

FORAN MINING CORPORATION

FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2007

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

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

FORAN MINING CORPORATION
THREE MONTHS ENDED DECEMBER 31, 2007 and 2006

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FORAN MINING CORPORATION
INTERIM CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2007
(Unaudited – Prepared by Management)

	Three Months December 31, <u>2007</u>	Year End September 30 <u>2007</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 742,976	\$ 52,248
Accounts receivable	369,512	122,424
Deposits	3,612	6,091
Prepaid expenses	<u>12,639</u>	<u>18,115</u>
	1,128,739	198,878
Portfolio investment (Note 3)	500,000	500,000
Mineral properties (Note 4)	3,791,124	3,145,316
Capital assets (Note 5)	141,567	38,004
Capital assets held for sale (Note 6)	800,000	914,837
Long-term deposits	<u>50,000</u>	<u>50,000</u>
	<u>\$ 6,411,430</u>	<u>\$ 4,847,035</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 156,218	\$ 161,496
Demand Loan (Note 7)	125,000	125,000
Current portion of long-term debt (Note 8)	<u>2,303</u>	<u>5,721</u>
	283,521	292,217
Minority Interest (Note 2)	<u>403,313</u>	<u>104,232</u>
	<u>686,834</u>	<u>396,449</u>
Contingency (Note 9)		
<u>SHAREHOLDERS' DEFICIENCY</u>		
Share Capital (Note 10)	37,299,766	35,934,448
Contributed surplus	210,196	210,196
Deficit	<u>(31,785,366)</u>	<u>(31,694,058)</u>
	5,724,596	4,450,586
	<u>\$ 6,411,430</u>	<u>\$ 4,847,035</u>
Nature and continuance of operations (Note 1)		

FORAN MINING CORPORATION
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT
FOR THE PERIOD ENDED DECEMBER 31, 2007 and 2006
(Unaudited – Prepared by Management)

	Three Months December 31, <u>2007</u>	Three Months December 31 <u>2006</u>
Interest income	\$ 15,938	\$ 747
Expenses		
Administration	21,013	23,916
Agency fees	2,111	1,725
Amortization	11,275	3,244
Interest and bank charges	4,828	73,229
Professional fees	5,686	21,448
Rent	10,817	13,362
Repairs and maintenance	-	22,280
Wages and benefits	51,516	42,760
	<u>107,246</u>	<u>201,964</u>
Loss before the under noted items	<u>(91,308)</u>	<u>(201,217)</u>
Write-down of mineral properties	-	-
Write-down of capital assets	-	-
Gain on disposal of capital assets	-	-
Gain on disposal of investments	-	(7,344)
Other income	-	-
LOSS FOR THE PERIOD	<u>(91,308)</u>	<u>(193,873)</u>
Deficit, beginning of period	\$(31,694,058)	\$(30,716,497)
Deficit, end of period	<u>\$(31,785,366)</u>	<u>\$(30,910,370)</u>
Basic and fully diluted loss per share	\$ _____	\$ (0.002)
Weighted average number of shares outstanding	<u>122,718,505</u>	<u>106,443,462</u>

FORAN MINING CORPORATION
THREE MONTHS ENDED DECEMBER 31, 2007 and 2006
(Unaudited – Prepared by Management)

	Three Months December 31, <u>2007</u>	Three Months December 31 <u>2006</u>
Cash flows from operating activities		
Net loss	\$ (91,308)	\$ (201,217)
Items not affecting cash		
Amortization	11,275	3,244
Gain on disposal of capital assets	-	-
Write-down of mineral properties	-	-
Loss on sale of assets	-	-
 Net changes in non-cash working capital items related to operations:		
Accounts receivable	(247,088)	(26,049)
Prepaid and deposits	7,955	(5,135)
Accounts payable and accrued liabilities	(5,280)	(424,341)
	<u>(324,446)</u>	<u>(653,498)</u>
 Cash flows from investing activities		
Mineral property expenditures	(645,808)	(61,313)
Purchase of property plant and equipment	-	17,315
	<u>(970,254)</u>	<u>(697,496)</u>
 Cash flows from financing activities		
Proceeds from issuance of Debt	-	-
Repayment of convertible loan	-	(4,801,000)
Share issue cost	(134,682)	(27,088)
Issue shares	1,500,000	-
Issue shares for debt	-	5,317,554
Joint Venture Minority Interest	299,080	
Repayment of long-term debt	(3,417)	(3,417)
	<u>1,660,981</u>	<u>486,049</u>
 Net increase (decrease) in cash during the period	 690,727	 (211,447)
Cash, beginning of year	52,249	231,084
 Cash, end of period	 <u>\$ 742,976</u>	 <u>\$ 19,637</u>

FORAN MINING CORPORATION
THREE MONTHS ENDED DECEMBER 31, 2007 and 2006
(Unaudited – Prepared by Management)

1. Nature and continuation of operations

Foran Mining Corporation ("The Company" or "Foran") was continued under the Business Corporations Act and is incorporated under the laws of Saskatchewan effective November 13, 2007. Principal business activities include the acquisition and exploration of mineral properties.

