

# Gitennes Exploration Inc.

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(Unaudited)

### MANAGEMENT COMMENT

These interim consolidated financial statements for the nine months ended September 30, 2007 of Gitennes Exploration Inc. have been prepared by management and have not been subject to review by the Company's auditors.

**Interim Consolidated Balance Sheets****(Unaudited)**

Canadian Funds

<b>ASSETS</b>	<b>As at September 30 2007</b>	<b>As at December 31 2006</b>
<b>Current</b>		
Cash and cash equivalents	\$ 2,475,158	\$ 278,325
Accounts receivable	12,582	262,955
Prepaid expenses	8,682	5,515
	<u>2,496,422</u>	<u>546,795</u>
<b>Mineral Properties</b> (Note 4)	4,243,850	3,941,051
<b>Plant and Equipment</b> (Note 5)	54,857	62,306
	<u>\$ 6,795,129</u>	<u>\$ 4,550,152</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 57,349	\$ 102,196
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 6)	30,737,181	29,275,281
<b>Contributed Surplus</b> (Note 6b)	803,620	657,283
<b>Deficit - Statement 2</b>	(24,803,021)	(25,484,608)
	<u>6,737,780</u>	<u>4,447,956</u>
	<u>\$ 6,795,129</u>	<u>\$ 4,550,152</u>

Going Concern (Note 1)

Commitment (Note 7)

ON BEHALF OF THE BOARD:

"Jerry D. Blackwell", Director  
JERRY D. BLACKWELL

"Ken Booth", Director  
KEN BOOTH

- See Accompanying Notes -

## Interim Consolidated Statements of Income (Loss) and Deficit

(Unaudited)

Canadian Funds

	Three Months Ended		Nine Months Ended	
	September 30 2007	September 30 2006	September 30 2007	September 30 2006
<b>Expenses</b>				
Audit, accounting, legal and professional fees	\$ 30,344	\$ 21,792	\$ 109,149	\$ 84,963
Amortization	3,188	3,802	9,447	10,369
Filing, transfer fees and investor relations	67,373	39,897	143,543	174,224
Insurance	3,422	4,375	10,267	13,125
Interest and bank charges	1,074	3,984	3,509	5,532
Office rent, utilities and miscellaneous	27,071	22,080	82,272	85,709
Salaries and benefits	76,051	62,167	196,060	183,256
Stock-based compensation (Note 6d)	17,045	-	146,337	-
Travel	4,627	1,530	18,803	16,630
<b>Income (Loss) before the Undernoted</b>	<b>(230,195)</b>	<b>(159,627)</b>	<b>(719,387)</b>	<b>(573,808)</b>
<b>Other Income (Expense)</b>				
Foreign exchange (loss)	(31,545)	4,786	(151,712)	3,603
General exploration	(2,925)	(3,827)	(26,015)	(24,941)
Interest and other income	3,146	3,877	5,969	11,557
Income from royalty (Note 4j)	-	-	40,118	-
Income from sale of royalty (Note 4j)	-	-	1,532,614	-
Write-down of mineral properties (Note 4)	-	-	-	(413,658)
<b>Income (Loss) for the Period</b>	<b>(261,519)</b>	<b>(154,791)</b>	<b>681,587</b>	<b>(997,247)</b>
Deficit, beginning of period	(24,541,502)	(25,580,466)	(25,484,608)	(24,738,010)
<b>Deficit, End of Period</b>	<b>\$ (24,803,021)</b>	<b>\$ (25,735,257)</b>	<b>\$ (24,803,021)</b>	<b>\$ (25,735,257)</b>
<b>Income (Loss) Per Share – Basic</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ 0.02</b>	<b>\$ (0.03)</b>
<b>Income (Loss) Per Share – Diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ 0.02</b>	<b>\$ (0.03)</b>
<b>Weighted-Average Number of Shares</b>				
Outstanding – Basic	43,656,220	38,715,101	42,279,169	37,796,264
Outstanding – Diluted	43,656,220	38,715,101	43,282,244	37,796,264

