

SKYBRIDGE DEVELOPMENT CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2007

AUDITORS' REPORT

To the Shareholders of
Skybridge Development Corp.

We have audited the balance sheet of Skybridge Development Corp. as at December 31, 2007 and the statements of operations and deficit and cash flows for the period from incorporation on January 30, 2007 to December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and the results of its operations and its cash flows for the period from incorporation on January 30, 2007 to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

March 3, 2008



SKYBRIDGE DEVELOPMENT CORP.
BALANCE SHEET
AS AT DECEMBER 31, 2007

ASSETS

Current

Cash	\$	193,266
Cash in trust (Note 9)		2,721,625
Accounts receivable		1,679
Prepaid expenses		<u>7,950</u>
		2,924,520

Equipment and furniture (Note 4)

1,417

\$ 2,925,937

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities	\$	<u>35,523</u>
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Shareholders' equity

Capital stock (Note 5)		231,704
Contributed surplus (Note 5)		33,282
Share subscriptions received in advance (Note 9)		2,721,625
Deficit		<u>(96,197)</u>
		<u>2,890,414</u>

\$ 2,925,937

Continuance of operations (Note 2)

Subsequent events (Note 9)

On behalf of the Board:

/s/ Patrick Morris

Director

/s/ Robert Findlay

Director

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

SKYBRIDGE DEVELOPMENT CORP.
STATEMENT OF OPERATIONS AND DEFICIT
PERIOD FROM INCORPORATION ON JANUARY 30, 2007 TO DECEMBER 31, 2007

EXPENSES	
Amortization	\$ 555
Accounting and auditing	36,266
Bank charges and interest	106
Legal	30,076
Stock-based compensation	25,757
Transfer agent and filing fees	1,952
Telephone	<u>1,485</u>
Loss for the period	(96,197)
Deficit, beginning of period	<u>-</u>
Deficit, end of period	<u>\$ (96,197)</u>
Basic and diluted loss per common share	<u>\$ (0.10)</u>
Weighted average number of common shares outstanding	<u>997,015</u>

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

SKYBRIDGE DEVELOPMENT CORP.
STATEMENT OF CASH FLOWS
PERIOD FROM INCORPORATION ON JANUARY 30, 2007 TO DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	\$ (96,197)
Items not affecting cash:	
Amortization	555
Stock-based compensation	25,757
Changes in non-cash working capital items:	
Increase in accounts receivable	(1,679)
Increase in prepaid expenses	(7,950)
Increase in accounts payable and accrued liabilities	<u>20,540</u>
Net cash used in operating activities	<u>(58,974)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment and furniture	<u>(1,972)</u>
Net cash used in investing activities	<u>(1,972)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of shares for cash	254,212
Share subscriptions received in advance	<u>2,721,625</u>
Net cash provided by financing activities	<u>2,975,837</u>
Change in cash for the period	2,914,891
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ 2,914,891</u>
<hr/>	
Cash paid during the period for interest	<u>\$ -</u>
<hr/>	
Cash paid during the period for income taxes	<u>\$ -</u>
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Cash is comprised of:	
Cash	193,266
Cash in trust	<u>2,721,625</u>

Supplemental disclosures with respect to cash flows (Note 7)

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

1. INCORPORATION

The Company was incorporated under the Business Corporations Act (British Columbia) on January 30, 2007 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

2. CONTINUANCE OF OPERATIONS

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Equipment and furniture

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis at the following annual rates:

Computer equipment	30%
Office equipment	20%

Stock-based compensation

The Company uses the fair value-based methodology for measuring compensation cost whereby the Company recognizes the fair value of compensation costs for the granting of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Future income taxes

Future income taxes are recorded using the asset and liability method whereby 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. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

2,500,000 common shares that are contingently cancelable have been excluded from the weighted average number of shares outstanding.

Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet either at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash and restricted cash as held-for-trading, and receivables as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

New accounting pronouncements

Assessing Going Concern

The Accounting Standards Board ("AcSB") amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New accounting pronouncements (cont'd...)

Financial Instruments

The AcSB issued CICA Handbook Section 3862, *Financial Instruments – Disclosures*, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3863, *Financial Instruments – Presentation*, and Section 3865, *Hedges*. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The AcSB issued CICA Handbook Section 3863, *Financial Instruments – Presentation*, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

Capital Disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Company is currently assessing the impact of the above new accounting standards on the Company's financial positions and results of operations.