These consolidated financial statements have been prepared on the basis of Canadian generally accepted accounting principles as applicable to a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

The Company is in the development stage and has incurred significant operating losses and its ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development, future production or proceeds from the disposition thereof. There are no assurances that the Company will be successful in achieving these goals. These consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

These consolidated financial statements have been prepared to reflect the following significant accounting policies:

Basis of presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 623133 Saskatchewan Ltd. The Company consolidates the McIlvenna Saskatchewan Joint Venture since the Company exercises control over the joint venture through its 75% voting interest. All significant inter-company transactions and balances have been eliminated upon consolidation and minority interest accounts for the 25% contribution of the other Company.

Capital assets

Capital assets are recorded at cost. Capital assets held for sale are reported separate from capital assets in use. Amortization is provided to in-use capital assets on a declining balance basis over the estimated useful life of the asset. Annual amortization rates are as follows:

Automobiles	30%
Computer and survey equipment	30%
Furniture and fixtures	20%
Equipment	30%
Trailers	25%

FORAN MINING CORPORATION
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2. Significant accounting policies (continued)

Mineral properties

The Company capitalizes mineral property acquisition costs and exploration and development expenditures on a property-by-property basis. These costs will be amortized over the estimated productive lives of the properties upon commencement of production using the unit-of-production method, or written down to their estimated fair value if the properties are abandoned, allowed to lapse, there is little prospect of further work being carried out by the Company or there has been a permanent impairment in their value, with the associated write-down being charged to operations. When options are granted on mineral properties or mineral properties are sold, proceeds are credited to the cost of the property, if no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Mineral property acquisition costs include the cash consideration paid and the fair value of common shares issued, based on the trading price of the shares on the date of the agreement to issue the shares.

The amounts shown for mineral properties represent costs incurred to date, less recoveries and write-downs, and do not necessarily reflect present or future values.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases (temporary differences), and losses carried forward. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of substantive enactment.

The Company finances a portion of its exploration activities through the use of flow-through shares. The Company records the tax cost of expenditures renounced to subscribers on the date the deductions are renounced to the subscribers. Share capital is reduced and future income tax liabilities are increased by the estimated tax benefits renounced by the Company to the subscribers, except to the extent that the Company has unrecorded loss carry forwards and tax pools in excess of book value available for deduction.

Non-monetary transactions

Non-monetary transactions are measured at the more reliably measurable of the fair value of the asset given up or the fair value of the asset received.

FORAN MINING CORPORATION
THREE MONTHS ENDED DECEMBER 31, 2007 and 2006
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2. Significant accounting policies (continued)

Stock-based compensation plan

Effective January 1, 2004, the company adopted revised CICA Handbook Section 3870, "Accounting for Stock Based Compensation and Other Stock-Based Payments". The revision of Section 3870 requires that when stock options or other stock-based compensation awards ("Incentives") are granted, a fair value be calculated and assigned to these Incentives and the calculated value be recognized in the financial statements in the period the Incentives vest with the recipient. This revision effectively requires companies to expense the fair value of stock-based compensation as options are granted and vesting occurs. No subsequent recovery of these expensed amounts is recognized if previously expensed stock-based compensation Incentives expire unexercised. Previously, no compensation expense was recognized when options were granted to employees, officers and directors ("Grantees") and any consideration paid to Grantees upon exercises of these stock options was credited to share capital.

The Company uses the Black Scholes option pricing method to determine the fair value of these Incentives.

Foreign currency translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date. Non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Exchange gains and losses are recognized in operations.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include stock based compensation expenses; impairment of mineral properties; impairment of capital assets; useful lives for amortization of capital assets; reclamation and environmental obligations; and contingencies reported in the notes to the financial statements. Financial results as determined by actual events could differ from those estimates.

