtue of this contract in relation to the Mining Holdings indicated. EIGHTH ARTICLE. Authorizations: Antolin Amadeo Crespo Garcia irrevocably authorizes Minera Farellon, while the term for exercising the option that is granted herein is pending, to be able to carry out on the Mining Holdings detailed in this document the explorations, examinations, prospecting and exploitations, being able to carry out all of the works and projects with the express declaration that Minera Farellon shall be able to exercise all of the active easements that benefit said holdings and that, in addition, they shall also be able to make use of the minerals that are extracted because of their works. Minera Farellon shall be exclusively responsible for the mining works of exploration and exploitation that it carries out on the holdings, as well as the effects that are forthcoming from said works, duly fulfilling all of the legal dispositions that are applicable in this regard. NINTH ARTICLE. No Restitution: If Minera Farellon decides not to accept the offer that is being made regarding the Mining Holdings referred to in this document, the obligation regarding the payments of any type whatsoever according to what is indicated in the Fourth Article shall cease immediately, but the Offering Party shall not have the obligation of returning the payments corresponding to the price of the option that may have already been received. These shall be retained as the sole and exclusive indemnity for damages of any type whatsoever, in kind or in amount, that could have been caused by the fact of having been impeded from exploring and exploiting, as well as from negotiating these holdings with third parties during the life of the option, or caused by the decision of Minera Farellon not to accept the offer or derived from any other causes or reasons related to the contract contained in this document. TENTH ARTICLE. Withdrawal: At any time whatsoever, Minera Farellon shall be able to make a declaration through a public document, which shall be noted in the margin of the original version of this document, expressing the decision not to accept the offer that is being made in this document and, from the date of this marginal notation, all of the obligations contracted in virtue of this document shall cease for Minera Farellon, of any type whatsoever, particularly the obligations regarding making the payments that are referred to in the Fourth Article of this document. In the case of withdrawal, Minera Farellon shall provide for the Offering Party, without any cost whatsoever, all of the information that may have been obtained from the exploration that may have been

made on the holdings. This information shall include the reports that contain the complete or partial results from the studies – if any were done – geological, geochemical, metallurgical, and hydrological, exploration reports, geophysical plans and reports and all of the interpretive information obtained from the works of exploration and exploitation carried out. None of what is indicated in this article may be interpreted as Minera Farellon having the obligations to carry out studies or write reports, whatever the nature of these may be.

ELEVENTH ARTICLE. Maintenance of Holdings: The Offering Party shall have to adopt, at its own exclusive cost, all of the judicial and extra-judicial measures that may be necessary to duly keep constituted and in effect the rights emanating from the Mining Holdings detailed in this document and to defend these rights and minerals that the holdings contain from any pretensions of third parties. Without prejudice to what is stipulated above, Minera Farellon Limitada shall reimburse the Offering Party for all of the amounts paid for the concept of the payment of mining patents that support the holdings object of this option, which were duly incurred during the life of the option.

TWELFTH ARTICLE. Prohibitions and Restrictions: One: The Offering Party promises not to sell, encumber, transfer, promise to sell, mortgage, grant an option or execute documents or contracts of any type whatsoever regarding the Mining Holdings that are referred to in this document, with reference to the mining rights that originate from them or regarding the minerals that they contain, while the term for Minera Farellon to exercise the respective option is in effect. If in spite of the above prohibitions, any other document is executed or any contract whatsoever is executed that limits or affects, or could limit or affect the holding, possession or ownership of the holdings, or the minerals that they contain, the document or contract is resolved ipso facto once Minera Farellon accepts the irrevocable offer that is being made in this document. All of this is in agreement with Article one hundred and sixty-nine of the Mining Code, without prejudice to the other rights that emanate from this contract and the law for Minera Farellon.

Two: Antolin Amadeo Crespo Garcia promises to maintain strict confidentiality regarding all of the information and technical data that could be used in the exploration, exploitation and know-how, as well as all of the other information related to the works that Minera Farellon or its contractors develop on the Mining Holdings.

Three: Without prejudice to what is stipulated in No. One

of this Article, Antolin Amadeo Crespo Garcia promises, during the life of the option that is indicated in this document, not to present new petitions or manifestation, or constitute new concessions for exploration and/or exploitation in the area made up of the Mining Holdings detailed in the First Clause of this document, without prior written consent from Minera Farellon. Four: Antolin Amadeo Crespo Garcia shall not be able to totally or partially cede or transfer the rights and authorizations that are indicated in this contract, without prior written consent from Minera Farellon. Five: Minera Farellon shall, at any time whatsoever with a written consent from the Offering Party, be able to sell, cede, transfer or in any other way whatsoever exercise of all or part of the rights in this contract, if and when the purchaser or the transferee declares in the contract that serves as the title for the acquisition that it will fulfill each and every one of the obligations that Minera Farellon has contracted in this document, under the same terms, as if this contract had been executed by said transferee, promising to impose equal obligations on any later transferee whatsoever. THIRTEENTH ARTICLE. Rate of Exchange: The amounts of money in this document that are expressed in dollars of the United States of America shall be paid in pesos, national currency, at the rate of exchange called the "observed dollar" published by the Central Bank of Chile in the Official Gazette, according to No. six of the First Chapter of the Compendium of Norms for International Rates of Exchange. FOURTEENTH ARTICLE. Address: For all legal purposes, the parties establish their address in the city and commune of Santiago. FIFTEENTH ARTICLE. Expenses: Minera Farellon shall pay the expenses for the Notary, Conservator and others, and the taxes that are originated from the same because of the granting of this option contract. SIXTEENTH ARTICLE. Power of Attorney: The holder of an authorized copy of this document is empowered to require the registrations, inscriptions and notations that are pertinent in the respective Conservator. SEVENTEENTH ARTICLE. Special Power of Attorney: The vendor and the purchaser grant a Special Power of Attorney to the attorneys Enrique Benitez Urrutia and Gonzalo Nieto Valdes, both with the address Avenida Isidora Goyenechea three thousand two hundred and fifty, ninth floor, Las Condes, Santiago, so that either one of them may grant all of the complementary documents that may be necessary in order to rectify any error or omission whatsoever existing in the clauses related