- See Accompanying Notes -

**Interim Consolidated Statements of Cash Flows****(Unaudited)**

Canadian Funds

	Three Months Ended		Nine Months Ended	
	September 30 2007	September 30 2006	September 30 2007	September 30 2006
<b>Cash Flows From Operating Activities</b>				
Income (loss) for the period	\$ (261,519)	\$ (154,791)	\$ 681,587	\$ (997,247)
Items not affecting cash				
Amortization	3,188	3,802	9,447	10,369
Stock-based compensation	17,045	-	146,337	-
Write-down of mineral properties	-	-	-	413,658
	<u>(241,286)</u>	<u>(150,989)</u>	<u>837,371</u>	<u>(573,220)</u>
Changes in non-cash working capital items				
Accounts receivable	(1,305)	(75)	250,373	3,618
Prepaid expenses	(875)	4,469	(3,167)	14,838
Accounts payable and accrued liabilities	3,372	(61,934)	(60,425)	(20,771)
Due to related parties	-	(94,000)	-	-
	<u>(240,094)</u>	<u>(302,529)</u>	<u>1,024,152</u>	<u>(575,535)</u>
<b>Cash Flows from Financing Activities</b>				
Net proceeds from issuance of common shares	1,461,900	1,003,205	1,461,900	1,003,205
<b>Cash Flows From Investing Activities</b>				
Mineral properties expenditures	(120,279)	(132,018)	(287,221)	(725,062)
Purchase of plant and equipment	(1,658)	-	(1,998)	(15,790)
	<u>(121,937)</u>	<u>(132,018)</u>	<u>(289,219)</u>	<u>(740,852)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash and cash equivalents - beginning of period	1,099,869	568,658	2,196,833	(313,182)
	<u>1,375,289</u>	<u>56,895</u>	<u>278,325</u>	<u>938,735</u>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 2,475,158</b>	<b>\$ 625,553</b>	<b>\$ 2,475,158</b>	<b>\$ 625,553</b>
<b>Supplemental Disclosure of Non-Cash Investing and Financing Transactions</b>				
Increase (decrease) in mineral property accounts payable	\$ 1,379	\$ (21,600)	\$ 15,578	\$ (60,286)

- See Accompanying Notes -

## 1. Going Concern

The Company, which is considered to be in the exploration stage, is in the process of exploring several mineral properties in Peru and Canada. The Company has not yet determined whether these properties contain economic reserves.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no ongoing source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for resource properties is dependent upon several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. Also, the Company will have to raise additional funds for future corporate and administrative expenses and to undertake further exploration and development of its mineral properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

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## 2. Accounting Policies

### a) Basis of Consolidation

The accompanying unaudited interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and include the accounts of the Company and its significant wholly-owned subsidiaries, Castle Keep Ltd., Torre International Holdings Ltd., Gitennes Exploraciones Peru S.A., Oromalqui Gold Corp., Minera Corimalqui S.A. and Minera Seis Rios S.A. All of the Company's wholly-owned subsidiaries are accounted for under the purchase method.

### b) Basis of Presentation

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's consolidated financial statements including the notes thereto for the year ended December 31, 2006.

### c) Financial Instruments

Effective 1 January 2007, the Company adopted the recommendations of CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, Section 1530, *Comprehensive Income* and Section 3865, *Hedges*. These sections provide guidance on the recognition and valuation of certain types of financial instruments. The adoption of these new standards had no significant effect on these financial statements.

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**Gitennes Exploration Inc.**

**Notes to Interim Consolidated Financial Statements**

**September 30, 2007**

(Unaudited)

*Canadian Funds*

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**3. Financial Instruments**

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. At September 30, 2007, the Company held currency totalling US\$633,278 which is exposed to currency risk given fluctuations in the prevailing exchange rates between the Canadian and United States dollars.

