



**WILDCAT**  
Exploration Ltd.

ANNUAL REPORT 2007



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## **A MESSAGE FROM THE PRESIDENT & C.E.O**

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I am pleased to report to you on Wildcat's activities during 2007 and into 2008.

With our current projects in Manitoba and Saskatchewan, we benefit from being in two of the world's top jurisdictions for combined mineral potential and favourable policy environments<sup>1</sup>. During 2007, Wildcat advanced several of our projects through selective surface exploration, airborne and ground geophysical surveys, detailed scientific research and drilling.

On nearly 12,000 hectares in Northern Saskatchewan, our Foster River zinc-lead-silver project contains mineralization that we classify as Broken Hill Type ("BHT"). This is due to its similarity to the famous Australian deposit of that name, and others around the world that are generally accepted to be BHT deposits. Field work and laboratory testing in 2007 under the direction of Paul Spry, a member of Wildcat's Technical Advisory Panel, gave new support to the classification of this large property as BHT mineralization and to its potential to host a significant base metal deposit.

In the Flin Flon-Snow Lake Greenstone Belt, our Reed Lake and Iskwassum properties are in an area that saw intense exploration activity and successes during 2007. We are encouraged by several discoveries by neighbouring companies in the immediate vicinity of our properties, including significant copper-zinc discoveries on the property adjacent to the northern boundary of our Reed Lake property and another copper-zinc discovery some 4 kilometres south of our southern boundary. Encouraged by these discoveries as well as surface copper staining observed near the former northern extent of our Reed Lake property, during 2007 we staked additional ground to the north, doubling the Company's property area to more than 6,000 hectares.

During 2007 and into 2008 we were particularly active in the Rice Lake Greenstone Belt on our Jeep and Poundmaker properties. We added to our Jeep land position in 2007 to cover most of the Jeep Gabbro, bringing the 100% owned property to 4,016 hectares. Our drilling programme that was completed on the Jeep property in April 2007 intersected anomalous gold and nickel-copper-platinum group elements in the area of the former Jeep gold mine. In the first quarter of 2008, based on encouraging results from an induced polarity ("IP") survey on our property, we carried out a nine hole drill programme in the southern part of the property and we negotiated an option to acquire a 25% interest in 405 hectares adjacent to our southern boundary. The most recent phase of drilling, targeting intersecting shear zones identified in the IP survey, was completed in April 2008 and assays are pending.

On the 3,398 hectare Mike Power project, located in the southeastern section of our Poundmaker property we commenced a six hole drill programme which carried into 2008. The drilling intersected the sulphide targets that were generated by an IP survey of the property, but assay results of the first three holes in the program have not indicated economic metal concentrations. The remaining assays are still pending at the time of writing.

In early 2008 we optioned the Poundmaker property excluding the Mike Power project, to Marum Resources Inc. Under the terms of the agreement, Marum will carry out up to \$5 million of work on the property and will pay Wildcat up to \$925,000 in cash and shares to earn 100% of the property. Wildcat will then have a 2% net smelter royalty. Alternatively, after Marum has spent \$4 million on the property Wildcat may elect to retain a 30% working interest by paying its share of subsequent costs.

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<sup>1</sup> In the Fraser Institute's 2007/08 survey of mining companies which ranked 68 global jurisdictions for combined policy and mineral potential, Manitoba placed #4 and Saskatchewan #12.

We were very pleased to announce the appointment of Wildcat's Technical Advisory Panel in the third quarter of 2007. Barry Cooke, Mark Fedikow, Bruce Mackie and Paul Spry each have special skills and extensive experience which Wildcat is able to draw on for specific needs.

In 2007 we raised net proceeds of approximately \$3.7 million in new capital. This funded \$2.5 million of exploration work and approximately \$1 million in costs relating to the proxy battle and special shareholders' meeting in April, over and above regular operating expenses. The proxy matter was resolved at the special meeting in a strong showing of shareholder support for the Company's directors, and we ended the year with a total cash balance of approximately \$1.8 million. This is sufficient to fund the Company's exploration activities well into 2008.

Subsequent to year end we announced the appointment of Renmark Financial Communications Inc. to carry out investor relations activities for the Company in 2008. We are pleased to be working with Renmark, a well-known and highly focused financial communications company.

With an extensive land package in two historic mining camps in Manitoba and a promising project in northern Saskatchewan, we look forward to 2008 with energy and optimism.

Wildcat's directors join me in expressing our appreciation of the continued support of Wildcat's shareholders and the efforts of our employees as we build on the Company's strengths.

**John L. Knowles**  
**President and Chief Executive Officer**  
**May, 2008**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This Management Discussion and Analysis ("MD&A") is intended to supplement the financial statements and notes of Wildcat Exploration Ltd. (the "Company") and compares the Company's 2007 fiscal year financial results with those of the preceding year. It is dated as of April 15, 2008. Financial data contained herein has been prepared in accordance with Canadian Generally Accepted Accounting Principles.

The Company's public filings, including its most recent unaudited and audited financial statements can be reviewed on the SEDAR website ([www.sedar.com](http://www.sedar.com)).