4. EQUIPMENT AND FURNITURE

	2006		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 1,603	\$ 481	\$ 1,122
Office equipment	<u>369</u>	<u>74</u>	<u>295</u>
	<u>\$ 1,972</u>	<u>\$ 555</u>	<u>\$ 1,417</u>

SKYBRIDGE DEVELOPMENT CORP.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

5. CAPITAL STOCK

	Capital Stock			Subscriptions received in advance
	Number of Shares	Amount	Contributed Surplus	
Authorized				
Unlimited common shares without par value				
Issued and outstanding				
Seed shares	2,500,000	\$ 125,000	\$ -	\$ -
Initial public offering	2,000,000	200,000	-	-
Share issuance costs	-	(93,296)	7,525	-
Stock-based compensation	-	-	25,757	-
Share subscriptions received in advance (Note 9)	-	-	-	2,721,625
	<u>4,500,000</u>	<u>\$ 231,704</u>	<u>\$ 33,282</u>	<u>\$ 2,721,625</u>
At December 31, 2007	4,500,000	\$ 231,704	\$ 33,282	\$ 2,721,625

Seed shares

In February 2007, the Company issued 2,500,000 common shares to directors at a price of \$0.05 per share for total proceeds of \$125,000. These common shares are held in escrow and will be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of a Final Exchange Bulletin by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. As at December 31, 2007, 2,500,000 of these shares remain in escrow.

If a Final Exchange Bulletin is not issued, the shares will not be released from escrow and if the Company is delisted, the shares will be cancelled.

Initial public offering (“IPO”)

On July 17, 2007 the Company completed its initial public offering (the “IPO”) through its agent, Canaccord Capital Corporation (the “Agent”) by issuing 2,000,000 common shares at \$0.10 per share for gross proceeds of \$200,000. The Company paid the Agent a cash commission of \$20,000 and an administration fee of \$10,000, reimbursed the Agent out-of-pocket expenses of \$10,500 and granted 200,000 non-transferable agent’s warrants.

The warrants issued to the agent will entitle the agent to purchase one common share of the Company at \$0.10 per share up to July 17, 2009. The 200,000 warrants were valued at \$7,527 using the Black-Scholes option pricing model. Weighted average assumptions used in the valuation were: risk free interest rate of 3.50%, expected life of 1 year, annualized volatility of 95% and no expected dividends.

SKYBRIDGE DEVELOPMENT CORP.
NOTES TO THE FINANCIAL STATEMENTS
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5. CAPITAL STOCK (cont'd...)

Stock Option

During the period ended December 31, 2007, the Company adopted a stock option plan (the "Stock Option Plan") under which it can grant up to a maximum of 450,000 options. The purpose of the Stock Option Plan is to encourage ownership of the Company's common shares by directors, officers, employees and consultants. The term of any option granted under the Stock Option Plan may not exceed 5 years. The vesting periods for all options granted pursuant to the Stock Option Plan will be determined at the discretion of the Board of Directors at the time of the grant. The vesting schedule shall provide for a vesting period of at least 18 months and that the options will vest equally on a quarterly basis over the vesting period. The number of options granted to any one person may not exceed 5% of the outstanding listed common shares in a 12 month period.

Upon closing of the IPO, the Company granted to its directors options to acquire 450,000 Shares at a price of \$0.10 per share, exercisable for a period of five years from July 19, 2007. Any shares issued upon exercise of the 450,000 stock options shall be deposited with the escrow agent, and subject to the same escrow terms as that of the seed shares.

The Company entered into Share Exchange Agreements dated November 29, 2007 with Alyris Gold Corporation ("Alyris") and its shareholders to acquire 100% of the issued and outstanding shares of Alyris. (Note 9). According to the Agreements, the Company will cancel 325,000 of the above options at the closing of the qualifying transaction.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	-	\$ -
Options granted	<u>450,000</u>	0.10
Balance, December 31, 2007	450,000	\$ 0.10
Exercisable at December 31, 2007	450,000	\$ 0.10
Weighted average fair value of options granted during the period		\$ 0.06

As at December 31, 2007 the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
450,000	\$ 0.10	July 19, 2012

SKYBRIDGE DEVELOPMENT CORP.
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5. CAPITAL STOCK (cont'd...)