to the correct individualization of the Mining Holdings object of this contract, registration of control, method for acquisition, etc., with the sole purpose that the Conservator of Real Estate may make the registrations and annotations that may be forthcoming. The holder of the Power of Attorney is especially empowered to sign all types of applications, declarations, rough drafts, public and private documents that are necessary for the fulfillment of the commitment. The authorization for Mr. Kevin Robert Mitchell to represent Minera Farellon Limitada is verified in the public document for the constitution of said company, dated the twenty-second of February of two thousand and seven, granted before the same Notary. The authorization document mentioned above is not inserted because the parties and the Notary that is authorizing know the document. As verification, after being read, the persons appearing signed. A copy is given. Noted in the Digest under No. 943. I Swear.

Two Notary Seals and Signatures on the front of each page. Ricardo Olivares Pizarro, Notary Public, Vallenar.

ANTOLIN AMADEO CRESPO GARCIA

Signature

I.D. No. 4.878.574-3

Fingerprint

Signature

KEVIN ROBERT MITCHELL

Citizenship I.D. No. 14.498.917-1

Signing for: MINERA FARELLON LIMITADA

I.D. No. 76.814.170-3

Fingerprint

I sign and seal this copy that is a true Certified Copy of the original. Vallenar, 11th of September of 2007.

Seal: Ricardo Olivares Pizarro, Notary Public, Vallenar

CONTRACT FOR THE OPTION TO PURCHASE MINING HOLDINGS

Noted in the Digest under No. 654 and registered on this date on Page 85, No. 13, of the Registry of Mortgages and Encumbrances of the Conservator of Mines.

Freirina, (illegible) of September of 2007

Seal: Juan Jorge Solis Soto, Notary and Conservator of Real Estate, Commerce and Mines, Titleholder, Freirina - Signature

PROHIBITION

Noted in the Digest under No. 655 and registered on this date on Page 15, No. 9, of the Registry of Prohibitions and Interdictions of the Conservator of Mines.

Freirina, 13th of September of 2007

Seal: Juan Jorge Solis Soto, Notary and Conservator of Real Estate, Commerce and Mines, Titleholder, Freirina - Signature

**OPTION AGREEMENT
TO ACQUIRE MINING CONCESSION**

Camila Breccia

This option agreement dated for reference 1st February 2008 is between **Minera Farellón Limitada**, a Chilean company with an office at Baldomero Lillo 3260, Vallenar, Huasco, III Region, Chile ("Farellón"), and **Minera Polymet Limitada**, a Chilean company formed by Red Lake Exploration, Inc., a Nevada corporation with a registered office at 711 South Carson Street, Suite 4, Carson City, Nevada 89701 ("Polymet").

Whereas Farellón has an option to purchase the Camila mining holdings in Chile from Hernán Alcides Iribarren Torres and Ingenieria de Proyectos, Desarrollo, Estudios y Servicios H.I.T Limitada, dated 7th December 2007, attached as exhibit A (the "Camila Agreement"), and has agreed to assign the Camila Agreement to Polymet, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree that:

1. Farellón grants Polymet the option to buy the Camila Agreement on the following terms ("Option"):
 - a. The Option begins on the date of this agreement and ends on 21st November 2008 (the "Term").
 - b. As consideration for granting the Option, Polymet will pay Farellón \$5,000 when this agreement is signed and \$50,000 by 23rd May 2008.
 - c. Farellón will pay the patentes due at the end of March 2008 and any other property costs that are due during the Term to keep the Camila Agreement in good standing, and Polymet will reimburse Farellón on request.
 - d. Polymet can exercise the option at any time until the end of the Term by notifying Farellón in writing that it intends to exercise the Option and paying Farellón \$50,000 by the close of business on 21st November 2008.
 - e. The Option ends if Polymet fails to make any of the payments required during the Term or on 21st November 2008 if Polymet fails to notify Farellón that it intends to exercise the Option.
 - f. All currency amounts are stated in United States dollars.
 2. When Farellón receives the exercise notice and payment required in paragraph 1(d), Farellón will irrevocably assign the Camila Agreement to Polymet and Polymet will accept the assignment and assume all of Farellón's rights and obligations under the Camila Agreement as though Polymet were the original party to the Camila Agreement.
 3. The parties will use their best efforts to ensure that the terms of this agreement are legalized in Chile and recorded in the register of the Conservador de Minas in Vallenar as soon as reasonably possible. In the case of any conflict between the provisions of this agreement and the provisions of the agreement recorded in Vallenar, the terms of the agreement recorded in Vallenar govern.
 4. Farellón represents and warrants to Polymet that:
 - a. It is duly formed under the laws of Chile and has the authority and right to assign the Camila Agreement.
 - b. It has made all of the payments required and fulfilled all other obligations under the Camila Agreement to the date of this agreement.
 - c. It has not assigned any interest in the Camila Agreement to any other party.
 - d. The Camila Agreement is in good standing and free of any claims or potential claims from third parties as of the date of this agreement.
 5. Polymet represents and warrants that it is duly formed under the laws of Chile and has the authority to make this agreement.
 6. Time is of the essence of this agreement and of any amendment to it.
-