### **FORWARD LOOKING STATEMENT**

This report may contain forward-looking statements that involve a number of known and unknown risks and uncertainties including statements regarding the outlook of the Company's business and results of operations. By nature, these risks and uncertainties could cause actual results, performance and achievements of the Company to differ materially from those indicated. Such factors include, without limitation, risks inherent in mineral exploration, the Company's history of operating losses and uncertainty of future profitability, uncertainty of access to additional capital, and environmental risks. Readers should not place undue reliance on these forward looking statements which speak only as of the date the statements were made, and are also advised to consider such forward looking statements while considering the risks set forth below.

Wildcat Exploration Ltd. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as is required by applicable securities regulations.

### **OVERVIEW**

Wildcat Exploration Ltd. is a mineral exploration company with its head office located in Winnipeg, Manitoba. The Company focuses on the acquisition, exploration and development of mining properties.

Current exploration activities concentrate on the Company's properties in the provinces of Manitoba and Saskatchewan, Canada.

In Saskatchewan, the Company is focused on advancing the Foster River zinc-lead project, 120 km northwest of the town of La Ronge. The property comprises a total of 11,800 hectares, 3,800 hectares of which were staked in 2006. Results achieved to date are confirming the potential for a Broken Hill type zinc-lead-silver mineralized environment.

In Manitoba, in the Rice Lake greenstone belt, the Company controls more than 23,000 hectares in four large claim blocks: the Jeep property, the Poundmaker property, the Siderock property and the Garner Lake property. The Rice Lake greenstone belt is located 250 kilometers northeast from the provincial capital city of Winnipeg. Historically, it is the most significant lode-gold district in Manitoba with production of 1.77 million ounces of gold from several past-producing mines, including 1.46 million ounces from the Rice Lake Gold Mine (formerly known as the San Antonio Mine) at the town of Bissett, Manitoba. In recent years this mine has re-opened.

The second project area in Manitoba, totaling 8,756 hectares (includes the most recently staked ground as per announcement of November 12, 2007), is the Company's Reed Lake / Iskwasum project located 35 kilometers south west of Snow Lake in the Flin Flon/Snow Lake mining district.

## **CORPORATE ACTIVITIES**

### **Management and Financing**

In January, the Board of Directors appointed Jerrold Siemens interim President and Chief Executive Officer and also appointed Glen Gowryluk, Chartered Accountant, as its Chief Financial Officer. Mr. Gowryluk had previously been the CFO of Ceridian Canada Ltd.

Shareholders confirmed the Board's decision in a proxy vote on April 26, 2007, brought by the former President and CEO.

On June 28, 2007 the Company appointed John L. Knowles as the Company's new President and CEO. Mr. Knowles is the former Executive Vice President and CFO for Aur Resources Inc., and a CFO and director of Hudson Bay Mining and Smelting Co. Limited and, concurrently, Vice President and CFO of its parent, HudBay Minerals Inc. His background in senior management positions, and successful track record of managing corporate growth, treasury, and capital markets, strengthened the Company's management team and significantly enhanced the Company's growth potential.

In September 2007 the Company announced the formation of a Technical Advisory panel with the inaugural appointments of Dr. Paul G. Spry Ph.D., and Dr. Mark M. Fedikow Ph.D., P. Geo. Shortly after, they were joined by the appointments of R. Barry Cook, M.Sc., P. Geo. and Bruce W. Mackie, M.Sc., P. Geo.

At the Annual General and Special Meeting held in Winnipeg, Manitoba on September 20, 2007, voting by shareholders was unanimous in electing the proposed slate of directors to the board which, in addition to John Knowles, now consists of Robert M. Dzisiak (Chairman), Andrew W. Daniels and Denis G. Fillion.

During the third quarter, management of Wildcat's exploration programs was transitioned to Dr. Peter Theyer P. Geo., Senior Geologist, replacing Tim Tuba, who left to pursue other interests.

In the fourth quarter of 2007 the Company successfully closed a \$2.1 million financing with the issuance of 6.6 million flow-through shares for proceeds of \$1.65 million and an additional 2.25 million non-flow through shares for proceeds of \$450,000.

In 2007, concurrent with the advancement of many of the Company's exploration projects, Wildcat continued activities in the public relations area. Prior to year end the Company had a presence at all of the major industry trade and investor related conferences in Manitoba, Saskatchewan, Ontario and British Columbia. Several smaller presentations were also conducted with specific investor audiences. In January 2008 the Company engaged Renmark Financial Communications to provide investor relations services with specific activities targeted at raising the professional investment community's awareness of the Company's activities.

Planning and initiation of field exploration programs were ongoing through the year and progress was achieved on all of the Company's holdings in Manitoba and Saskatchewan. In Manitoba the Company is active in two mining camps, an historic gold camp centered on Bissett, Manitoba in the Rice Lake mineral belt (RLMB), and at Reed Lake in the prolific Flin Flon - Snow Lake mineral belt. In the third area of activity, the Foster River Project is located 120 kilometres north west of La Ronge, in the Province of Saskatchewan, the neighbouring province to the west of Manitoba.

## Property Transactions

In the first quarter of 2007, on the basis of drill program results which confirmed that the Jeep Property, located in the Rice Lake greenstone belt of Manitoba, hosts both gold-bearing quartz vein mineralization and magmatogenic sulphides containing anomalous nickel-copper and platinum group Element ("PGE") concentrations, the Jeep project area was expanded with the staking of an additional 835 hectares in four claims, which increased the project total area to 4,022 hectares on 26 contiguous claims.

