

MANICOUAGAN MINERALS INC.
(An exploration company)
Interim Financial Statements (unaudited)
September 30, 2008

Management's Responsibility for Interim Financial Statements

To the Shareholders of Manicouagan Minerals Inc.

The unaudited interim financial statements and the notes thereto for the three and nine months ended September 30, 2008 are the responsibility of the management of Manicouagan Minerals Inc. These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgements based on currently available information.

Management has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee of the Board which meets to satisfy itself that management's responsibilities are properly discharged and with the external auditors to review the financial statements before they are presented to the Board of Directors for approval.

(signed) Joseph J. Baylis

Joseph J. Baylis, President and CEO

(signed) Erik H. Martin

Erik H. Martin, Chief Financial Officer

Toronto, Canada
November 18, 2008

MANICOUAGAN MINERALS INC.

(An exploration company)

Interim Balance Sheets (unaudited)

(expressed in Canadian dollars)

	September 30, 2008	December 31, 2007
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	2,833,518	2,851,400
Accounts receivable (note 6)	1,841,448	1,880,739
Prepaid expenses	91,846	185,913
	<u>4,766,812</u>	<u>4,918,052</u>
Mineral properties and deferred exploration costs (note 7)	8,300,259	5,463,988
Property, plant and equipment (note 8)	51,178	8,680
	<u>13,118,249</u>	<u>10,390,720</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,244,593	488,880
Long-term liabilities		
Future income taxes	1,648,289	434,406
	<u>2,892,882</u>	<u>923,286</u>
SHAREHOLDERS' EQUITY		
Share capital (note 9)	17,742,619	16,235,703
Stock options (note 10)	853,975	771,567
Warrants and broker warrants (notes 11 and 12)	496,413	496,413
Contributed surplus	1,821,187	1,786,018
Deficit	(10,688,827)	(9,822,267)
	<u>10,225,367</u>	<u>9,467,434</u>
	<u>13,118,249</u>	<u>10,390,720</u>
Continuance of operations (note 1)		
Commitments (note 17)		
Subsequent event (note 19)		

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

Approved by the Board of Directors,

(signed) Joseph J. Baylis

Joseph J. Baylis, Director

(signed) Douglas A.C. Davis

Douglas A.C. Davis, Director

MANICOUAGAN MINERALS INC.

(An exploration company)

Interim Statements of Loss and Comprehensive Loss (unaudited)

(expressed in Canadian dollars)

	Three months		Nine months	
	ended September 30,	ended September 30,	ended September 30,	ended September 30,
	2008	2007	2008	2007
	\$	\$	\$	\$
Interest income	29,000	54,662	65,529	133,058
Expenses				
Management fees	80,961	87,829	276,153	289,049
Professional fees	45,194	32,665	120,989	146,990
Salaries and employee benefits	20,699	15,666	58,283	52,017
Stock-based compensation costs	53,550	24,420	104,422	192,361
General administration	33,260	28,172	102,931	90,328
Investor relations and promotion	19,613	25,514	106,247	117,992
Regulatory and transfer agent fees	2,829	2,284	19,974	23,466
Shareholders' information	9,743	5,380	35,620	37,882
General exploration costs	24,004	30,484	56,929	48,784
Amortization of property, plant and equipment	2,153	661	4,483	1,671
Tax on flow-through shares	-	192,713	1,931	195,416
Write off of mineral property (note 7)	-	4,128	-	20,191
	292,006	449,916	887,962	1,216,147
Loss and comprehensive loss before income taxes	(263,006)	(395,254)	(822,433)	(1,083,089)
Future income taxes	5,445	-	44,127	-
Net loss and comprehensive loss for the period	(268,451)	(395,254)	(866,560)	(1,083,089)
Basic and diluted net loss per share (note 16)	(0.00)	(0.00)	(0.01)	(0.01)
Basic and diluted weighted average number of shares outstanding (note 16)	138,976,940	127,306,723	131,421,125	117,020,987

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

MANICOUAGAN MINERALS INC.

(An exploration company)

Interim Statements of Changes in Shareholders' Equity (unaudited)

(expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Share capital (note 9)				
Balance - Beginning of period	16,096,699	16,325,644	16,235,703	10,978,717
Issuance of flow-through shares	1,780,000	-	2,710,000	4,232,880
Issuance of common shares	-	-	-	1,964,751
Issuance of common shares as payment of accounts payable and accrued liabilities	-	-	142,299	-
Acquisition of mineral property (note 7)	-	-	38,000	-
Exercise of broker warrants	-	53,275	-	265,752
	17,876,699	16,378,919	19,126,002	17,442,100
Issue costs (note 9)	(134,080)	-	(1,383,383)	(1,063,181)
Balance - End of period	17,742,619	16,378,919	17,742,619	16,378,919
Stock options (note 10)				
Balance - Beginning of period	817,735	734,907	771,567	566,966
Expired	(27,015)	(3,920)	(35,169)	(3,920)
Stock-based compensation	63,255	24,420	117,577	192,361
Balance - End of period	853,975	755,407	853,975	755,407
Warrants (note 11)				
Balance - Beginning of period	300,557	335,267	300,557	69,843
Issued - Private placements	-	-	-	325,329
	300,557	335,267	300,557	395,172
Issue costs	-	-	-	(59,905)
Balance - End of period	300,557	335,267	300,557	335,267
Broker warrants (note 12)				
Balance - Beginning of period	195,856	209,459	195,856	108,561
Issued as compensation	-	-	-	204,823
Exercised	-	(15,310)	-	(79,437)
	195,856	194,149	195,856	233,947
Issue costs	-	-	-	(39,798)
Balance - End of period	195,856	194,149	195,856	194,149
Contributed Surplus				
Balance - Beginning of period	1,794,172	1,707,119	1,786,018	1,707,119
Stock options expired (note 10)	27,015	3,920	35,169	3,920
Balance - End of period	1,821,187	1,711,039	1,821,187	1,711,039
Deficit				
Balance - Beginning of period	(10,420,376)	(5,102,762)	(9,822,267)	(4,414,927)
Net loss for the period	(268,451)	(395,254)	(866,560)	(1,083,089)
Balance - End of period	(10,688,827)	(5,498,016)	(10,688,827)	(5,498,016)
Total shareholders' equity	10,225,367	13,876,765	10,225,367	13,876,765

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

MANICOUAGAN MINERALS INC.

(An exploration company)

Interim Statements of Cash Flows (unaudited)

(expressed in Canadian dollars)

	Three months		Nine months	
	ended September 30,	2007	ended September 30,	2007
	2008		2008	
	\$	\$	\$	\$
Cash flows from operating activities				
Net loss for the period	(268,451)	(395,254)	(866,560)	(1,083,089)
Items not affecting cash and cash equivalents				
Amortization of property, plant and equipment	2,153	661	4,483	1,671
Stock-based compensation costs	53,550	24,420	104,422	192,361
Write off of mineral property	-	4,128	-	20,191
Future income taxes	5,445	-	44,127	-
	<u>(207,303)</u>	<u>(366,045)</u>	<u>(713,528)</u>	<u>(868,866)</u>
Net change in non-cash working capital items (note 13)	43,905	76,251	438,683	(73,997)
	<u>(163,398)</u>	<u>(289,794)</u>	<u>(274,845)</u>	<u>(942,863)</u>
Cash flows from financing activities				
Issuance of shares and warrants	1,780,000	-	2,710,000	6,522,960
Exercise of broker warrants	-	37,965	-	186,315
Share and warrant issue costs	(206,114)	(1,177)	(206,114)	(569,472)
	<u>1,573,886</u>	<u>36,788</u>	<u>2,503,886</u>	<u>6,139,803</u>
Cash flows from investing activities				
Acquisition of mineral properties and deferred exploration costs	(1,505,662)	(1,435,353)	(3,478,655)	(3,071,614)
Tax credits received relating to exploration costs applied against mineral properties	-	758,981	1,278,713	1,055,054
Acquisition of property, plant and equipment	(15,389)	(3,862)	(46,981)	(3,862)
	<u>(1,521,051)</u>	<u>(680,234)</u>	<u>(2,246,923)</u>	<u>(2,020,422)</u>
Net change in cash and cash equivalents	(110,563)	(993,240)	(17,882)	3,176,518
Cash and cash equivalents - Beginning of period	2,944,081	5,942,492	2,851,400	1,832,734
Cash and cash equivalents - End of period	<u>2,833,518</u>	<u>5,009,252</u>	<u>2,833,518</u>	<u>5,009,252</u>
Additional information				
Acquisition of mineral properties and deferred exploration costs included in accounts payable and accrued liabilities	882,958	1,032,348	882,958	1,032,348
Acquisition of mineral property paid through issuance of shares	-	-	38,000	-
Tax credits related to exploration costs applied against mineral properties	731,922	721,915	1,372,073	1,076,059
Future income taxes accounted for as share, warrant and broker warrant issue costs	-	-	1,169,756	285,000
Fair value of broker warrants accounted for as share issue costs	-	-	-	204,823
Stock-based compensation costs capitalized in deferred exploration costs	9,705	-	13,155	-
Issue costs included in accounts payable and accrued liabilities	7,513	103,589	7,513	103,589
Accounts payable and accrued liabilities paid through issuance of shares	-	-	142,299	-

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

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

Manicouagan Minerals Inc. (“the Company”) was incorporated under the Canada Business Corporations Act on July 25, 2001 and amalgamated with its wholly-owned subsidiary, Manicouagan Resources Inc., on December 31, 2006. The principal activities of the Company comprise the acquisition and exploration of mineral properties. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company must secure sufficient funding for meeting its existing commitments for exploration and development programs and general and administration costs.

Management periodically seeks additional forms of financing through the issuance of new equity instruments, the exercise of outstanding common share warrants and stock options to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without such funding being available, the Company may be unable to continue its operations, and the amounts realizable for the assets could be less than the amounts reflected in these financial statements.