7. If either party must perform under this agreement on a day that is not a business day in Chile, then the party must perform on the next business day in Chile.
8. Any notice that must be given under this agreement must be in writing and delivered by hand or overnight courier to the party at the address given for the party on page 1 or transmitted by fax or email to the fax number or email address that the parties will give each other. Notice is deemed to have been received when it is delivered or transmitted if it is delivered or transmitted during normal business hours in Chile and on the next business day if it is delivered or transmitted outside of normal business hours.
9. This agreement is the entire agreement between the parties and its terms may be waived or amended only in writing. No waiver of any term operates to waive any other term.
10. This agreement does not create a partnership or joint venture or any other kind of business association between the parties and neither party has the power to bind the other in any way.
11. Polymet may not assign its interest in this agreement without Farellón's written consent.
12. This agreement is binding on the parties and upon their respective successors and assigns.
13. This agreement must be construed in accordance with the laws of Chile on the same terms as provided in the Purchase Agreement.
14. No finding by a court of competent jurisdiction that any provision of this agreement is invalid, illegal, or otherwise unenforceable operates to impair or affect the remaining provisions which remain effective and enforceable.
15. This agreement may be signed in counterparts and delivered to the parties by any means; and the counterparts together are deemed to be one original document.

The parties' signatures below are evidence of their agreement.

Minera Farellón Limitada

/s/ Kevin Robert Mitchell

Kevin Robert Mitchell

Signed on February 1, 2008

Minera Polymet Limitada

/s/ Kevin Robert Mitchell

Kevin Robert Mitchell

Signed on February 1, 2008

NOTARY PUBLIC

Orrego Lucio 0153 – Providencia

OT. No. 24.644.-

OD

DIGEST No. 19.600-2007

5c

Seal: Eduardo Avello Concha, Notary Public, Notary No. 27, Santiago, Initials

CONTRACT FOR THE OPTION TO PURCHASE MINING HOLDINGS

INGENIERIA DE PROYECTOS, DESARROLLO, ESTUDIOS Y SERVICIOS
H.I.T. LIMITADA AND OTHERS

TO

MINERA FARELLON LIMITADA

In Santiago de Chile, the seventh of December of two thousand and seven, before me, EDUARDO AVELLO CONCHA, Attorney, Titleholder of the Twenty-Seventh Notary of Santiago, with an office at Orrego Luco No. zero one hundred and fifty-three, Providencia, appeared: HERNAN ALCIDES IRIBARREN TORRES, Chilean, married, mining engineer, National I.D. No. four million three hundred and twenty thousand five hundred and one dash three, acting on his own behalf and, in addition, as the representative of INGENIERIA DE PROYECTOS, DESARROLLO, ESTUDIOS Y SERVICIOS H.I.T. LIMITADA (Project Engineering, Development, Studies and Services H.I.T. Limited), a company engaged in what is indicated in the company name, Sole Taxation List No. seventy-seven million two hundred and ninety-two thousand two hundred dash zero, both with the address Sucre two hundred and twenty, Office No. five hundred and ten, Commune of Antofagasta, hereafter jointly called "the Offering Party"; and KEVIN ROBERT MITCHELL, Canadian, married, separation of goods, miner, I.D.

Document for Foreigners No. fourteen million four hundred and ninety-eight thousand nine hundred and seventeen dash one. He is representing the company, MINERA FARELLON LIMITADA, a Chilean company engaged in what is indicated in the company name, Sole Taxation List No. seventy-six million eight hundred and fourteen thousand one hundred and seventy dash three, both with the address Prat one thousand and fifty-one, Office No. four, commune of Vallenar, hereafter known as "Minera Farellon". The persons appearing are of legal age and verified their identity with the above-mentioned I.D. Documents and stated: That in virtue of this document, they have come to execute the following contract for the option to purchase mining holdings, in agreement with what is stipulated in Articles one hundred and sixty-nine and the others that are applicable of the Mining Code. FIRST ARTICLE: Individualization of the Holdings: A) Hernan Alcides Iribarren Torres, as the representative of Ingenieria de Proyectos, Desarrollo, Estudios y Servicios H.I.T. Limitada, hereafter and indistinctly called "H.I.T. LTDA.", declares that the company that he is representing is the sole and exclusive owner of the following mining holdings: One) "CAMILA DOS, Uno al Veinte", located in Quebrada Jilguero, Commune of Vallenar, Province of Huasco, Third Region of Atacama, the declaration of which is registered on Page No. one thousand nine hundred and twenty-one, No. one thousand five hundred and thirty-six of the Registry of Discoveries of the Conservator of Mines of Vallenar for the year two thousand and five; Two) "CAMILA TRES, Uno al Veinte", located in Quebrada Jilguero, Commune of Vallenar, Province of Huasco, Third Region of Atacama, the declarations of which are registered on the back of Page No. two thousand five hundred and fifty-three, No. two thousand and forty-two of the Registry of Discoveries of the Conservator of Mines of Vallenar for the year two thousand and six; Three) "CAMILA CUATRO, Uno al Veinte", located in Quebrada Jilguero, Commune of Vallenar, Province of Huasco, Third Region of Atacama, the declaration of which is registered on Page No. two thousand five hundred and fifty-two, No. two thousand and forty-one of the Registry of Discoveries of the Conservator of Mines of Vallenar for the year two thousand and six; B) Hernan Alcides Iribarren Torres declares, in turn, that he is the sole and exclusive owner of the mining holdings "CAMILA, Uno al Veinte", located in the Sector of Quebrada El Jilguero, Commune of Vallenar, Province of Huasco, Third Region of Atacama, the measuring document of which is registered on Page No. thirteen, No. three, of the Property Registry of the Conservator of Mines of