In the fourth quarter the Company advanced its Reed Lake copper-nickel PGE project in the Flin Flon Snow Lake greenstone belt with the addition of 3,201 hectares of additional mining claims enlarging its total contiguous land position to 6,156 hectares. Wildcat's summer 2007 program of geological mapping and sampling was followed closely by news of potentially important copper-zinc discoveries by companies operating in close proximity to the Company's original holdings. Wildcat reacted promptly by acquiring additional land and including the expanded area in its exploration programs.

In February 2008 the Company granted an option to Marum Resources Inc. on 72 contiguous claims in the Poundmaker property covering 12,176 hectares. Wildcat retained 26 claims covering 3,398 hectares which comprise the portion of the Poundmaker property known as the Mike Power area. During each year of this five year agreement, the Company will receive either \$100,000 cash or, at Wildcat's option, \$50,000 cash and \$100,000 of Marum shares at the market value at the time. In addition, during 2008 the Company will receive an additional \$75,000 and 500,000 shares of Marum. Marum will carry out exploration work averaging \$1 million per year and at the end of four years the Company may elect either to retain a 35% interest in the property by paying its share of costs from that point forward or to have Marum carry out a further \$1 million of exploration work upon which the Company's interest in the property will be transferred to Marum, subject to a 2% net smelter royalty in favour of Wildcat.

In March 2008, an induced polarity ("IP") survey of the southern portion of the Company's 100% owned Jeep property detected prominent anomalies tracking up to the southern boundary of the property. These results, together with the gold and platinum group elements ("PGE") values encountered during the 2007 drill program, indicate that mineralization may extend to the south east beyond the Company's current boundary. As a result Wildcat negotiated a letter of intent with Harvest Gold Corp. to acquire a 25% interest in two mineral claims covering 405 hectares immediately south of the Jeep project. The subject claims are part of a larger claim group in which Harvest Gold is earning a 50% interest from a private individual. Wildcat will earn its interest in the subject claims by completing line cutting and an IP survey at its cost and by funding 50% of the first \$250,000 of drilling on the optioned claims.

## SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information of the Company for, and as at, the end of each of the last three financial years of the Company ending December 31. The financial information is derived from the annual audited financial statements of the Company and has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All references to dollars are in Canadian funds.

| Years ended December 31 | 2007        | 2006        | 2005      |
|-------------------------|-------------|-------------|-----------|
| Revenue                 | Nil         | Nil         | Nil       |
| Loss for the year       | (1,874,082) | (1,546,796) | (166,994) |
| Loss per share          | (.05)       | (.06)       | (.01)     |
| Diluted Loss per Share  | (.05)       | (.06)       | (.01)     |
| Total Assets            | 10,439,493  | 8,654,586   | 5,203,729 |
| Long term Debt          | Nil         | \$20,834    | 66,722    |
| Cash Dividends Paid     | Nil         | Nil         | Nil       |
| Resource Properties     | 8,175,674   | 5,627,922   | 3,443,376 |

## RESULTS OF OPERATIONS

In addition to the selected annual information, the following table sets forth additional financial information of the Company for the last two financial years ending December 31, 2007 and 2006.

| Years ended December 31             | 2007    | 2006    |
|-------------------------------------|---------|---------|
| Audit fees                          | 79,026  | 52,550  |
| Legal fees                          | 161,106 | 36,429  |
| Management Salaries                 | 245,971 | 135,316 |
| Office expenses                     | 98,423  | 201,364 |
| Office salaries and consulting fees | 212,673 | 162,208 |
| Professional Fees                   | 871,531 | nil     |
| Stock- based Compensation           | 57,977  | 508,658 |
| Travel                              | 27,924  | 88,609  |

The increase in audit fees in 2007 is a result of a significant increase in financial and other accounting activities arising from the change in management during the first half of 2007.

The increase in legal fees is a result of ongoing litigation matters with former management of the Company.

The increase in management and office salaries and consulting fees is a result of adding additional qualified personnel in 2007. There was a considerable amount of one-time costs incurred in 2007 to bring the 2006 books and records up to date.

The decrease in office expense and travel is a result of closing the Toronto location early in 2007.

The increase in professional fees is a result of preparation and other costs relating to the April 26<sup>th</sup>, 2007 special shareholders' meeting.

The decrease in stock based compensation is largely a result of the decrease in the Company's share price in 2007 and the change from immediate vesting of 2006 grants to vesting over a three period of 2007 grants.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out summarized quarterly results for the Company for each of the eight most recently completed quarters. This financial data has been prepared in accordance with Canadian generally accepted accounting principles. All amounts are shown in Canadian dollars.

|                                     | Dec 31,<br>2007 | Sept 30,<br>2007 | June 30,<br>2007 | Mar 31,<br>2007 | Dec 31,<br>2006 | Sept 30,<br>2006 | Jun 30,<br>2006 | Mar 31,<br>2006 |
|-------------------------------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Net loss (recovery) for the quarter | (42,863)        | 448,278          | 816,950          | 651,717         | 336,917         | 763,443          | 314,776         | 131,660         |
| Diluted loss per share              | 0.01            | 0.01             | 0.02             | 0.02            | 0.01            | 0.03             | 0.01            | 0.01            |

The recovery in the fourth quarter ended December 31, 2007, was a result of a \$288,000 future income tax recovery on re-measurement of future income tax liability.