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

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

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

2 SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

Interim financial information

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (“GAAP”) and use the same accounting policies and methods used in the preparation of the Company's most recent annual financial statements, except for the new accounting standards as disclosed further. All disclosures required for annual financial statements have not been included in these interim financial statements. These unaudited interim financial statements should therefore be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2007 and the accompanying notes.

The financial information as at September 30, 2008 and for the three and nine months ended September 30, 2008 and 2007 is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

Capital disclosures and financial instruments - disclosures and presentation

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008.

Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in note 3 to these interim financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 4 to these interim financial statements.

General Standards of Financial Statement Presentation

Handbook Section 1400 includes requirements to assess and disclose an entity's ability to continue as a going concern (going concern assumption). This new standard will not have any significant impact on the interim financial statements of the Company.

Future accounting changes

International Financial Reporting Standards (“IFRS”)

In January 2006, the CICA's Accounting Standards Board (“AcSB”) formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. A calendar year-end public company will be required to have prepared, in time for its first 2011 quarter filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010.

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

Goodwill and Intangible Assets

The CICA has issued a new standard which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets.

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

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

3 CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure, based on funds available to the Company, in order to support the acquisition and exploration of mineral properties. Given that the Company is in the mineral exploration business, the Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers the items included in shareholders' equity as capital.

There were no changes in the Company's approach to capital management during the three and nine months ended September 30, 2008. The Company is not subject to externally imposed capital requirements.

4 RISK FACTORS – FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Financial instruments included in accounts receivable consist of interest receivable. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2008, the Company had a cash balance of \$2,833,518 (December 31, 2007 - \$2,851,400) to settle current liabilities of \$1,244,593 (December 31, 2007 - \$488,880). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk

The Company has cash and cash equivalents. The Company's current policy is to invest excess cash in guaranteed investment certificates refundable before maturity and/or in interest-bearing accounts of Canadian chartered banks. The Company periodically monitors its investments and is satisfied with the creditworthiness of its financial institutions.

As of September 30, 2008, the Company had an interest-bearing account with a Canadian chartered bank.

As at September 30, 2008 and December 31, 2007, the Company's exposure to interest rate risk is summarized as follows:

Cash and cash equivalents	Variable interest rate
Interest receivable	Non-interest bearing
Accounts payable and accrued liabilities	Non-interest bearing

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is remote.

Sensitivity analysis

The Company has designated its cash and cash equivalents as held-for-trading, which is measured at fair value. Interest receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The amortized cost of interest receivable and accounts payable and accrued liabilities is equal to their carrying value due to their short-term maturity.

(i) On September 30, 2008, short-term investments consisted of flexible guaranteed investment certificates refundable before maturity, which bear interest at an annual rate of 3.30% and 3.15% and mature prior to August 31, 2009. From April 2008 to September 2008, cash was subject to floating interest rates at the Canadian prime rate minus 1.9% on bank balances. Sensitivity to a plus or minus 1% change in rates is not material to the interim statement of loss and comprehensive loss.

(ii) The Company does not hold balances in foreign currencies which would give rise to exposure to foreign exchange risk.

5 CASH AND CASH EQUIVALENTS

	September 30, 2008	December 31, 2007
Cash	-	15,634
Excess of outstanding cheques over bank balance	(15,714)	-
Short-term investments	2,849,232	2,835,766
Cash and cash equivalent	<u>2,833,518</u>	<u>2,851,400</u>
Flow-through exploration costs to incur	1,289,326	1,520,756
Flow-through exploration costs incurred included in accounts payable and accrued liabilities	882,958	204,424
Flow-through exploration funds included in cash and cash equivalents	<u>2,172,284</u>	<u>1,725,180</u>

On September 30, 2008, short-term investments consisted of flexible guaranteed investment certificates refundable before maturity, which bear interest at an annual rate of 3.30% and 3.15% and mature prior to August 31, 2009.

On December 31, 2007, short-term investments consisted of flexible guaranteed investment certificates refundable before maturity, which bear interest at 4.00% and matured on March 27, 2008 and May 23, 2008.

6 ACCOUNTS RECEIVABLE

	September 30, 2008	December 31, 2007
Interest receivable	18,459	84,831
Sales tax receivable	252,678	318,957
Refundable tax credit for resources	1,062,956	1,039,480
Credit on duties refundable for losses	507,355	437,471
	<u>1,841,448</u>	<u>1,880,739</u>

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)**September 30, 2008**

(expressed in Canadian dollars)