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**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
**September 30, 2007**  
(Unaudited)  
Canadian Funds

**4. Mineral Properties**

a) Details of mineral property activities are as follows:

	Peru						Canada	Total
	Tucumachay	Urumalqui	La Chivona	Titimina	TotoRoko	Other	Red	
December 31, 2006	\$ 2,788,351	\$ 800,985	\$ 184,719	\$ 78,675	\$ 7,399	\$ 80,922	\$ -	\$ 3,941,051
Acquisition costs	-	-	-	-	-	-	-	-
Deferred expenditures								
Administration	376	-	-	54	-	-	-	430
Assays	806	-	-	119	6,520	-	-	7,445
Consulting geology	26,496	7,667	-	4,943	36,476	-	-	75,582
Domicile	3,931	2,049	-	-	23,370	-	-	29,350
Environmental and social license	3,049	5,140	-	-	24,928	-	-	33,117
Geophysical	-	-	-	-	27,027	-	-	27,027
Government taxes	7,724	4,389	1,753	1,875	25,293	149	-	41,183
Tenure	19,064	10,115	9,224	10,017	9,550	14,249	-	72,219
Topographic survey	-	-	-	-	16,446	-	-	16,446
Total expenditures during the period	61,446	29,360	10,977	17,008	169,610	14,398	-	302,799
September 30, 2007	\$ 2,849,797	\$ 830,345	\$ 195,696	\$ 95,683	\$ 177,009	\$ 95,320	\$ -	\$ 4,243,850

**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
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(Unaudited)  
Canadian Funds

**4. Mineral Properties - Continued**

**a) Details of mineral property activities are as follows: - Continued**

	Peru					Canada	Total
	Tucumachay	Urumalqui	La Chivona	Titimina	Other	Red	
December 31, 2005	\$ 1,826,335	\$ 788,755	\$ 171,338	\$ 27,767	\$ 62,099	\$ 411,052	\$ 3,287,346
Acquisition costs							
Deferred expenditures							
Administration	9,896	-	-	-	41	-	9,937
Assays	31,329	177	-	3,795	-	-	35,301
Consulting geology	123,833	4,219	1,790	20,169	-	2,606	152,617
Domicile	178,568	4,921	-	8,365	-	-	191,854
Drilling	118,130	-	-	-	-	-	118,130
Environmental and social license	4,622	-	-	-	-	-	4,622
Geophysics	10,621	-	-	-	-	-	10,621
Government taxes	90,458	1,839	340	2,872	1,664	-	97,173
Tenure	3,553	-	9,428	8,634	22,906	-	44,521
Total expenditures during the period	571,010	11,156	11,558	43,835	24,611	2,606	664,776
Write-down of mineral properties	-	-	-	-	-	(413,658)	(413,658)
September 30, 2006	\$ 2,397,345	\$ 799,911	\$ 182,896	\$ 71,602	\$ 86,710	\$ -	\$ 3,538,464

**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
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(Unaudited)  
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**4. Mineral Properties - Continued**

**b) Cumulative mineral costs are as follows:**

	Acquisition	Exploration	September 30 2007	December 31 2006
Peru				
Tucumachay	\$ 400,000	\$ 2,449,797	\$ 2,849,797	\$ 2,788,351
Urupalqui	87,329	743,016	830,345	800,985
La Chivona	35,563	160,133	195,696	184,719
Titimina	9,456	86,227	95,683	78,675
TotoRoko	-	177,009	177,009	7,399
Other	-	95,320	95,320	80,922
Canada				
Red, B.C.	-	-	-	-
	\$ 532,348	\$ 3,711,502	\$ 4,243,850	\$ 3,941,051

**c) Tucumachay, Peru**

Under a letter of intent dated June 30, 2004 with Inmet Mining Corp. ("Inmet") the Company acquired an option to earn a 100% interest in the 3,500-hectare Tucumachay property by issuing 1,000,000 shares to Inmet (issued) and incurring total exploration expenditures of US\$1,600,000 by December 31, 2008 (incurred). The Company has served notice that it has earned a 100% interest in the property, and Inmet has acknowledged that the Company has met its earn-in expenditure requirements.