Financial instruments

In January 2005, the CICA issued Handbook Sections 3855 "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This section requires that:

- a) All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- b) All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- c) All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

FORAN MINING CORPORATION
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2. Significant accounting policies (continued)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. This section applies to unrealized gains and losses such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 “Hedging Relationships”, and the hedging guidance in Section 1650 “Foreign Currency Translation” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

3. Portfolio investment

During the fiscal year ended September 30, 2005, Foran made a \$500,000 payment to Copper Reef (1973) Limited (the “other company”) with respect to an Assignment Agreement on the McIlvenna Saskatchewan mineral property. During the year ended September 30, 2005, Foran had requested an arbitration hearing in an effort to rescind the Assignment Agreement.

In May 2006 the arbitration hearing closed with a Settlement Agreement between the other company and Foran. The Settlement Agreement considers the \$500,000 to be a payment made on behalf of Foran to meet required installments for the rights to the McIlvenna Saskatchewan project.

As at September 30, 2007, as part of the Settlement Agreement, Foran owns 5,750,000 common voting shares of the other company. Foran does not exercise significant influence over the other company, therefore, the investment is recorded using the cost method, and is designated as available for sale.

4. Mineral properties

Three Months ended December 31, 2007

	Balance September 30, 2007	Acquisition costs and license fees	Net Exploration and development expenditures	Recoveries	Balance June 30, 2007
Kisseynew, MB	\$ 1	\$ -	\$ -	\$ -	\$ 1
McIlvenna, SK Saskatchewan Project	2,418,022	-	625,763	-	3,043,785
Manitoba Project	465,895	-	-	-	465,895
Other	261,397	20,045	-	-	281,442
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	<u>\$3,145,316</u>	<u>\$ 20,045</u>	<u>\$ 625,763</u>	<u>\$ -</u>	<u>\$3,791,124</u>

FORAN MINING CORPORATION
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4. Mineral properties (continued)

Three Months ended December 31, 2006

	Balance September 30, 2006	Acquisition costs and license fees	Net Exploration & development & expenditures	Recovery from Disposition	Balance December 31, 2006
Kisseynew, MB	\$ 1	\$ -	\$ -	\$ -	\$ 1
McIlvenna, SK	2,029,509	440	60,874	-	2,090,823
Saskatchewan					
Project	210,212	-	-	-	210,212
Manitoba Project	252,751	-	-	-	252,751
Other	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	\$ 2,492,474	\$ 440	\$ 60,874	\$ -	\$2,553,788

Details of the exploration and development expenditures incurred during the period ended December 31, 2007 and 2006 for the Company's major properties are as follows:

Three Months Ended December 31, 2007

	<u>McIlvenna Bay, SK</u>
Airborne Geophysical and	
Geological surveys	1,500
Assaying, sampling, line cutting and mapping	3,148
Geological consulting	45,220
Drilling	414,524
Fuel	17,331
Site visit, report and insurance	2,489
Misc. Supply purchase/repair	27,467
Equipment Rental	38,856
Travel, accommodation and field	49,227
Camp Maintenance	19,599
Administration	<u>6,402</u>
	<u><u>\$ 625,763</u></u>

FORAN MINING CORPORATION
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4. Mineral properties (continued)

a) McIlvenna, Saskatchewan

In January 2005, the Company entered into an option agreement to acquire a 100% interest in the McIlvenna mineral property located in Saskatchewan. Total consideration consists of paying \$1,006,500 to Cameco Corporation ("Cameco") and \$493,500 to BHP Billiton ("Billiton") on or before January 25, 2005; \$1,342,000 to Cameco and \$658,000 to Billiton on or before May 31, 2006; or issuing Foran Mining Corporation common shares worth \$2,013,000 to Cameco and \$987,000 to Billiton on or before May 31, 2006. The Company could have elected to satisfy the May 31, 2006 payment through the issuance of shares rather than by way of cash payment, the share price would have been calculated using the average trading price of the Company's common shares on the TSX for the first fifteen (15) trading days in May of 2006. The shares issued to Cameco and Billiton would have been freely tradable and not be subject to any form of statutory or Exchange-imposed hold period or trading prohibition.

In January 2005, Foran entered into an agreement to conditionally assign to another company all of its rights and interest in the property option agreement for the McIlvenna Saskatchewan property. In a letter dated January 24, 2005, Cameco and Billiton conditionally consented to the assignment. The initial consideration consists of the other company funding the payment of \$1,500,000 to Cameco and Billiton. The other company also agreed to issue 5,500,000 common shares to Foran, with an additional 2,500,000 issued at a price of \$0.20 per unit, for a total of \$500,000. Foran believed that the conditions had not been satisfied. By notice made July 19, 2005, the company filed a Demand for Arbitration to rescind the Assignment Agreement entered into in January 2005 with the other company. In January 2005 required payments of \$1,006,500 and \$493,500 made to Cameco and Billiton respectively were made by the other company.