7 MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS**September 30, 2008**

	Undivided interest	Balance as at December 31, 2007	Costs incurred	Tax credits¹	Balance as at September 30, 2008
	%	\$	\$	\$	\$
Brabant Lake (21 claims)					
Mineral property	100	300,000	-	-	300,000
Exploration costs		2,592,946	477,359	-	3,070,305
		2,892,946	477,359	-	3,370,305
Mouchalagane (493 claims)					
Mineral property	100	100,999	5,865	-	106,864
Exploration costs		1,488,840	1,863,434	(756,375)	2,595,899
		1 589 839	1,869,299	(756,375)	2,702,763
HPM/Forgues (289 claims)					
Mineral property (39 claims)	on option	46,100	-	-	46,100
Mineral property (250 claims)	100	1,500	20,625	-	22,125
Exploration costs		460	1,472,568	(475,253)	997,775
		48,060	1,493,193	(475,253)	1,066,000
Winter House (141claims)					
Mineral property	100	-	52,397	-	52,397
Exploration costs		-	92,008	(37,170)	54,838
		-	144,405	(37,170)	107,235
Seignelay (239 claims)					
Mineral property	100	27,485	-	-	27,485
Exploration costs		-	214,183	(98,719)	115,464
		27,485	214,183	(98,719)	142,949
Lac Mauge (714 claims)					
Mineral property	100	201,069	-	-	201,069
Exploration costs		704,589	9,905	(4,556)	709,938
		905,658	9,905	(4,556)	911,007
		5,463,988	4,208,344	(1,372,073)	8,300,259

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

December 31, 2007

	Undivided interest	Balance as at December 31, 2006	Costs incurred	Write off	Tax credits ¹	Balance as at December 31, 2007
	%	\$	\$	\$	\$	\$
Brabant Lake (21 claims)						
Mineral property	100	300,000	-	-	-	300,000
Exploration costs		518,166	2,108,910	-	(34,130)	2,592,946
		818,166	2,108,910	-	(34,130)	2,892,946
Mouchalagane (468 claims)						
Mineral property	100	54,774	46,225	-	-	100,999
Exploration costs		281,943	2,259,648	-	(1,052,751)	1,488,840
		336,717	2,305,873	-	(1,052,751)	1,589,839
HPM/Forgues (69 claims)						
Mineral property (39 claims)	on option	-	46,100	-	-	46,100
Mineral property (30 claims)	100	-	1,500	-	-	1,500
Exploration costs		-	805	-	(345)	460
		-	48,405	-	(345)	48,060
Seignelay (239 claims)						
Mineral property	100	-	27,485	-	-	27,485
Exploration costs		-	-	-	-	-
		-	27,485	-	-	27,485
Lac Mauge (802 claims)						
Mineral property	100	153,529	47,540	-	-	201,069
Exploration costs		536,146	312,509	-	(144,066)	704,589
		689,675	360,049	-	(144,066)	905,658
Manicouagan (1,014 claims)						
Mineral property	100	109,445	22,458	(131,903)	-	-
Exploration costs		5,697,002	72,517	(5,739,011)	(30,508)	-
		5,806,447	94,975	(5,870,914)	(30,508)	-
		7,651,005	4,945,697	(5,870,914)	(1,261,800)	5,463,988

¹Credit on duties refundable for loss and refundable tax credit for resources

The Company is entitled to a credit on duties refundable for loss under the Quebec Mining Duties Act. This credit on duties refundable for loss on mineral exploration expenses incurred in the Province of Quebec at the rate of 12% has been applied against the costs incurred.

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Quebec. The refundable tax credit for resources may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

Brabant Lake Property

On June 28, 2006, the Company acquired a 100% interest in the property in return for a one-time payment of \$300,000 to Longyear Canada, ULC. The property is not subject to any royalties.

The property consists of 21 contiguous claims registered as ML5054 and covering an area of 4.11 km². The claims are located immediately east of Highway 102, some 175 km from the all-services community of La Ronge, Saskatchewan.

Mouchalagane Property

On April 18, 2006, the Company acquired a 100% interest in the property by issuing 300,000 of its common shares at a price of \$0.15 per share to the vendor. In the event of production from the property, the vendor will receive a 2% Net Smelter Return Royalty ("NSR") of which three quarters of the 2% can be purchased from the vendor for \$1,000,000 within six months from the date that a production decision is announced.

The property originally consisted of 58 map designated claims covering an area of 30 km² approximately 350 km north of Baie-Comeau, Quebec.

After the acquisition of the 58 claims by agreement, the Company map designated 30 additional claims covering approximately 16 km² to secure selected areas of geological interest. The registration of these claims was completed on December 5, 2006.

On August 19, 2007, the Company entered into an agreement with the vendor of the 58 claims that originally formed the Mouchalagane property to extend the 2% NSR to 235 additional claims. Three quarters of the 2% NSR can be purchased from the vendor for \$1,000,000 within six months from the date that a production decision is announced.

During 2007, the Company map designated 380 additional claims and at December 31, 2007, the property consisted of 468 claims.

During 2008, the Company map designated 25 additional claims and at September 30, 2008, the property consisted of 493 claims covering an area of 247.01 km².

HPM and Forgues Property

On November 6, 2007, the Company announced that it had entered into an option agreement with Pure Nickel Inc. ("Pure Nickel") to earn up to a 70% interest in 39 mining claims located some 100 kilometres southeast of the Company's Mouchalagane property.

To acquire its interest in the property, the Company made an initial payment of \$30,000 to Pure Nickel and during the first year of the agreement, will compile all reasonably available data for the claims and will complete an airborne electromagnetic survey over the claims. The Company also issued 250,000 non-transferable warrants to purchase common shares of the Company at a price of \$0.40 per share for a period of two years.