## LIQUIDITY AND CAPITAL RESOURCES

At the end of 2007, the Company had \$227,000 in general funds on hand compared to \$473,000 at the end of the previous year. As well, the Company had \$1,615,000 (2006 - \$2,084,000) of restricted cash at year-end. Restricted cash is raised through the issue of flow-through shares and is available to finance specified Canadian exploration activities.

Cash flows show a net decrease of \$246,000 in general funds during 2007, compared to a net increase of \$420,000 for the comparable period in 2006. The Company's exploration programs in 2007 resulted in a net investment of \$2,492,000 (2006 net investment \$2,146,000). Financings and the exercise of options and warrants resulted in net cash raised for operations of \$3,229,000 during 2007, compared to net financings, including options and warrants exercised, in 2006 of \$5,101,000.

The ability of the Company to fund its exploration projects is dependant upon its ability to obtain sufficient funding for its operations and is ultimately dependant on the recoverability of the amounts capitalized to mineral exploration properties. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. Because the Company is not yet a producer, the primary source of future funds is through the sale of additional equity capital. There is no assurance that the Company will be successful in raising sufficient capital to meet its obligations. If the Company is not successful in raising sufficient capital, the Company may have to curtail or otherwise limit its operations. From time to time the Company works to raise additional capital through private placements and other forms of equity financing.

## RELATED PARTY TRANSACTIONS

Management fees totaling \$69,000 were paid to the former Chairman for his services as Interim President and CEO (2006 - \$37,354). In addition to the above, \$21,725 was paid to a director and parties related to him for professional services (none in 2006).

## OUTSTANDING SHARE DATA

The number of common shares outstanding currently and at December 31, 2007 is 48,400,972 with 36,748,208 outstanding at December 31, 2006.

## EXPLORATION ACTIVITIES

Exploration programs at the Company's projects are carried out under the supervision of Peter Theyer, Ph.D., P.Geol., who has reviewed and verified the technical content of this MD&A and qualifies under the definition of a "Qualified Person" as set out in the National Instrument 43-101.

Wildcat is currently focusing its exploration activities in the provinces of Manitoba and Saskatchewan. In Saskatchewan the Company is exploring the Foster River property for its base metal (zinc and lead) potential. In Manitoba two project areas are being examined - the Bissett gold mining camp and the Flin Flon Snow Lake mining camp. In the Bissett area, Wildcat is evaluating the Jeep, Poundmaker, Siderock and Garner Lake properties for their gold and copper-nickel-PGE potential. In the Flin Flon Snow Lake area, the Reed Lake property is being targeted for its potential to host nickel, copper, platinum, palladium, lead and zinc mineralization.

## SASKATCHEWAN PROJECTS

### Foster River Project

The Company's work to date has shown that the Foster River property is characterized by a similar mineralizing environment with similar geological characteristics to those at the Broken Hill Main Lode area of southeast Australia. The Broken Hill Main Lode is a major deposit that, when developed, contained approximately 300 million tonnes of lead, zinc and silver ore, grading in excess of 15% combined lead and zinc. The Foster River property comprises five contiguous mining claims totaling 11,873 hectares, located immediately west of Hewetson Lake, approximately 140 kilometres north of the town of La Ronge in northern Saskatchewan. It encompasses a 19 kilometre long mineralized layer containing five zinc-lead, one copper and one gold showing. The main zinc-lead showings known by their location names are: Sito East, Sito West, George and Fable Lake.

The following table sets forth the comparison of resource property costs at the Foster River property for the last two financial years ending December 31, 2007 and 2006.

| <b>Years ended December 31</b>                 | <b>2007</b>  | <b>2006</b> |
|--|--------------|-------------|
| Capitalized exploration and development costs  | \$ 1,082,418 | \$ 936,110  |
| Total exploration costs incurred in the year   | 146,308      | 632,487     |
| Material components of costs incurred include: |              |             |
| Salaries                                       | 124,448      | 237,828     |
| Fieldwork                                      | 57,858       | 284,034     |
| Geophysics                                     | (5,039)      | 51,301      |
| Geochemical                                    | 3,181        | 77,480      |
| Corporation Exploration Incentive Program      | (34,130)     | (18,156)    |

### Sito East and Sito West occurrences

Historic drilling at the Sito Lake occurrence indicated a mineralized zone containing a resource of 50,000 tonnes of rock grading 4.5% zinc. This zone is open along strike and at depth. The best mineralization intersected by drill hole SE-72-9 consisted of 8.4 metres of 7.65% zinc (see table below). Drill hole SE93-2 intersected a wider zone of about 39.9 metres grading 1.93% zinc.