Vallenar for the year two thousand. The mining holdings in the process of constitution indicated in Letter A, and the mining holdings detailed in Letter B of this article shall be called, hereafter and jointly, "Mining Holdings". Included in this denomination shall also be the concessions for exploitation that could be constituted from the detailed declarations registered in Letter A referred to above. Once they are registered, the measurement document and the constitutive decision for the holdings that originate from the above-mentioned declarations, this option contract shall be noted in the margin of these registrations. SECOND ARTICLE: One. Option Offer: In virtue of this document, Hernan Alcides Iribarren Torres, for himself and as the representative for which he is appearing, grants to Minera Farellon the option to purchase and irrevocably offers to sell, cede and transfer to Minera Farellon the mining holdings detailed in the First Article of this document. Two. Price of the Purchase/Sale Offered: The price of the purchase/sale offered regarding each one of the mining concessions detailed in the article above, is the equivalence in pesos national currency to the amount of three hundred thousand dollars of the United States of America, which comes to a total price for the purchase/sale offered of one million and two hundred thousand dollars of the United States of America. Notwithstanding the above, in the case where the option to purchase the Mining Holdings is exercised before the term for the expiration of the purchase option indicated in No. Three below, the price of the purchase/sale offered shall increase in the amount of the price of the option that has not accrued interest and been paid, in agreement with what is stipulated in the Fifteenth Article. The mining holdings and the minerals that they contain shall be sold and transferred with all of their uses, rights, customs and easements, free from all encumbrances, prohibitions, resolutive conditions, embargos or pending litigation, as well as any other impediment whatsoever that could affect their free use, enjoyment and disposition; free from all superposition, and with their mining patents totally paid. The vendor or Offering Party is responsible for the Warranty of Title and Right of Possession according to the Law. Three. Option Term: The term of the option, within which Minera Farellon shall be able to freely accept or refuse the purchase/sale offer of the holdings, shall expire the seventh of December of two thousand and nine. Four: Option Price: The price of the option is the sum in pesos, national currency, equivalent to two hundred thousand

dollars of the United States of America, which shall be paid under the terms that are indicated in the Fourth Article of this document.

THIRD ARTICLE: Mr. Kevin Robert Mitchell, as the representative of Minera Farellon Limitada, accepts the stipulations of this contract for the company that he is representing under the terms of Article one hundred and sixty-nine and the others that are applicable of the Mining Code, in virtue of the fact that the Second Article grants Minera Farellon the power to accept or reject the offer made by the Offering Party. Therefore, Minera Farellon shall be able, at any time whatsoever counted from the date of this document and up to the expiration of the term indicated in No. Three of the Second Article of this document, to decide to accept the purchase/sale of the Mining Holdings under the terms indicated in this contract.

FOURTH ARTICLE. One) Price of the Option to Purchase the Mining Holdings : The price of the option contract to purchase the Mining Holdings is the amount of two hundred thousand dollars of the United States of America, payable in pesos, national currency, in the following amounts and payment periods: /a/ the amount of fifty thousand dollars of the United States of America, which Minera Farellon shall pay on the seventh of June of two thousand and eight to Hernan Alcides Iribarren Torres, for himself and as the representative of H.I.T. LTDA., in the proportions of a fourth part for the first and three quarters for the second, which are the proportions into which all of the payments that are made in agreement with this document shall be distributed; /b/ the amount in pesos national currency equivalent to the sum of fifty thousand dollars of the United States of America, which shall be paid on the seventh of December of two thousand and eight; and /c/ the amount in pesos national currency equivalent to the sum of one hundred thousand dollars of the United States of America, which shall be paid on the seventh of June of two thousand and nine.

Two) Form and Place of Payment of the Quotas: The quotas indicated in Letters /a/, /b/, and /c/ above shall be paid on their expiration date, through the delivery to the Notary that is authorizing this document, or to whoever substitutes, replaces him or carries out his duties, through a bank Sight Draft, payable to the order of Hernan Alcides Iribarren Torres, or to the individual that replaces him as the representative of H.I.T. LTDA, or to the common representative of the successors, continuers or transferees, for the corresponding amount. The Notary shall not deliver the above-mentioned Sight Draft unless the