In May 2006 the arbitration was settled. The Settlement Agreement with the other company resulted in Foran holding a 75% joint venture interest in the McIlvenna, Saskatchewan property, acting as the operator of exploration projects, owning 5,750,000 common shares of the other company, giving up licenses on a number of other mineral properties, and giving up the 2,500,000 shares previously issued by the other company for \$0.20 per share. In May 2006, Foran made the last required payments of \$1,342,000 and \$658,000 to Cameco and Billiton respectively.

If any venturer does not make cash payments within 30 days of the Company invoicing a cash call, they will give up a proportion of its interest in McIlvenna Saskatchewan based on a pro-rated calculation. If any venturer's interest drops below 10%, they will give up their remaining interest and be assigned a net tonnage royalty of 0.75 cents per tonne on all ores hauled to the surface from the property.

Cameco and Billiton hold a 1% royalty interest in the property. Foran has the option to purchase from Cameco and Billiton the royalty interest for \$1,000,000.

b) Saskatchewan and Manitoba Projects

On November 21, 2003, the TSX-V accepted for filing the Purchase Agreement dated November 11, 2003, for 100% of Aur Resource Inc.'s interest in 29 Mining Claim Groups located in the Flin Flon, Snow Lake and Lynn Lake areas of Manitoba and Saskatchewan.

The properties included 29 property claim groups totaling more than 50,000 hectares, all associated data files, airborne data for over 70 airborne EM surveys, as well as office and warehouse equipment, furnishings and supplies. The purchase gave the Company control of 21 sulphide zones, at least eight gold deposits/zones and provided numerous developed drill targets, most of which are designed to extend known zones.

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4. Mineral properties (continued)

The Company has committed, through previous mineral property ownership agreements associated with the Saskatchewan and Manitoba projects, to pay various net smelting and net profits interest royalty fees. The net smelting fees range from 0% - 2% and the net profits interest royalty fees range from 0% - 15%.

During the year ended September 30, 2006 the Company transferred, as part of an arbitration settlement agreement, 13 Manitoba properties. The properties transferred had a combined book value of nil. The remaining 16 properties total more than 30,000 hectares.

During the period ended December 31, 2007 the Company spent \$20,045 to keep the properties in good standing.

c) Other Properties

In March 1998, the Company entered into an agreement with two companies, controlled by two parties who subsequently became directors and officers of the Company, to acquire a group of mineral property interests and underlying royalty rights in the Flin Flon Greenstone Belt in Manitoba and Saskatchewan. The Company acquired a 100% interest in 20 mineral claims in Manitoba known as the Big Island property, as well as a 65% to 100% interest in seven other claim groups in Manitoba and Saskatchewan. As consideration, the Company issued 3,000,000 common shares of the Company in fiscal 1999.

During the period ended September 30, 2005, the Company wrote-off accumulated costs relevant to these claims and no further exploration has been scheduled.

5. Capital assets

	December 31, 2007			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automobiles	\$ 58,835	\$ 41,359	\$ 17,476	\$ 18,905
Computer and survey equipment	30,305	19,476	10,829	11,715
Furniture and fixtures	13,498	6,486	7,012	7,384
Equipment	220,174	121,062	99,112	-
Trailers	13,855	6,717	7,138	-
	\$ 336,667	\$ 195,100	\$ 141,567	\$ 38,004

6. Capital assets held for sale

At December 31, 2007 the Company sold capital assets that are no longer in-use. The following assets are measured at the lower of cost less accumulated amortization and net recoverable amount.

	December 31, 2007			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	-	-	-	107,219
Trailers	-	-	-	7,618
Mill Equipment	1,506,893	706,893	800,000	800,000
	\$ 1,506,893	\$ 706,893	\$ 800,000	\$ 914,837

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7. Demand Loan

During the year, the Company entered into two debenture agreements for proceeds of \$65,000 and \$60,000. The debentures accrue interest at 10% per annum with the principal amount and all accrued interest payable on January 30, 2008.