Stock-based compensation

The total stock-based compensation calculated for stock options granted under the fair value method was \$25,757 using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2007
Risk-free interest rate	4.50%
Expected life of options	2.5 years
Annualized volatility	95%
Dividend rate	Nil

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, cash in trust, 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 value, unless otherwise noted.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions during the period ended December 31, 2007 were as follows:

- a) Recognition of stock based compensation of \$25,757 on 450,000 options granted to directors.
- b) Recognition of share issuance costs of \$7,525 on 200,000 warrants granted to the Agent in the IPO.
- c) Incurred \$14,983 share issuance costs through accounts payable.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

Loss for the period	\$ (96,197)
Expected income tax-recovery	\$ (32,822)
Non-deductible items	8,977
Deductible items	(5,853)
Unrecognized benefit of non-capital losses	29,698
Total income tax recovery	\$ -

SKYBRIDGE DEVELOPMENT CORP.
NOTES TO THE FINANCIAL STATEMENTS
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8. INCOME TAXES (cont'd...)

The significant components of the Company's future income tax assets are as follows:

Future income tax assets:	
Non-capital loss carryforwards	\$ 24,000
Share issuance costs	<u>19,000</u>
	43,000
Valuation allowance	<u>(43,000)</u>
Net future income tax assets	<u>\$ -</u>

The Company has available for deduction against future taxable income non-capital losses of \$87,000. These losses, if not utilized, will expire in 2027. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

9. SUBSEQUENT EVENTS

Subsequent to the period ended December 31, 2007:

- a) The Company is in the process of filing a Filing Statement with respect to its qualifying transaction.

The Company entered into Share Exchange Agreements dated November 29, 2007 with Alyris Gold Corporation ("Alyris") and its shareholders to acquire 100% of the issued and outstanding shares of Alyris. Alyris holds a 100% interest in two mineral properties located in Nunavut and Ontario respectively.

Pursuant to the Agreements, the Company proposes to acquire (the "Transaction") 100% of the issued and outstanding shares of Alyris (5,450,000 common shares in total) in exchange for one common share of the Company for each Alyris share and the Company will substitute the Alyris warrants currently issued and outstanding (728,750 warrants in total) with the Company's warrants (the "Skybridge QT Warrants") on similar terms and conditions. Upon closing of this proposed Transaction, the Company shall cancel 325,000 of its 450,000 options and grant these options to new directors and officers of the resulting issuer, whereby each option is exercisable into one share of the Company at a price of \$0.67 per share for a period of 5 years from the date of granting.

The Company also entered into a Share Purchase Agreement dated November 29, 2007 with Alyris and eight Alyris shareholders. As a condition of the Transaction, the shareholders of the Company will transfer 2,100,000 of the 2,500,000 escrowed shares to eight Alyris shareholders at a price of \$0.065 per share.

This proposed Transaction will constitute the qualifying transaction under the terms of the Exchange Requirements applicable to capital pool companies. Assuming the completion of the proposed Transaction, the Company will operate within the junior mining sector, involved in exploration and development of mineral properties and related activities, and be listed on the Exchange as a Tier 2 mining issuer.

9. SUBSEQUENT EVENTS (Cont'd...)

- b) The Company is in the process of a non-brokered private placement by offering 3,495,000 flow-through common shares of the Company at \$0.75 per share with gross proceeds of \$2,621,250 and 2,100,000 non flow-through common shares of the Company at \$0.65 per share with gross proceeds of \$1,365,000.

The Company received \$2,721,625 of share subscription proceeds by December 31, 2007 and the remaining \$1,264,625 subsequent to year ended December 31, 2007.

The Company shall hold all of the subscription funds from the offering in trust pending completion of the Transaction as described in 9 (a) and issuance of the Final Exchange Bulletin therefore. Furthermore, the Company shall not pay any finder's fees that may be payable with respect to the offering until the Final Exchange Bulletin is issued. Should the Transaction not completed, the Company shall return all of the subscription proceeds from the offering to the subscribers there to without penalty, interest or deduction.

- c) The Company entered into a letter agreement with Canaccord Capital Corporation regarding a financing of up to \$3,750,000 after the completion of the proposed qualifying transaction. The financing consists of the issuance of up to 1,600,000 common share units at a price of \$1.25 per unit pursuant to a short form offering document and the issuance of up to 1,400,000 common share units at a price of \$1.25 to accredited investors. Each unit consists of one common share and one half of one transferable warrant. Each warrant will entitle the holder to purchase an additional common share at the exercise price of \$1.75 for a period of 24 months from the closing of the offering.