corresponding public document is signed as the receipt. The Notary rights that are generated because of these payments shall be paid by Minera Farellon. Three) Cessation of the obligation of future payments in the event of a withdrawal: If Minera Farellon withdraws from accepting the purchase/sale offer that this document refers to, before the expiration of any of the terms indicated in Letters /a/, /b/, and /c/ above, the obligation that Minera Farellon has to pay the remaining quotas of the option that have not accrued interest on the date of the withdrawal shall cease immediately, without prejudice to what is stipulated below in this document. FIFTH ARTICLE. Acceptance of the Offer: If Minera Farellon decides to accept the offer within the term agreed on to do so, the company shall state the desire to do so through a public document drawn up in this same Notary declaring that it wishes to accept the offer. With the same objective, Minera Farellon shall deliver to the Notary that authorizes this document, or to the individual that substitutes, replaces him or carries out his duties, a bank Sight Draft made out to the order of Hernan Alcides Iribarren Torres, or to the person that replaces him as the representative of H.I.T. LTDA., or the common representative of the successors, continuers or transferees for the amount in pesos national currency equivalent to two hundred thousand dollars of the United States of America, readjusted as necessary, according to what is agreed on in the Sixth Article below, the amount that corresponds to the Fixed Part of the price for the purchase/sale. According to what is indicated in the Second Article No. Two of this document, this amount shall increase in the amount of the quotas of the price for the option that could still be unpaid, in the event that Minera Farellon accepts the offer of the sale and exercises the option to purchase the Mining Holdings prior to the dates indicated in Letters /a/, /b/, and /c/ of the Fourth Article. The Notary shall not deliver the above-mentioned Sight Draft unless the corresponding public document is signed as the receipt. Minera Farellon shall pay the Notary fees that are generated because of this payment. The corresponding Conservator of Mines, with the copy of this document before him, verifying the delivery of the above-mentioned Sight Draft to the appropriate Notary, and a copy of the document regarding the acceptance that Minera Farellon is granting, shall register the Mining Holding indicated in the acceptance document in the name of Minera Farellon Limitada. All of this is in virtue of what is stipulated in the final section of Article one hundred and sixty-nine of the Mining Code according to which, for a contract for the option to purchase the rights especially regulated by said

Code, it shall be sufficient to have the sole acceptance of the irrevocable offer for the purchase/sale offered to be perfected, with the sole requirement being that the offer as well as the acceptance are verified in a public document. SIXTH ARTICLE. Payment of Purchase/Sale Price: The price of the purchase/sale of the Mining Holdings is the amount of one million and two hundred thousand dollars of the United States of America, which shall be paid readjusted in the same proportion that the Consumer Prices Index of the United States of America has varied, taking as a basis the index appearing in the publication of the same immediately prior to the date of this document and comparing it with the index appearing in the publication immediately prior to the date of the corresponding payment. If the index is not available, the method that shall be applied is the method of the calculation of the variation of the internal prices of the United States of America that in the corresponding opportunity is employed in Chile and is more favourable to the creditor. The price of the purchase/sale is made up of the part that is called the "Fixed Part", and the other part that is called the "Varied Part": /a/ Fixed Part: The fixed Part of the purchase/sale is the sum in pesos equivalent to two hundred thousand dollars of the United States of America, which Mineral Farellon shall pay at the moment of the exercising of the option to purchase, with the corresponding readjustment, in the manner expressed in the Fifth Article of this document; and /b/ Varied Part: The Varied Part of the purchase/sale price is the amount in pesos equivalent to the sum of one million United States Dollars that shall be paid, duly readjusted, once Minera Farellon initiates the exploitation of any of the Mining Holdings whatsoever, through monthly payments until the amount of the one million dollars duly readjusted is paid, from the royalties – hereafter the "Royalties" – of six percent of the value corresponding to the net sale of minerals that are extracted from the Mining Holdings and are paid by the National Mining Company, hereafter and indistinctly called "Enami" or by any other purchaser whatsoever. Nevertheless, in the event that the term of four year counted from the date of this option contract transpires, whether the exploitation on the mining holdings purchased has begun or not, and the total amount of the Varied Part of the price of the purchase/sale has not been paid, any unpaid amount of the total amount shall be payable immediately. As of that moment, the term shall be considered to have expired and interest shall be accrued in favour of the creditors, or those

that represent those rights. The interest that shall be paid is the maximum interest for credit obligations in foreign currency that the law allows, to be stipulated to the date on which the indicated four-year period ends. This interest shall run from the date indicated on the entire unpaid amount, up to the date of the total payment. The payment and liquidation of the Royalties shall be effected monthly within the ten days following the date on which Enami or another purchaser has made the respective payment. For this purpose, Minera Farellon shall prepare the report regarding the monthly payment of the Royalties including sufficient information to determine the amount, including the calculation of the readjustment at the applicable rate, which shall be delivered to Hernan Alcides Iribarren Torres, or to the individual that replaces him as the representative of H.I.T. LTDA., or to the common representative for their successors, continuers or transferees, jointly, with the amount corresponding to the Royalty. If there are no observations regarding the payment within the ten working days following the delivery by Minera Farellon, it shall be understood that final and total approval is being granted for said liquidation and the corresponding payment. Included in the sufficient information that shall have to be provided by Minera Farellon, shall be the invoices for the sale to Enami or another purchaser, together with the respective shipping logs, and a legalized copy from the source employed for the calculation of the readjustment applied to the quota for the balance of the price. In the case where there are observations regarding said documents, upon a request from the interested parties, Minera Farellon shall have to authorize them to have access to the information regarding the same. At any time whatsoever before the four years transpire from the date of this document, and while the payments have not been completed for the amount indicated in Letter /b/ of this clause, Minera Farellon shall be able to terminate the obligation of the payment of Royalties indicated above, paying Hernan Alcides Iribarren Torres, or to the common representative for their successors, continuers or transferees, the difference that exists between the amount effectively paid to that date on account for the Royalties and what remains to be paid to complete the payment of one million dollars of the United States of America, indicated in Letter /b/ of this article along with the corresponding readjustment. SEVENTH ARTICLE. Irrevocability: This contract shall have the nature of a contract for the option to purchase mining holdings