**Sito East - Previous Drill Hole Intercepts**

| Drill Hole | Intersection (metres) | Width (metres) | Zinc (%) |
|------------|-----------------------|----------------|----------|
| SE-72-1    | 26.9 to 29.4          | 2.5 metres     | 4.93%    |
| SE-72-2    | 0.9 to 11.9           | 11.0 metres    | 4.41%    |
| SE-72-5    | 25.8 to 35.5          | 9.8 metres     | 5.15%    |
| SE-72-9    | 51.8 to 60.2          | 8.4 metres     | 7.65%    |
| SE-72-10   | 36.0 to 45.7          | 9.7 metres     | 4.57%    |
| SE93-1     | 107.5 to 111.0        | 3.5 metres     | 3.70%    |
| SE93-2     | 175.6 to 215.5        | 39.9 metres    | 1.93%    |

**Fable Lake**

At Fable Lake, 14 kilometres south of the Sito East occurrence, a glacial dispersion train, approximately 3 kilometres in length, with zinc-lead mineralized boulders has been delineated. Drilling conducted by previous property owners defined a laterally extensive mineralized quartzite layer with a minimum strike length of 4 kilometres (see table below), from which the zinc-lead mineralized boulders are interpreted to have been derived. However, the provenance of the higher grade zinc-lead mineralized boulders (up to 13.27% zinc, 4.01% lead) has not been determined, highlighting the significant potential for high-grade zinc-lead-silver mineralization of the Broken Hill type along strike of this rock unit.

**Fable Lake - Previous Drill Hole Intercepts**

| Drill Hole | Intersection (metres) | Width (metres) | Zinc (%) |
|------------|-----------------------|----------------|----------|
| F-4-72     | 47.7 to 50.7          | 3.0 metres     | 3.93%    |
| F-9-72     | 78.0 to 88.7          | 10.7 metres    | 1.36%    |
| FL-93-1    | 41.5 to 58.5          | 16.5 metres    | 2.83%    |
| FL-93-1    | 62.5 to 78.5          | 15.0 metres    | 2.68%    |
| FL-93-5    | 219.0 to 224.8        | 5.8 metres     | 5.60%    |
| FL-93-5    | Including             | 4.0 metres     | 7.18%    |

**Geological Mapping**

In August 2007, Wildcat launched a geological field program in the Fable Lake area of the Foster River property. This field program, jointly undertaken with personnel of the University of Iowa led by Professor Dr Paul Spry, an internationally known expert in Broken Hill Type ("BHT") deposits and his PhD student, included geological mapping and the collection of specific rock samples for a PhD thesis scheduled for completion in 2009. The purpose of this thesis is manifold: a) to clarify the nature of a mafic rock layer outcropping in vicinity of zinc lead bearing rocks and its possible genetic relation to the formation of BHT mineralization; b) to determine the age of the host rocks of the Foster River mineralization and c) to investigate the geochemistry of a group of minerals that are diagnostic for BHT deposits. Interim results of these investigations reinforce the Company's initial assessment of the value of the Foster River property, which was based on evidence of Zn mineralization in historical drill holes and encouraging results from a modern geochemical survey, announced in the Company's news release of April 24, 2007, which found anomalous concentrations of zinc, lead and silver.

In the 2007 field program Gahnite was analyzed and was found to have a composition essentially identical to that of the "C" and "B" lodes at the Broken Hill deposit. Garnet compositions were also analyzed from the Foster River area and found to have Fe-Mn compositions similar to those in most garnet-rich rocks surrounding the Broken Hill deposit. It appears that gahnite composition is useful guide to sulfide mineralization in the Foster River area, consistent with the findings of Spry and Scott

(1986) and Heimann et al. (2005) for gahnite from other terrains worldwide. Of great significance, is that the composition of gahnite from the Foster River area is similar to that from the Broken Hill deposit and BHT deposits in the Aggeney's area of South Africa.

Quartz garnetite and gahnite-bearing horizons that host the mineralized horizon on the Foster River property closely resemble lode rocks in the Broken Hill area. The mineralization at Foster River is hosted in graphitic and magnetite-bearing rocks similar to those observed in the Aggeney's area while in other places calcite- and pyroxene bearing mineralization at Foster River mimics that which is observed at the #2 lens at Broken Hill.

Based on these and other findings Dr. Spry recently reaffirmed that geologically significant parallels between rocks in the Foster River Property and the huge Broken Hill zinc lead deposit in Australia reinforce the view that sulphide mineralization in the Foster River area is of the Broken Hill type.

In 2008, the Company intends to continue evaluating the mineral potential of this property by commissioning a helicopter-borne electromagnetic and magnetic survey over the recently staked two northern claims. The acquired data will be integrated with the results of a previously completed equivalent airborne survey covering the original claims and will then be evaluated for indications of sulphide mineralization by a consultant geophysicist. The results of this survey will be used in Wildcat's planning of an overall exploration strategy for the entire Foster River Property. In the shorter term, the Company intends to concentrate on the vicinity of Fable Lake in which a mobile metal ions geochemical survey, undertaken in 2005 and evaluated in 2006, detected evidence of a persistent trend of soil bound base metals and uranium anomalies occurring within Wildcat's property. Provincial permitting for line cutting, followed by ground geophysical surveys and drilling was initiated early in 2008 to allow Wildcat to further investigate these anomalies. The Company has engaged a geologist specialized in structural investigations to geologically map and interpret the deformation history of the mineralization host rocks. Results of this investigation are expected to provide valuable guidance in predicting the distribution of host rocks and minerals.