Inmet may, at its option, regain a 60% interest in the property by spending three times the amount of the Company's investment once the Company has drilled 12,000 metres.

**d) Urupalqui, Peru**

The Company owns a 100% interest in the Urupalqui project, which is situated in north-central Peru.

**e) La Chivona, Peru**

The Company acquired, by staking, a 2,600-hectare property near the coastal city of Chiclayo.

**f) Titimina, Peru**

The Company has acquired, by staking, a 3,800-hectare property adjacent in part to the Tucumachay property.

**g) TotoRoko, Peru**

The Company has acquired a 100% interest in a 5,000-hectare property in the State of Arequipa, Peru.

**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
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(Unaudited)  
Canadian Funds

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**4. Mineral Properties - Continued**

**h) Red, B.C., Canada**

By an agreement dated September 3, 2004, the Company had an option to acquire a 100% interest in the Red property, located in north-central British Columbia. Under the terms of the option, the Company paid \$50,000 cash, issued 100,000 shares and subsequently incurred \$333,158 in exploration expenditures. On July 12, 2006, the Company returned the property to the optionors and wrote off all expenditures incurred on the property.

**i) Other Properties**

The Company has staked various claims in Peru, all of which are held 100% by the Company. Individual, segregated exploration expenses will be shown for these properties if and when significant costs are incurred exploring one or more of the claims.

**j) Virgen, Peru**

During the year ended December 31, 2001, the Company sold its interest in the Virgen property. Pursuant to the terms of the sale agreement, the Company retained a 2% net smelter return royalty, payable when aggregate gold production from the property exceeded 145,000 ounces. The Company received notice from the operator of the Virgen Mine that gold production had reached the threshold of 145,000 ounces on May 16, 2006. Accordingly, the Company's 2% net smelter return royalty became effective, with payments to be received every six months.

As at December 31, 2006, the Company had received and accrued a total of \$348,124 due under the royalty agreement. This amount represents the Company's production royalty payment, net of taxes, for the period May 16 to November 16, 2006. The Company recognized an additional \$73,183 in royalty revenue receivable for the period November 17 to December 31, 2006.

During the current period, the Company recognized an additional \$57,274 in royalty revenue receivable for the period January 1 to February 6, 2007 and paid fees of \$17,156. On February 6, 2007, the Company agreed to sell its interest in the royalty for US\$1,500,000. The Company paid a fee of US\$75,000 in respect of the sale for net proceeds of \$1,663,071. As a condition of the sale, the Company agreed to forego the receipt of all royalty income accruing under the royalty agreement after November 16, 2006. Accordingly, the Company has offset accrued royalty income of \$130,457 against the income from the sale of the royalty for net income from the sale of \$1,532,614.

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**5. Plant and Equipment**

Details are as follows:

			<b>September 30 2007 Net Book Value</b>	December 31 2006 Net Book Value
	Cost	Accumulated Amortization		
Computer equipment	\$ 93,495	\$ 77,257	\$ 16,238	\$ 19,103
Furniture and fixtures	81,682	63,413	18,269	21,493
Equipment	47,119	26,769	20,350	21,710
	<b>\$ 222,296</b>	<b>\$ 167,439</b>	<b>\$ 54,857</b>	<b>\$ 62,306</b>

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**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
**September 30, 2007**  
(Unaudited)  
Canadian Funds

**6. Share Capital**

**a) Details are as follows:**

Authorized: An unlimited number of common shares without par value

Issued and outstanding:

	<b>September 30, 2007</b>		September 30, 2006	
	<b>Shares</b>	<b>Amount</b>	Shares	Amount
Balance - beginning of period	<b>41,579,231</b>	<b>\$ 29,275,281</b>	37,329,231	\$ 28,272,076
Private placement (i)	-	-	4,250,000	1,062,500
Issuance costs	-	-	-	(59,295)
Exercise of warrants	<b>4,523,000</b>	<b>1,356,900</b>	-	-
Exercise of stock options	<b>700,000</b>	<b>105,000</b>	-	-
Fair value of stock options exercised (Note 6d)	-	-	-	-
Balance – end of period	<b>46,802,231</b>	<b>\$ 30,737,181</b>	41,579,231	\$ 29,275,281