indicated in Article one hundred and sixty-nine of the Mining Code. It is irrevocable and the Offering Parties shall not be able to reconsider nor withdraw their offer. Therefore, it shall be sufficient to have the sole acceptance of MINERA FARELLON LIMITADA, at any time whatsoever, of the irrevocable offer that is prepared in this legal action, for the purchase/sale to be perfected. Nevertheless, if the term of effectiveness of the option has expired, and Minera Farellon has not accepted the offer of the sale of the Mining Holdings that is referred to in this document, it shall be understood that Minera Farellon has decided not to exercise the option that is granted in this document. If any of the quotas of the price of the option are not paid within the terms indicated in the Fourth Article of this document, it shall be understood that Minera Farellon is withdrawing from the option, without any unpaid amount of the quota being payable. If any of the events stated above occur, the Offering Party shall be able to request the cancellation of the registrations that may have been made in virtue of this contract. EIGHTH ARTICLE. Authorizations: Hernan Alcides Iribarren Torres, for himself or as the representative of H.I.T., LTDA. irrevocably authorizes Minera Farellon, while the term for exercising the option that is granted herein is pending, to be able to carry out on the Mining Holdings detailed in this document, at their own exclusive cost and risk, the explorations, examinations and prospecting that it wishes to carry out and are legally forthcoming, being able to carry out all of the works and projects with the express declaration that Minera Farellon shall be able to exercise all of the active easements that benefit said holdings, with the Offering Party obligated to apply for them, to be paid by Minera Farellon, if requested by the company because they are deemed to be necessary. Minera Farrellon shall be exclusively responsible for the mining works of exploration that it carries out on the holdings, as well as the effects that are forthcoming from said works, duly fulfilling all of the legal dispositions that are applicable in this regard, and expressly prohibited from initiating the exploitation of the Mining Holdings. NINTH ARTICLE. No Restitution: If Minera Farellon decides not to accept the offer that is being made regarding the sale of the Mining Holdings, the obligation regarding the payment of any type whatsoever according to what is indicated in the final part of the Fourth Article shall cease immediately, but Hernan Iribarren Torres and H.I.T. LTDA. Or its successors, continuers or transferees, when applicable, shall not have the obligation of returning the payments corresponding to the price of the option that may have already been received. These shall be retained

as the sole and exclusive indemnity for damages of any type whatsoever, in kind or in amount, that could have been caused by the fact of having been impeded from exploring and exploiting, as well as from negotiating these holdings with third parties during the life of the option, or caused by the decision of Minera Farellon not to accept the offer or derived from any other causes or reasons whatsoever related to the contract contained in this document. TENTH ARTICLE. Withdrawal: At any time whatsoever, Minera Farellon shall be able to make a declaration through a public document, which shall have to be granted in this same Notary Office, which shall be noted in the margin of the original version of this document, expressing the decision not to accept the offer that is being made in this document and, from the date of this marginal notation, all of the obligations contracted in virtue of this document shall cease for Minera Farellon, of any type whatsoever, particularly the obligations regarding making the payments that are referred to in the Fourth Article of this document. In the case of a withdrawal, Minera Farellon shall respectively provide for Hernan Alcides Iribarren Torres and H.I.T. LTDA., their successors, continuers or transferees or their own representatives with sufficient powers, without any cost whatsoever, all of the information that may have been obtained from the exploration that may have been made on the Mining Holdings. This information shall include the reports that contain the complete or partial results from the studies – if any were done – geological, geochemical, metallurgical, and hydrological, exploration reports, geophysical plans and reports and all of the interpretive information obtained from the works of exploration and exploitation carried out. None of what is indicated in this article may be interpreted as Minera Farellon having the obligations to carry out studies or write reports, whatever the nature of these may be. ELEVENTH ARTICLE. Maintenance of Holdings: Hernan Alcides Iribarren Torres and H.I.T., Ingenieria Ltda. shall have to adopt, at their own exclusive cost, all of the judicial and extra-judicial measures that may be necessary to duly keep in effect the rights emanating from the Mining Holdings detailed in Letters A and B of the First Article of this document and to defend these rights and minerals that the holdings contain from any pretensions of third parties whatsoever. H.I.T. Ingenieria Ltda. shall, in addition, have to continue to process the judicial files for the constitution of the holdings in Letter A of the First Article, until they are duly constituted. Without