## **MANITOBA PROJECTS**

### **Rice Lake Greenstone Belt**

#### **Jeep Project:**

#### **Geological Background**

In 2006, Wildcat recognized that in addition to its proven gold content, the Jeep property also had a potential to contain PGE, specifically Pt and palladium ("Pd").

Geologically significant similarities between the interpreted genesis of extensive sulphide mineralization exposed on the Jeep property in the fourth quarter of 2006 and nickel ("Ni"), copper ("Cu") and PGE-bearing sulphides found in a number of intrusions of the Nippissing gabbro suite (Agnew, East Bull Lake and River Valley intrusions) occurring in the vicinity of the Sudbury basin. These Sudbury area igneous bodies also intruded and partially assimilated a sequence of volcanic and sedimentary rocks, triggering the exsolution of sulphide accumulations containing stratabound Ni-Cu-PGE prospects. Exploration of these targets defined a number of mineral prospects containing Pd concentrations, as well as significant Ni and Cu values. One of these (the Shakespeare deposit) is currently under development as a Ni-Cu-PGE open pit mine.

#### **Geological Investigations**

In summer, 2007 the Company conducted a field survey with two objectives: a) confirmation of the outline, composition and extent of the "Jeep Gabbro" and b) a systematic investigation of all contacts of this intrusive complex with its host rocks in search of magmatic mixing zones in which the intruding

gabbro may assimilate some of the host rocks and may under certain circumstances exsolve sulphides that accumulate and form economic concentrations.

## **Staking**

In the winter of 2007, Wildcat staked an additional 1,966 hectares in 9 claims, bringing the Jeep property to a total of 4,016 hectares on 26 contiguous claims. The property covers most of the known extent of the "Jeep Gabbro", a suite of gabbroic intrusive rocks known to host economically significant gold and palladium concentrations and prospective for both gold and Ni-Cu-PGE mineralization.

## **Geophysical Surveys**

Wildcat commissioned an airborne geophysical survey of the Jeep property that was completed in December 2007. This survey was flown by Fugro Airborne Surveys using helicopter-borne equipment including a total field magnetometer and a frequency domain DIGHEM system with coplanar and coaxial coil pairs operating at three discrete frequencies.

This survey, consisting of 621 line-kilometres, was oriented to detect mineralization within and at the edges of the Jeep Gabbro. Flight lines were generally oriented at 90° to the dominant rock fabric (110°) and in the southern portion of the area, in the vicinity of the former Jeep Gold Mine, additional flight lines oriented obliquely to the dominant fabric were flown to facilitate the recognition of suspected secondary shear systems presumed to strike 65° to 70°. A good understanding of the direction of shear systems is important, because intersections of shear zones are considered to be favorable for the concentration of minerals since highly porous conduits may function as conduits for mineralizing fluids. This consideration is especially important in the case of the Jeep property where evidence gleaned from surface exposures and from drilling (Wildcat news release April 3, 2007) suggests that metallic minerals were remobilized into shears. In addition, in late 2007 Wildcat contracted line cutting and commissioned an IP survey covering the southern and southeastern extension of the Jeep Gabbro. Layout and orientation and density of the lines in this grid were modified from a conventional pattern to facilitate recognition of shears obliquely cutting the dominant rock fabric. This exploration strategy led to the identification of a number of cross cutting shears with chargeability highs at their intersections. These chargeability highs may be interpreted as caused by strong sulphides concentrations thus becoming high priority exploration targets.

## **Drilling**

The Jeep Project drill program during 2006-07 was designed to test four main areas:

1. The initial phase of the diamond drill program was designed to outline and extend the strike and width of recently discovered Ni, Cu, PGE and gold mineralization associated with a magnetic anomaly and the proposed southeastern prolongation of the #1 vein system of the Jeep Gold Mine, 200 to 300 metres southeast of the Jeep Mine shaft.
2. Drilling also specifically targeted gold mineralization continuity at deeper levels and along strike of the Jeep Gold Mine.
3. An extensive arsenic anomaly identified in a mobile metal ions ("MMI") geochemical survey in 2005 and 2006, assumed to be related to gold mineralization, was also targeted, 750 km southeast of the Jeep Mine shaft, along strike of the #1 vein system.
4. Other areas including a MMI palladium anomaly proximal to the recently discovered PGE, Ni, Cu mineralization; infill drilling between the Jeep Gold Mine and the PGE, Ni, Cu mineralization and infill drilling between the MMI arsenic anomaly and the PGE, Ni, Cu mineralization.

As drilling resumed in 2007, two significant Ni-Cu-PGE mineralized zones were intersected in hole JP-07-11. This hole was drilled on the same site as JP-07-09 and JP-07-10, at an angle of -45 degrees.

The first zone, a wide interval of Ni-Cu-PGE anomalous mineralization, was intersected from 102.7 metres to 116.1 metres downhole assaying 0.25 gpt gold ("Au"), 1.9 gpt silver ("Ag"), 0.2% Cu, 0.28% Ni, 83 ppm cobalt ("Co"), 46 ppb Pd and 45 ppb Pt over 14.4 metres. This intersection includes 0.3 gpt Au, 2.2 gpt Ag, 0.27% Cu, 0.64% Ni, 140 ppm Co, 70 ppb Pd and 100 ppb Pt from 106.1 to 107.1 metres.