8. Long-term debt

	<u>2008</u>	<u>2007</u>
Ford Motor Credit Corporation loan bearing interest at 0% with monthly installments of \$1,139, secured by specific equipment, due February 2008	\$ 5,721	\$ 19,390
Less current portion	5,721	13,669
	\$ 0	\$ 5,721

Principal payments due are as follows:

2008	\$ 5,721
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9. Contingency

During the year ended September 30, 2003, the Company, with two other companies, formed a general partnership which acquired an interest in the 1999 Investment Co. Limited Partnership.

During that same year end, the Company received a cash distribution of \$281,156 (less a finders fee of \$8,430) from the general partnership which represents the aggregate amount of cash the Company expects to receive from this investment. No cash distributions were received by the Company in the years ended September 30, 2006 and 2005.

On September 30, 2006 the Company sold the interest in the partnership to a non-related company.

The Company is contingently liable for any liabilities that may occur associated with the Foran investment in the partnership where the liability originated during the time Foran held an interest in the partnership.

FORAN MINING CORPORATION
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10. Share capital

Authorized an unlimited amount of common shares,
without par value

Issued

	Common Shares	Share Capital
Balance, September 30, 2006	77,280,792	\$ 30,097,481
Issued for cash – private placement	2,892,730	525,000
Issued for loan (Note 7)	26,587,670	5,317,554
Issued for stock options	500,000	78,179
Share issue costs		(83,766)
Balance, September 30, 2007	107,261,192	\$ 35,934,448
Issued for cash – private placement	8,571,427	1,500,000
Share issue costs		(134,682)
Balance, December 31, 2007	115,832,619	\$ 37,299,766

During October, 2007, the company entered into an agreement with Mineral Fields Group for a non-brokered private placement consisting of 8,571,427 flow-through units at \$0.175 per share for aggregate proceeds of \$1,500,000. Each flow-through unit consists of one flow-through common share and one non-flow-through share purchase warrant. Each warrant has a term of 24 months with an exercise price of \$0.40 in year 1 and \$0.75 in year 2.

Stock options

The Company's Board of Directors approved the adoption of a stock option plan in accordance with the policies of the TSX Venture Exchange. The Board of Directors is authorized to grant options to directors, officers, consultants or employees. The maximum number of options that may be granted must not exceed 20% of the common shares outstanding at the time of the grant. The minimum vesting provisions are over an 18 month period with equal amounts vesting on a quarterly basis. A summary of the status of the Company's stock option plan and changes during the periods ended December 31, 2007 and 2006 is presented below.

For options outstanding at December 31, 2007 and 2006, weighted average exercise prices are as follows:

	2008		2007	
	Average Options	Price	Average Options	Price
Outstanding, beginning of year	2,075,000	0.16	2,915,000	0.18
Options granted	-		-	-
Options exercised	-		(500,000)	0.10
Expired or forfeited	-		(340,000)	0.37
	\$ 2,075,000	0.16	\$ 2,075,000	\$ 0.16

Options Price Per Share	Number Outstanding	Weighted Average Remaining Life
\$0.10	475,000	2.76
\$0.18	1,600,000	3.54
	2,075,000	3.15

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10. Share capital (continued)

Share purchase warrants and broker warrants

The continuity of share purchase warrants for the period ended December 31, 2007 is as follows:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Balance</u>		<u>Issued</u>	<u>Exercised</u>	<u>Expired</u>	<u>Balance</u>	
		<u>September 30, 2007</u>					<u>December 31, 2007</u>	
December 11/2007	0.25	1,666,666		-	-	1,666,666		-
July 31, 2008	0.19	59,575		-	-	-		59,575
August 31, 2008	0.20	61,250						61,250
October 23, 2008	0.40							
October 23, 2009	0.75		8,571,427					8,571,427
October 23, 2009	0.175		599,999					599,999
		<u>1,787,491</u>	<u>9,171,426</u>		<u>-</u>	<u>1,666,666</u>		<u>9,292,251</u>

On certain issuances of common shares, the company granted either broker unit warrants or broker warrants as partial consideration to the agent for services associated to such share issues. During the period ended December 31, 2007, 599,999 (2006 – 120,825) broker warrants were granted as partial consideration on the share issues.

12. Related party transactions

In addition to related party transaction already disclosed, the Company entered into the following transactions with related parties:

- a) During the period, the Company paid and accrued \$1,590 (2006 - \$6,313) for office rent to a related party. During the period the Company also paid and accrued \$4,630 (2006 – Nil) for two vehicle leases.

The above transactions are in the normal course of operations and measured at the exchange amount which approximates fair value and is the amount of consideration established and agreed to by the related parties.