prejudice to what is stipulated above, Minera Farellon Limitada shall respectively reimburse Hernan Alcides Iribarren Torres and H.I.T. Ingenieria Ltda. for all of the amounts paid for the concept of the payment of mining patents that support the holdings and mining rights object of this option, which were duly incurred during the life of the option. TWELFTH ARTICLE. Prohibitions, Restrictions and Suspension of Terms: One: The Offering Party promises to not sell, encumber, transfer, promise to sell, mortgage, grant an option or execute documents or contracts of any type whatsoever regarding the Mining Holdings that are referred to in this document, regarding the mining rights that originate from them or regarding the minerals that they contain, while the term for Minera Farellon to exercise the respective option is in effect. If in spite of the above prohibitions, any other document is executed or any contract whatsoever is executed that limits or affects, or could limit or affect the holding, possession or ownership of the Mining Holdings or the minerals that they contain, the document or contract shall be resolved ipso facto once Minera Farellon accepts the irrevocable offer that is being made in this document. All of this is in agreement with Article one hundred and sixty-nine of the Mining Code, without prejudice to the other rights that emanate from this contract and the law for Minera Farellon. Two: The Offering Party promises to maintain strict confidentiality regarding all of the information, technical data that could be used in the exploration and know-how during the life of the option contained in this document, as well as all of the other information related to the works that Minera Farellon or its contractors develop on the Mining Holdings. This obligation regarding confidentiality shall subsist with respect to the mining concessions that Minera Farellon acquires through the exercising of the option to purchase. Three: Without prejudice to what is stipulated in No. One of this Article, the Offering Party promises, during the life of the option that is indicated in this document, to not present new petitions or manifestations, or constitute new concessions for exploration and/or exploitation in the are made up of the Mining Holdings detailed in the First Article of this document, without prior written consent from Minera Farellon. Four: Hernan Alcides Iribarren Torres and H.I.T. LTDA. shall not be able to totally or partially cede or transfer the rights and authorizations that are indicated in this contract, without prior written consent from Minera Farellon. Five: Minera Farellon shall, at any time whatsoever

with a written consent from the Hernan Alcides Iribarren Torres and/or H.I.T. LTDA., sell, cede, transfer or in any other way whatsoever exercise of all or part of the rights in this contract, if and when the purchaser or the transferee declares in the contract that serves as the title for the acquisition that it will exactly fulfill each and every one of the obligations that Minera Farellon has contracted in this document, under the same terms, as if this contract had been executed by said transferee, promising to impose equal obligations on any later transferee whatsoever. Six: The parties agree that in the event that due to any reason outside of their control, including an Act of God contemplated in the forty-fifth Article of the Civil Code, Minera Farellon is impeded from carrying out the works of exploration, examination and prospecting on the Mining Holdings, the term indicated in the Second Article, No. Three and the Fourth Article, and the respective obligations, shall be suspended while the impediment lasts. The above-mentioned term shall be extended for all of the days in which they were suspended. For the purpose of the calculation of the suspension and later extension of the terms, in the event that, due to any reason outside of their control, including the above-mentioned Act of God, Minera Farellon is impeded from carrying out any of the work indicated above, the company shall have to report said circumstances in writing to the Offering Party, through a Notary Public, at the address indicated in the appearance, no later than within forty-eight hours following the manifestation of the impediment. Without prejudice to the above, the parties promise to make their best efforts to quickly overcome the impediments that occur, which limit or disturb the work that Minera Farellon pretends to carry out on the Mining Holdings. No later than within the forty-eight hours after the day on which Minera Farellon starts to work once again, the company shall send a written report to the Offering Party reporting this, in the manner and to the address indicated above, with the understanding that the suspension was in effect from the day of the manifestation of the impediment up to the day on which Minera Farellon started to work once again, duly extending the terms indicated for all of the days that transpired between the manifestation of the impediment and the date on which the work was begun once again. THIRTEENTH ARTICLE. Rate of Exchange: The amounts of money in this document that are expressed in dollars of the United States of America shall be paid in pesos, national currency, at the rate of exchange called the "observed dollar" published by the Central Bank of Chile in the Official Gazette, according to No. six of the First Chapter of the Compendium of Norms for

International Rates of Exchange. FOURTEENTH ARTICLE. Address: For all legal purposes, the parties establish their address in the city and commune of Santiago. FIFTEENTH ARTICLE. Expenses: Minera Farellon shall pay the expenses for the Notary, Conservator and others, and the taxes that are originated because of the granting of this option contract, and for the documents that must be granted due to or because of the fulfillment of the obligations that are derived from the same. SIXTEENTH ARTICLE. Arbitration: Any difficulties whatsoever that arise between the parties, related to the interpretation, application, fulfillment, validity, period of effectiveness, termination, resolution, scope, efficiency or holes in this option contract and the one for the proposed purchase/sale shall be resolved through mixed arbitration, in agreement with the norms of the Regulation for the Arbitration Centre of the Chamber of Commerce of Santiago, A.G., which the contracting parties declare that they know and accept. The parties grant an irrevocable Power of Attorney to the Chamber of Commerce of Santiago A.G. so that, upon a written request from any of them, they may designate an arbitrator from those that are part of the arbitration body of the Arbitration Centre of the Chamber of Commerce. No recourse whatsoever shall be able to be brought against the resolution of the arbitration, therefore, the parties expressly renounce them, except for the recourse of making a complaint. The arbitrator shall be especially empowered to resolve all matters related to their competence and/or jurisdiction. SEVENTEENTH ARTICLE. Power of Attorney: The holder of an authorized copy of this document is empowered to require the registrations, inscriptions and notations that are pertinent in the respective Conservator. EIGHTEENTH ARTICLE. Special Power of Attorney: The vendor and the purchaser grant a Special Power of Attorney to the attorneys Enrique Benitez Urrutia and Gonzalo Nieto Valdes, both with the address Avenida Isidora Goyenechea three thousand two hundred and fifty, ninth floor, Las Condes, Santiago, so that either one of them may grant all of the complementary documents that may be necessary in order to rectify any error or omission whatsoever existing in the clauses related to the correct individualization of the Mining Holdings object of this contract, registration of control, method for acquisition, etc., with the sole purpose that the Conservator of Real Estate may make the registrations and annotations that may be forthcoming. The holder of the Power of Attorney is especially