(i) Private Placement

On August, 31, 2006, the Company completed a private placement financing of 4,250,000 units at a price of \$0.25 per unit, for gross proceeds of \$1,062,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one common share at a price of \$0.30 until August 31, 2007. The Company paid cash commissions totalling \$40,950, legal costs of \$18,345, and issued 273,000 broker warrants in connection with the offering. The terms of the broker warrants were the same as the private placement warrants.

**b) Contributed Surplus**

Details are as follows:

	<b>2007</b>	2006
Balance - beginning of period	<b>\$ 657,283</b>	\$ 657,283
Stock-based compensation (Note 6d)	<b>146,337</b>	-
Balance - end of period	<b>\$ 803,620</b>	\$ 657,283

**c) Stock Options**

The Company has a fixed stock option plan. Under the terms of the plan, the Company may grant options to its directors, employees, and other service providers up to 4,800,000 shares. The Board of Directors determines the exercise price per share and the vesting period under the plan.

**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
**September 30, 2007**  
(Unaudited)  
Canadian Funds

**6. Share Capital - Continued**

**c) Stock Options - Continued**

During the period ended September 30, the change in stock options outstanding was as follows:

	<u>2007</u>	2006
Options outstanding – beginning of period	<b>3,905,000</b>	3,905,000
Granted	<b>605,000</b>	-
Expired	-	-
Exercised	<b>(700,000)</b>	-
Cancelled	<b>(75,000)</b>	-
Options outstanding - end of period	<b>3,735,000</b>	3,905,000

Details of the stock options outstanding at September 30 are as follows:

<u>2007</u>	2006	Exercise Price	Expiry Date
<b>200,000</b>	900,000	\$0.15	October 2, 2007
<b>370,000</b>	370,000	\$2.80	March 31, 2008
<b>520,000</b>	520,000	\$0.13	May 4, 2008
<b>710,000</b>	730,000	\$0.355	April 21, 2009
<b>180,000</b>	180,000	\$0.40	July 21, 2009
<b>470,000</b>	525,000	\$0.47	April 1, 2010
<b>80,000</b>	80,000	\$0.30	November 10, 2010
<b>400,000</b>	400,000	\$0.40	March 12, 2011
<b>55,000</b>	-	\$0.41	August 30, 2012
<b>200,000</b>	200,000	\$0.47	March 18, 2015
<b>550,000</b>	-	\$0.26	June 5, 2017
<b>3,735,000</b>	3,905,000		

All options outstanding at September 30, 2007 have vested.

The weighted average exercise price of the stock options outstanding at September 30, 2007 is \$0.50 and the weighted average remaining contract life of the options is 2.67years.

**d) Stock-Based Compensation**

During the period, the Company issued stock options to its directors, officers and employees and recognized stock-based compensation as follows:

	<u>2007</u>	2006
Total options granted	<b>605,000</b>	-
Average exercise price	<b>\$ 0.27</b>	\$ -
Estimated fair value of compensation	<b>\$ 146,337</b>	\$ -
Estimated fair value per option	<b>\$ 0.24</b>	\$ -

**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
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Canadian Funds

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**6. Share Capital - Continued**

**d) Stock-Based Compensation - Continued**

The fair value of the stock-based compensation recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	4.50%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	98.16%	-
Expected option life in years	9.55	-

The Black-Scholes Option-Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

**e) Warrants**

At September 30, the following warrants were outstanding:

<u>2007</u>	<u>2006</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
-	2,500,000	\$0.50	June 4, 2007
-	123,500	\$0.50	June 4, 2007
-	4,250,000	\$0.30	August 31, 2007
-	273,000	\$0.30	August 31, 2007
-	<u>7,146,500</u>		

**7. Commitment**

The Company has an agreement to lease office space until October 31, 2010, with a net annual lease commitment of approximately \$24,408.