To maintain the option in good standing and earn an initial fifty percent interest in the property, the Company must make further cash payments to Pure Nickel of \$25,000 on the first and second anniversary of the agreement and incur expenditures on the property totaling \$750,000 before the second anniversary of the agreement. The Company can earn an additional twenty percent interest by electing within 60 days of the second anniversary of the agreement to carry Pure Nickel during the next 12 months by incurring an additional \$1,500,000 on the property. (See Subsequent event – note 19)

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

Once the Company has earned an interest in the property, a joint venture will be formed. Dilution is provided for if, after a joint venture is formed, a party fails to fund its pro-rata share of expenditures. The parties have also agreed to an area of interest within a 5 kilometres radius of the outside boundaries of the 39 claims. Xstrata Nickel (“Xstrata”) retains certain rights with respect to the mining claims (the 39 initial claims as well as to claims that could subsequently be acquired by Pure Nickel or Manicouagan within a defined area of interest) including (i) a 2% NSR on property (Pure Nickel and Manicouagan, if it earns an interest in the claims, having the right to reacquire 1% thereof for \$1,000,000); (ii) off-take and marketing rights for all concentrate or product produced from the property; and (iii) a one time back-in right to 50% for any mining project with an economic threshold of 15,000,000 tonnes of resources unless such right has been previously exercised in respect of another property that was part of the Xstrata – Pure Nickel transaction.

During the third quarter of 2008, the Company map designated 71 additional claims and at September 30, 2008, the property consisted of 289 claims covering an area of 140.68 km².

Winter House Property

On May 15, 2008, the Company acquired a 100% interest in 18 claims by issuing 200,000 common shares. As part of the transaction, 110 claims acquired by the Company in January 2008 were included in the agreement. In the event of production from the property (all claims), the vendor will receive a 2% Net Smelter Return Royalty (“NSR”), of which three quarters of the 2% can be purchased from the vendor for \$1,000,000 within six months from the date that a production decision is announced.

During 2008, the Company map designated 13 additional claims (not subject to NSR) and at September 30, 2008, the property consisted of 141 claims.

Seignelay Property

In 2007, the Company map-staked 239 claims over an area of 40 km to the northeast of the Mouchalagane property, which is believed to have similar geological characteristics as Mouchalagane. The claims cover an area of 125.41 km².

Lac Mauge Property

On July 28, 2006, the Company entered into an agreement to acquire a 100% interest in the Lac Mauge property in the Dunphy-Romanet Lake area of the central Labrador Trough region of Quebec.

The property acquired consisted of 88 map designated claims (“the original claims”) covering an area of 42.25 km² located near Lac Mauge, approximately 160 km northwest of the all-services town of Schefferville, Quebec.

The agreement provided for a cash payment of \$50,000 and the issuance of 500,000 shares at a price of \$0.11 per share on closing and a further cash payment of \$50,000 and the issuance of 500,000 additional shares on July 28, 2007 to keep a 100% interest in the property subject to a 3% NSR of which 2/3 may be bought out for \$2,000,000. The NSR applies to the Lac Mauge property as well as to any other claims acquired by the Company or the Labrador Silver Syndicate (“LSS”) within 10 km of the outer boundary of the original claims acquired from the LSS. The agreement also provided for the granting of a 1% NSR to the LSS in respect of any portion of 470 additional map designated claims falling outside of the 10 km area of interest.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

The Company map designated 566 additional claims covering 271.25 km² to secure selected areas of geological interest which are considered to have potential to host sedimentary hosted copper-silver deposits similar to the occurrences at Lac Mauge. The majority of these claims lies within the 10 km area of interest created by the Lac Mauge agreement with the LSS. Following closing of the agreement and the registration and acceptance of these claims by the Province of Quebec, the Company granted the LSS a 1% NSR in the portion of the 470 additional claims falling outside of the 10 km area of interest.

On July 31, 2007, the Company renegotiated the terms of its agreement with the LSS regarding the final payment to keep a 100% interest in the property. The LSS agreed to revise the timing of the final payment by accepting a payment of \$25,000 (paid), a further payment of \$25,000 on or before February 28, 2008 and the issuance of 500,000 shares in July 2008. In the event that the February 28, 2008 payment is not made or the shares not issued, then the Company will return the 88 claims to the LSS.

During 2007, the Company map designated 148 additional claims and as at December 31, 2007, the property consisted of 802 claims.

On February 27, 2008, the Company confirmed to LSS that the Company would not be making the payment of \$25,000 due on or before February 28, 2008 and returned the original claims to LSS (88 claims). As at September 30, 2008, the property consisted of 714 claims. The Company is currently seeking a joint venture partner to advance this project.

Manicouagan Property

In December 2007, the Company wrote off the carrying value of the property. The Company continues to seek a joint venture partner for the property.