empowered to sign all types of applications, declarations, rough drafts, public and private documents that may be necessary for the fulfillment of the commitment. The authorization for Kevin Robert Mitchell to represent Minera Farellon Limitada is verified in the public document for the constitution of said company, dated the twenty-second of February of two thousand and seven, granted before the same Notary. The authorization for Hernan Alcides Iribarren Torres to represent the company, Ingenieria de Proyectos, Desarrollo, Estudios y Servicios H.I.T. Limitada, is verified in the Seventh Clause of the Public Document for the constitution of said company, dated the twentieth of March of the year two thousand, granted before the Notary of Antofagasta, Maria Soledad Santos Muñoz. The authorization document mentioned above is not inserted because the parties and the Notary that is authorizing know the document. As verification, after being read, the persons appearing signed. A copy is given. I Swear. Initials.

One Notary Seal and Signature on the front of each page. Eduardo Avello Concha, Notary Public, Notary No. 27, Santiago.

Signature

HERNAN ALCIDES IRIBARREN TORRES

For Ingenieria de Proyectos, Desarrollo, Estudios y Servicios H.I.T. Limitada.

I.D. No. 77.292.200-0

Fingerprint

Signature

HERNAN ALCIDES IRIBARREN TORRES

I.D. No. 4.320.501-3

Fingerprint

Signature

KEVIN ROBERT MITCHELL

Citizenship I.D. No. 14.498.917-1

Signing for: MINERA FARELLON LIMITADA

I.D. No. 76.814.170-3

Fingerprint

In the right margin: Document granted based on the Minutes drawn up by the attorney, Alejandra Perez Rossi.

Square Stamp: Digest No. 19600-2007

RICARDO OLIVARES PIZARRO
CONSERVATOR OF MINES
VALLENAR

THIS CONSERVATOR OF MINES CERTIFIES THAT ON THIS DATE, ON PAGE No. 6, No. 2, OF THE REGISTRY OF MORTGAGES AND ENCUMBRANCES FOR THE YEAR 2008, A CONTRACT WAS REGISTERED FOR THE OPTION TO BUY MINING HOLDINGS GRANTED BY INGENIERIA DE PROYECTOS, DESARROLLO, ESTUDIOS Y SERVICIOS H.I.T. LIMITADA AND OTHERS TO MINERA FARELLON LIMITADA, AND ON PAGE No. 1, No. 1, OF THE REGISTRY OF PROHIBITIONS AND INTERDICTIONS FOR THE YEAR 2008, A PROHIBITION WAS REGISTERED IN FAVOUR OF MINERA FARELLON LIMITADA REGARDING THE FOLLOWING MINING HOLDINGS CALLED: 1) "CAMILA DOS, Uno al Veinte"; 2) "CAMILA TRES, Uno al Veinte"; 3) "CAMILA CUATRO, Uno al Veinte", and 4) "CAMILA, UNO AL VEINTE". IN ADDITION, A NOTATION WAS MADE IN THE MARGIN REGARDING THE FOLLOWING REGISTRATIONS: A) PAGE No. 1921, No. 1536 OF THE REGISTRY OF DISCOVERIES FOR THE YEAR 2005; B) PAGE No. 2553 BACK, No. 2042 OF THE REGISTRY OF DISCOVERIES FOR THE YEAR 2006; C) PAGE No. 2552, No. 2041, OF THE REGISTRY OF DISCOVERIES FOR THE YEAR 2006, AND D) PAGE No. 13, No. 03, OF THE PROPERTY REGISTRY FOR THE YEAR 2000, ALL OF THESE OF THE CONSERVATOR OF MINES.

VALLENAR, THE 7th OF FEBRUARY OF 2008.

Signature

Seal: Ricardo Olivares Pizarro, Notary and Conservator of Commerce and Mines, Vallenar

SUBSIDIARIES OF RED LAKE EXPLORATION, INC.

Subsidiary Name

State of Incorporation

Minera Polymet Limitada

Chile

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Caitlin Jeffs, president of Red Lake Exploration, Inc., certify that:

I have reviewed this annual report on Form 10-KSB of Red Lake Exploration, Inc.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in the report.

The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the periodic report is being prepared,
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles,
- (c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and
- (d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.

The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and to the audit committee of the board of directors (or persons fulfilling the equivalent function):

- (a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: May 12, 2008

/s/ Caitlin Jeffs

Caitlin Jeffs, President

CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Caitlin Jeffs, chief financial officer of Red Lake Exploration, Inc., certify that:

I have reviewed this annual report on Form 10-KSB of Red Lake Exploration, Inc.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in the report.

The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the periodic report is being prepared;
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and to the audit committee of the board of directors (or persons fulfilling the equivalent function):

- (a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: May 12, 2008

/s/ Caitlin Jeffs

Caitlin Jeffs, Chief Financial Officer

CERTIFICATION OF OFFICERS
OF RED LAKE EXPLORATION, INC.
PURSUANT TO 18 USC § 1350

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsection (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) each of the undersigned officers of Red Lake Exploration, Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

- (a) The annual report on Form 10-KSB for the year ended December 31, 2007 of the Company fully complies with the requirements of section 13(a) or 15(b) of the Securities Exchange Act of 1934; and
- (b) Information contained in the Form 10-KSB fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 12, 2008

/s/ Caitlin Jeffs

Caitlin Jeffs
President

/s/ Caitlin Jeffs

Caitlin Jeffs
Chief Financial Officer