A second significant zone of Ni-Cu-PGE mineralization was intersected including 2.63 gpt Pd, 25 ppb Pt, 0.59% Ni, 0.19% Co, 0.31 gpt Au, 2.6 gpt Ag and 0.23% Cu over 0.3 metres from 214.87 to 215.17 metres. This mineralization consisting of disseminated fine-grained pyrrhotite is hosted by an intensely deformed shear zone characterized by finely banded chloritized amphibole interlayered with quartz bands in tension gashes.

Significant widths of Au-Ni-Cu-PGE mineralization have also been intersected including 10.0 metres in hole JP-06-05 assaying 0.44 gpt Au, 2.4 gpt Ag, 0.31% Cu, 0.13% Ni, 124 gpt Co, 49 ppb Pd and 29 ppb Pt from 263.0 to 273.0 metres.

The 2006-07 Jeep drill program was completed on April 30, 2007. From October 25, 2006 to April 30, 2007, 8,234.9 metres were drilled which is the largest single drill program conducted by Wildcat to date.

Drilling on the Jeep property resumed in November 2007 with holes JP 08-01 and JP 08-02 drilled in the vicinity of the shaft of the former Jeep gold mine. Both holes were aimed to intersect two VLF electromagnetic anomalies striking 110° that are suspected to be attributable to shear zones hosting quartz veins with gold and palladium as demonstrated in drill hole JP 07-11.

The following table sets forth the comparison of resource property costs at the Jeep property for the last two financial years ending December 31, 2007 and 2006.

| <b>Years ended December 31</b>                 | <b>2007</b>  | <b>2006</b>  |
|--|--------------|--------------|
| Capitalized exploration and development costs  | \$ 2,648,983 | \$ 1,116,343 |
| Total exploration costs incurred in the year   | 1,532,640    | 728,138      |
| Material components of costs incurred include: |              |              |
| Salaries                                       | 385,578      | 203,005      |
| Fieldwork                                      | 206,469      | 259,110      |
| Geophysics                                     | 120,300      | 7,470        |
| Drilling                                       | 891,909      | 283,090      |
| Mineral Exploration Assistance Program         | (73,450)     | (24,997)     |
|  |              |              |

#### **Poundmaker Property:**

In September, 2007 Wildcat commissioned cutting of a grid of approximately 43 line kilometers on the "Mike Power" project area of the Poundmaker property located approximately 6 km west of Bissett. Line cutting was followed by an IP survey targeting disseminated sulphides hosted by mafic volcanic rocks cut by the Gold Creek Shear Zone. An MMI survey in 2005-06 that defined two widespread positive metallic anomalies along Gold Creek, the results of two holes drilled in 2005 that intersected abundant quartz and tourmaline-bearing veins hosted by strongly altered and sheared rocks and rock samples returning up to 9 g/t gold retrieved from a quarry in the vicinity (Rat Quarry) encouraged the Company to plan a drilling program targeting a number of sulphide concentrations outlined by the IP survey. Drilling on this project started on November 11, 2007 and continued into 2008.

The following table sets forth the comparison of resource property costs at the Poundmaker property for the last two financial years ending December 31, 2007 and 2006.

| <b>Years ended December 31</b>                 | <b>2007</b>  | <b>2006</b>  |
|--|--------------|--------------|
| Capitalized exploration and development costs  | \$ 3,035,799 | \$ 2,409,384 |
| Total exploration costs incurred in the year   | 626,415      | 760,590      |
| Material components of costs incurred include: |              |              |
| Salaries                                       | 83,596       | 246,062      |
| Fieldwork                                      | 75,798       | 407,776      |
| Geophysics                                     | 105,764      | 400          |
| Drilling                                       | 330,533      | 92,138       |
| Mineral Exploration Assistance Program         | -            | (82,046)     |
|  |              |              |

#### **Siderock Property:**

The Siderock property hosts a geological environment including age, rock composition, alteration and deformation similar to that underlying the Red Lake gold deposits. This represents a new geological model for the deposition of potentially important gold mineralization in the Bissett gold camp. Minimal work was done on the Siderock property in 2007.

The following table sets forth the comparison of resource property costs at the Siderock property for the last two financial years ending December 31, 2007 and 2006.

| <b>Years ended December 31</b>                | <b>2007</b> | <b>2006</b> |
|---|-------------|-------------|
| Capitalized exploration and development costs | \$ 922,987  | \$ 910,634  |
| Total exploration costs incurred in the year  | 12,353      | 21,473      |

#### **Garner Property:**

Exploration in 2007 in the Garner property include prospecting and sampling of occurrences discovered in 2005 and 2006 along the Beresford Lake Shear Zone ("BLSZ"). From this work numerous gold showings were discovered within the BLSZ including the Marlin occurrence where grab samples assayed up to 153.2 g/t gold from trench blast rock and 29.56 g/t gold from quartz veining in the trench. In additional sampling along the BLSZ, 150 metres north of the Marlin showing, a surface rock grab sample from a 10 cm quartz vein returned 3.1 g/t gold. An additional showing, the Swordfish occurrence, located approximately 360 metres south of the Marlin occurrence, returned grab sample assays up to 18.2 g/t gold.