Detailed analysis of mineral properties and deferred exploration costs

	Nine months ended September 30, 2008	Year ended December 31, 2007
	\$	\$
Balance - Beginning of period	5,463,988	7,651,005
Cost of claims	78,887	191,308
Camp (construction and maintenance)	626,342	697,711
Transportation	942,541	623,984
Drilling	1,008,328	2,085,132
Geophysics	633,370	314,038
Analysis	36,875	59,609
Consultants	496,347	619,481
Fuel	310,479	199,609
Line cutting	75,175	154,825
Tax credits	(1,372,073)	(1,261,800)
Write-off of mineral properties and deferred exploration costs	-	(5,870,914)
Balance - End of period	8,300,259	5,463,988

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)**September 30, 2008**

(expressed in Canadian dollars)

8 PROPERTY, PLANT AND EQUIPMENT**September 30, 2008**

	Cost	Accumulated Amortization	Net Carrying Amount
	\$	\$	\$
Furniture and fixtures	55,682	7,007	48,675
Computer equipment	5,414	2,911	2,503
	61,096	9,918	51,178

December 31, 2007

	Cost	Accumulated Amortization	Net Carrying Amount
	\$	\$	\$
Furniture and fixtures	10,434	2,915	7,519
Computer equipment	3,681	2,520	1,161
	14,115	5,435	8,680

9 SHARE CAPITAL**Authorized**

Unlimited number of common shares without par value

Variation of issued and fully paid share capital

	Nine months ended September 30, 2008		Year ended December 31, 2007	
	Number	Amount \$	Number	Amount \$
Balance - Beginning of period	127,400,227	16,235,703	95,715,960	10,978,717
Issuance of flow-through shares	13,550,000	2,710,000	17,637,000	4,232,880
Issuance of common shares*	-	-	12,722,667	1,964,751
Issuance of common shares as payment of accounts payable and accrued liabilities	711,496	142,299	-	-
Acquisition of mineral property (note 7)	200,000	38,000	-	-
Exercise of broker warrants	-	-	1,249,600	225,613
Exercise of stock options	-	-	75,000	18,007
	141,861,723	19,126,002	127,400,227	17,419,968
Issue costs **	-	(1,383,383)	-	(1,184,265)
Balance - End of period	141,861,723	17,742,619	127,400,227	16,235,703

* Issuance of common shares is presented net of the fair value of the related warrants totalling \$325,329 in 2007, which has been determined using the Black-Scholes model (note 11).

** Issue costs include \$1,169,756 (\$253,657 in 2007) in relation to renunciation of flow-through expenses. According to CICA CPN-146, the Company must record the tax expense of such renunciation at the time of filing the tax forms which normally takes place in the first quarter of the year following the issuance of flow-through shares.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

Issuance of shares - payment of accounts payable and accrued liabilities

In the third quarter of 2007, the Company recorded a liability of \$191,633. This amount is related to claims made by certain flow-through investors following a 2006 audit by the Canada Revenue Agency ("CRA"), which identified that the Company's qualifying flow-through exploration expenses that have been renounced in 2002 to these investors were overstated.

On June 11, 2008, the Company issued 711,496 common shares pursuant to agreements with certain of these investors to settle \$142,299 of the liabilities based on a price of \$0.20 per share. The shares are subject to a four-month hold period expiring on October 13, 2008.

Issuance of shares - private placement 2008

On June 27, 2008, the Company completed the first tranche of a non-brokered private placement for gross proceeds of \$930,000. Pursuant to this private placement, the Company issued 4,650,000 flow-through common shares at a price of \$0.20 per share. The flow-through common shares issued in the first tranche are subject to a four-month hold period which expires on October 28, 2008.

In connection with the first tranche of this non-brokered private placement, the Company paid a cash commission/finders' fee of \$52,500.

On July 16, 2008, the Company completed the second tranche of a non-brokered private placement for gross proceeds of \$1,180,000. Pursuant to this private placement, the Company issued 5,900,000 flow-through common shares at a price of \$0.20 per share. The flow-through common shares issued in the second tranche are subject to a four-month hold period which expires on November 17, 2008.

In connection with the second tranche of this non-brokered private placement, the Company paid a cash commission/finders' fee of \$70,800.

On August 26, 2008, the Company completed a non-brokered private placement for gross proceeds of \$600,000. Pursuant to this private placement, the Company issued 3,000,000 flow-through common shares at a price of \$0.20 per share. The flow-through common shares issued are subject to a four-month hold period which expires on December 27, 2008.

In connection with this non-brokered private placement, the Company paid a cash commission/finders' fee of \$36,000.

Issuance of shares and warrants - private placement 2007

On March 27, 2007, the Company completed a brokered private placement for gross proceeds of \$6,222,960. Pursuant to this private placement, the Company issued 17,637,000 flow-through common shares at a price of \$0.24 per share, and 11,056,000 units at a price of \$0.18 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each purchase warrant entitles the holder to acquire one common share at an exercise price of \$0.23 at any time up to March 27, 2009, provided that if the common share price closes at or above \$0.60 for twenty consecutive trading days, the warrants may be callable for exercise by the Company on a twenty-day notice.