**8. Related Party Transactions**

During the period, the Company incurred \$22,337 (2006 - \$32,792) in legal fees paid to a law firm in which a director of the Company is a partner. Accounts payable and accrued liabilities includes \$2,381 (December 31, 2006 - \$8,883) payable to this firm. The law firm charges the Company the same rates as it does its other clients.

During the period, the Company also paid \$38,340 in consulting fees to a director and officer, which have been recorded at the exchange amount.

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**Gitennes Exploration Inc.****Notes to Interim Consolidated Financial Statements****September 30, 2007**

(Unaudited)

Canadian Funds

**9. Income Taxes**

The Company operates in several tax jurisdictions and is subject to varying rates of taxation. In addition, the Company has various non-capital tax losses and deferred exploration expenditures that are available for carry forward to reduce taxable income of the current and future years. Details of income tax expense for the periods ended September 30 are as follows:

	<u>2007</u>	<u>2006</u>
Income (loss) before income taxes for accounting purposes	\$ 681,587	\$ (997,247)
Adjustments for differences between accounting and taxable income:		
Amortization	9,447	6,384
Stock-based compensation	146,337	-
Non-deductible and other items	(35,226)	(35,522)
Resource property costs written off	-	413,658
Consolidated income (loss) for tax purposes	<u>802,145</u>	<u>(612,727)</u>
Tax rate	<u>34.1%</u>	<u>34.1%</u>
Expected tax expense (recovery) for the period	273,531	(208,940)
Reductions in tax (recovery) due to:		
Foreign income at different tax rates	6,249	4,810
Application of tax loss carry-forwards	(279,780)	-
Valuation allowance	-	(213,750)
Tax expense (recovery) for the period	<u>\$ -</u>	<u>\$ -</u>

Future income taxes reflect the net effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's future income tax assets as at December 31, 2006 are as follows:

Non-capital loss carry-forwards	\$ 2,710,142
Mineral property expenditures	1,555,862
Property, plant and equipment	64,807
Other	28,047
	<u>4,358,858</u>
Valuation allowance	<u>(4,358,858)</u>
	<u>\$ -</u>

The Company's Canadian non-capital loss carry-forwards expire between 2006 and 2015 while the Canadian exploration expenditures may be carried forward indefinitely. The losses available to the Company in Peru expire four years after the attainment of profitable commercial operations in Peru.

**Gitennes Exploration Inc.**  
**Notes to Interim Consolidated Financial Statements**  
**September 30, 2007**  
(Unaudited)  
*Canadian Funds*

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**10. Segmented Information**

The Company's business consists of mineral exploration and development. Details on geographic segments are as follows:

September 30, 2007	Income (Loss)	Capital Expenditures	Plant & Equipment	Identifiable Assets
Canada	\$ 950,873	\$ -	\$ 34,507	\$ 2,329,749
British Virgin Islands	(84)	-	-	62,137
Peru	(269,202)	304,797	20,350	4,403,243
<b>Total</b>	<b>\$ 681,587</b>	<b>\$ 304,797</b>	<b>\$ 54,857</b>	<b>\$ 6,795,129</b>

September 30, 2006	Income (Loss)	Capital Expenditures	Capital Assets	Identifiable Assets
Canada	\$ (774,398)	\$ 18,115	\$ 43,068	\$ 658,141
British Virgin Islands	(95)	-	-	3,027
Peru	(222,754)	662,451	22,584	3,597,896
<b>Total</b>	<b>\$ (997,247)</b>	<b>\$ 680,566</b>	<b>\$ 65,652</b>	<b>\$ 4,259,064</b>

**11. Subsequent Event**

Subsequent to September 30, 2007, the Company received cash proceeds of \$30,000 upon the exercise of 200,000 stock options.

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