The three gold showings occur along a generally north trending 500 metre long structure within the Beresford Lake Shear Zone. Prospecting in 2007 further defined mineralization along this structure.

The following table sets forth the comparison of resource property costs at the Garner property for the last two financial years ending December 31, 2007 and 2006.

| <b>Years ended December 31</b>                | <b>2007</b> | <b>2006</b> |
|---|-------------|-------------|
| Capitalized exploration and development costs | \$ 199,695  | \$ 175,722  |
| Total exploration costs incurred in the year  | 23,973      | 4,738       |

#### **Ramrod (Mable Lake) Property:**

This property, located southwest of the Siderock Lake property, straddles the Beresford Lake shear zone. It is underlain by volcanic rocks and gabbroic sills similar to the host rocks of the San Antonio Mine. Quartz veins bound to shear zones outcrop both to the northwest and south of the claims.

Cutting of a grid in 2007 is planned to be followed up with prospecting activities in 2008. The resource property cost information is not material for discussion.

## **Flin Flon-Snow Lake Greenstone Belt**

### **Reed Lake Property:**

In the second quarter of 2006, Wildcat cut approximately, 38.9 kilometres of grid lines on the Reed Lake property.

In 2007, the Company reviewed all historical data and mobilized a field mapping and prospecting team to the property under the direction of Dr. Peter Theyer, P.Geol. This program showed that the Reed Lake property held by Wildcat may be subdivided into three geologically distinct areas representing three separate mineral opportunities. The southern part of the Reed property is an approximately 4 km thick well differentiated layered mafic-ultramafic intrusion with a potential to contain platinum group elements. Several rock samples containing slightly anomalous Ni Cu and Pd concentrations collected in summer of 2007 and the discovery of pegmatitic gabbro layers led to the decision to explore the mineral potential of this intrusion. An approximately 4.2 km long transect was cut across the mafic-ultramafic intrusion and will be used in 2008 to undertake a high precision IP survey capable of determining the existence of sulphide bearing layers as narrow as 0.5 metres width.

The Company enlarged its holdings in the Reed Lake area in the fourth quarter of 2007, staking an additional 3,201 hectares to bring the contiguous Reed Lake land position to 6,156 hectares. It then conducted helicopter-borne magnetic and electromagnetic survey of this new land in December 2007. The results of this survey will be integrated with the results of a previous helicopter borne survey of the southern Reed Lake undertaken by the same company with similar specifications in 2001. Further exploration in the Reed Lake group of properties will be based on the results of the IP transect and the airborne geophysical survey and also on the results of intensive exploration efforts by competing in adjoining properties where by competing companies have announced important mineral discoveries. The resource property cost information is not material for discussion.

### **Iskwasum Property:**

Exploration of the Iskwasum property during 2007 centered on investigating sulphide-bearing ultramafic and mafic rocks. The work was hampered by a general paucity of outcrops. A large part of the sulphide-bearing rocks intersected by historic drilling by Hudson Bay Mining and Smelting Co., Limited are covered by Iskwasum Lake. The Iskwasum property has potential to contain Ni-Cu mineralization, and further exploration of this property will depend on securing and relogging the core of the historical drill holes. The resource property cost information is not material for discussion.

## **CHANGES IN ACCOUNTING POLICIES**

Effective January 1, 2007, the Company adopted the following new standards required by the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook sections 1530, Comprehensive Income, 3855, Financial Instruments – Recognition and Measurement, and 3865, Hedges.

Comprehensive Income establishes standards for reporting and presenting comprehensive income, which is the change in a company's net assets that results from transactions, events and circumstances from sources other than the company's shareholders. During 2007, The Company did not have any comprehensive income.

Financial Instruments – Recognition and Measurement establishes standards for the recognition and measurement of all financial instruments and specifies how financial instrument gains and losses are to be presented, either in net income or comprehensive income. As a result of the adoption of the new standard, the Company has classified its cash and restricted cash as held-for-trading, which are marked-to-market through net income at each period end. Receivables are classified as loans and receivables, which, after initial measurement at fair value, are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost. Accounts payable and accrued liabilities and long-term debt are classified as other financial liabilities, which, after initial measurement at fair market value, are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.

Hedges establishes standards for when and how hedge accounting may be applied. There is no impact of this standard on the Company's financial statements as the Company does not conduct any hedging activities.

## **FUTURE ACCOUNTING PRONOUNCEMENTS**

### **Capital Disclosures and Financial Instruments – Disclosures and Presentation**

In December 2006, the Canadian Institute of Chartered Accountants ("CICA") issued three new accounting standards: Section 1535, Capital Disclosures; Section 3862, Financial Instruments – Disclosures; and Section 3863, Financial Instruments – Presentation. These standards will be effective for fiscal years beginning on or after October 1, 2007.

Section 1535 establishes disclosure requirements regarding an entity's capital and how it is managed. The purpose will be to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

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

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

### **Inventories**

In June 2007, the CICA issued Section 3031, "Inventories", which replaces Section 3030 and harmonizes the Canadian standard related to inventories with International Financial Reporting Standards. This section provides more extensive guidance on the determination of cost, including

























