In connection with this brokered private placement, the Company paid a cash commission of \$457,434 and issued broker warrants entitling the holder to purchase up to 2,113,758 common shares. Each broker warrant entitles the holder to acquire one common share at an exercise price of \$0.18 any time up to March 27, 2009.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

On May 18, 2007, the Company completed a non-brokered private placement with SIDEX s.e.c. for gross proceeds of \$300,000. Pursuant to this private placement, the Company issued 1,666,667 units of securities of the Company at a price of \$0.18 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each purchase warrant entitles the holder to acquire one common share at an exercise price of \$0.23 at any time up to May 18, 2009. If the common share price closes at or above \$0.60 for twenty consecutive trading days, the warrants may be callable for exercise by the Company on a twenty-day notice.

In connection with this non-brokered private placement, the Company paid a cash commission of \$9,000 to SIDEX s.e.c. Also, the Company paid a cash commission of \$6,000 to a third party as a result of an agreement entered into in connection with the brokered private placement closed on March 27, 2007.

Exercise of warrants

During 2007, 449,600 common shares were issued upon the exercise of 449,600 broker warrants at a price of \$0.15 per share for proceeds totalling \$67,440. The balance of 550,400 broker warrants expired unexercised on December 23, 2007.

In addition, the finder's fee option granted in conjunction with the October 2006 financing was exercised, whereupon the Company received proceeds totalling \$120,000 upon issuance of 800,000 common shares and 400,000 common share purchase warrants, each whole warrant entitling the holder to acquire one common share of the Company at a price of \$0.30 per share, expiring on October 20, 2008.

10 STOCK OPTION PLAN

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following table summarizes information about stock options outstanding and exercisable recorded under Shareholders' Equity during the periods ended September 30, 2008 and December 31, 2007:

	Nine months ended September 30, 2008			Year ended December 31, 2007		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding - Beginning of period	8,780,000	771,567	0.23	6,415,000	566,966	0.24
Granted	1,815,000	-	0.20	2,665,000	-	0.18
Expired	(566,666)	(35,169)	0.17	(225,000)	(3,920)	0.20
Exercised	-	-	-	(75,000)	(6,757)	0.15
Stock-based compensation	-	117,577	-	-	215,278	-
Outstanding - End of period	10,028,334	853,975	0.23	8,780,000	771,567	0.23
Exercisable - End of period	8,411,667	-	0.23	6,570,000	-	0.25

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

On January 15, 2008, a director of the Company was granted 100,000 stock options at an exercise price of \$0.145 per share for a period of five years. These options vested immediately. These options were valued at \$10,660 and were charged to stock-based compensation costs in the Statement of Loss and Comprehensive Loss.

On September 30, 2008, directors, officers, employees and consultants of the Company were granted 1,715,000 stock options at an exercise price of \$0.20 per share for a period of five years. Vesting provisions for these options are as follows: 1,065,000 vest immediately and 650,000 vest equally over a three-year period from the date of grant. These options were valued at \$68,429 and will be amortized on a straight-line basis over their vesting period.

The following tables summarize information about stock options outstanding and exercisable as at September 30, 2008:

Options outstanding			Options exercisable		
Exercise price	Number	Weighted average remaining contractual life	Exercise price	Number	Weighted average remaining contractual life
\$		(years)	\$		(years)
0.100	750,000	2.43	0.100	500,000	2.43
0.145	100,000	4.29	0.145	100,000	4.29
0.150	765,000	3.09	0.150	765,000	3.09
0.180	1,848,334	3.53	0.180	1,481,667	3.53
0.200	2,465,000	4.48	0.200	1,465,000	4.44
0.300	4,100,000	1.23	0.300	4,100,000	1.23
	10,028,334	2.72		8,411,667	2.47

The fair value of options granted during the periods ended September 30, 2008 and December 31, 2007 was estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	2008 (9 months)	2007 (12 months)
Risk-free interest rate	3.16%	4.24%
Expected volatility	95%	90%
Dividend yield	Nil	Nil
Weighted average expected life	60 months	60 months
Weighted average fair value on the date of grant	\$0.04	\$0.11

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions, and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the stock options granted to key employees, officers, directors and consultants have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the estimated fair value, management believes that the existing models do not necessarily provide an accurate measure of the fair value of stock options granted to key employees, officers, directors and consultants.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)**September 30, 2008**

(expressed in Canadian dollars)

11 WARRANTS

The following table summarizes the variation of warrants recorded under Shareholders' Equity during the periods ended September 30, 2008 and December 31, 2007:

	Nine months ended September 30, 2008			Year ended December 31, 2007		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding and exercisable - Beginning of period	6,611,334	300,557	0.24	4,999,999	69,843	0.30
Issued - Private placements	-	-	-	6,361,334	325,329	0.23
Issued - Acquisition of mineral properties (note 7)	-	-	-	250,000	16,100	0.40
Expired	-	-	-	(4,999,999)	(41,680)	0.30
	6,611,334	300,557	0.24	6,611,334	369,592	0.24
Issue costs	-	-	-	-	(69,035)	-
Outstanding and exercisable - End of period	6,611,334	300,557	0.24	6,611,334	300,557	0.24

The following table summarizes information about warrants outstanding and exercisable as at September 30, 2008:

Expiry date	Exercise price \$	Number	Weighted average remaining contractual life (years)
March 27, 2009	0.23	5,528,000	0.49
May 18, 2009	0.23	833,334	0.63
November 6, 2009	0.40	250,000	1.10
		6,611,334	0.53

The fair value of warrants granted during the year ended December 31, 2007 was estimated using the Black-Scholes valuation model with the following weighted average assumptions:

	2007 (12 months)
Risk-free interest rate	4.07%
Expected volatility	90%
Dividend yield	Nil
Weighted average expected life	24 months
Weighted average fair value on the date of grant	\$0.05

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)**September 30, 2008**

(expressed in Canadian dollars)

12 BROKER WARRANTS

The following table summarizes the variation of broker warrants recorded under Shareholders' Equity during the periods ended September 30, 2008 and December 31, 2007:

	Nine months ended September 30, 2008			Year ended December 31, 2007		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding and exercisable -						
Beginning of period	2,513,758	195,856	0.20	1,800,000	108,561	0.15
Issued as compensation	-	-	-	2,113,758	204,823	0.18
Issued - Exercise of broker units	-	-	-	400,000	-	0.30
Exercised	-	-	-	(1,249,600)	(38,173)	0.15
Expired	-	-	-	(550,400)	(33,299)	0.15
	2,513,758	195,856	0.20	2,513,758	241,912	0.20
Issue costs	-	-	-	-	(46,056)	-
Outstanding and exercisable - End of period	2,513,758	195,856	0.20	2,513,758	195,856	0.20

The following table summarizes information about broker warrants outstanding and exercisable as at September 30, 2008:

Expiry date	Exercise price \$	Number	Weighted average remaining contractual life (years)
March 27, 2009	0.18	2,113,758	0.49
October 20, 2008	0.30	400,000	0.06
		2,513,758	0.42

The fair value of broker warrants granted during the year ended December 31, 2007 was estimated using the Black-Scholes valuation model with the following weighted average assumptions:

	2007 (12 months)
Risk-free interest rate	4.02%
Expected volatility	90%
Dividend yield	Nil
Weighted average expected life	24 months
Weighted average fair value on the date of grant	\$0.10

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

13 NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Accounts receivable	(167,029)	(126,336)	132,651	(246,171)
Prepaid expenses	44,191	(30,326)	94,067	(74,657)
Accounts payable and accrued liabilities	166,743	232,913	211,965	246,831
	43,905	76,251	438,683	(73,997)

14 RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with an officer and businesses controlled by directors and/or officers:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Exploration costs	19,250	31,185	73,500	84,064
Management fees	67,125	72,905	230,438	248,646
	86,375	104,090	303,938	332,710
Amounts due to related parties at the end of period	25,060	-	25,060	-

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

15 INCOME TAXES

As at December 31, 2007, the Company had \$4,330,987 in non-capital losses. Full valuation has been recorded as regards to these non-capital losses.

16 EARNINGS PER SHARE

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Basic and diluted weighted average number of shares outstanding	138,976,940	127,306,723	131,421,125	117,020,987

For the three and nine months ended September 30, 2008 and 2007, the diluted net loss per share was the same as the basic net loss per share since the dilutive effect of stock options and warrants was not included in the calculation; otherwise, the effect would have been anti-dilutive. Accordingly, the diluted net loss per share for those periods was calculated using the basic weighted average number of shares outstanding.

MANICOUAGAN MINERALS INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

September 30, 2008

(expressed in Canadian dollars)

However, should the Company's basic earnings per share have been positive, the stock options exercisable at exercise prices lower than \$0.09 and \$0.12 for the three and nine months ended September 30, 2008 (September 30, 2007: \$0.26 and \$0.23) would have been dilutive and would have resulted in the addition of no shares and 62,825 shares for the three and nine months ended September 30, 2008 (September 30, 2007: 1,158,057 and 629,489) respectively. Furthermore, warrants exercisable at exercise prices lower than \$0.09 and \$0.12 for the three and nine months ended September 30, 2008 (September 30, 2007: \$0.26 and \$0.23) would have been dilutive and would have resulted in the addition of no shares for the three and nine months ended September 30, 2008 (September 30, 2007: 1,732,732 and 505,157), to the weighted average number of shares outstanding used in the diluted earnings per share calculation.

17 COMMITMENTS

Leases

The Company has two office leases expiring on September 30, 2009 and on January 31, 2011. The minimum combined annual payments under these leases are as follows:

Year	\$	
2008	20,984	(3 months)
2009	70,652	
2010	30,800	
2011	2,567	(1 month)

Leases are renewable following a three-month notice prior to their expiry date.

Flow-through exploration funds

As at September 30, 2008, the Company had an obligation to incur approximately \$1,289,326 in qualifying exploration expenditures by December 31, 2009.

18 COMPARATIVES FIGURES

Certain comparative figures have been reclassified in order to conform to the current period presentation.

19 SUBSEQUENT EVENT

In relation to the option agreement with Pure Nickel dated November 6, 2007, the Company made the payment of \$25,000 due on the first anniversary of the agreement.