

TERRA VENTURES INC.

REPORT AND FINANCIAL STATEMENTS

February 28, 2007 and 2006

AUDITORS' REPORT

To the Shareholders,
Terra Ventures Inc.

We have audited the balance sheets of Terra Ventures Inc. as at February 28, 2007 and 2006 and the statements of operations and deficit and cash flows for the years then ended. 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 audits.

We conducted our audits 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 February 28, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
June 20, 2007

"AMISANO HANSON"
Chartered Accountants

TERRA VENTURES INC.
BALANCE SHEETS
February 28, 2007 and 2006

	<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current			
Cash and cash equivalents – Note 3		\$ 2,920,586	\$ 23,363
GST and other receivables		<u>45,984</u>	<u>10,122</u>
		2,966,570	33,485
Resource properties – Schedule 1, Notes 4, 9 and 11		<u>7,851,473</u>	<u>-</u>
		<u>\$ 10,818,043</u>	<u>\$ 33,485</u>

LIABILITIES

Current			
Accounts payable and accrued liabilities – Note 7		\$ 74,205	\$ 23,860
Loans payable – Note 5		<u>257</u>	<u>257</u>
		74,462	24,117
Future income tax liability – Note 8		<u>157,000</u>	<u>-</u>
		<u>231,462</u>	<u>24,117</u>

SHAREHOLDERS' EQUITY

Share capital – Notes 6, 9 and 11		12,925,827	2,510,688
Contributed surplus		1,012,000	-
Deficit		<u>(3,351,246)</u>	<u>(2,501,320)</u>
		<u>10,586,581</u>	<u>9,368</u>
		<u>\$ 10,818,043</u>	<u>\$ 33,485</u>

Commitments – Notes 4 and 6
Subsequent Events – Note 11

APPROVED BY THE DIRECTORS:

<u>“Gunther Roehlig”</u> Director Gunther Roehlig	<u>“Robert McMorran”</u> Director Robert McMorran
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SEE ACCOMPANYING NOTES

TERRA VENTURES INC.
STATEMENTS OF OPERATIONS AND DEFICIT
for the years ended February 28, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Expenses		
Bank charges and interest	\$ 401	\$ 342
Consulting fees – Note 7	35,270	30,000
Legal and accounting fees – Note 7	51,732	32,836
Management fees – Note 7	20,000	30,000
Office expenses and miscellaneous – Note 7	14,395	1,572
Rent – Note 7	9,500	4,000
Shareholder’s communication	2,023	347
Stock-based compensation – Note 6	1,012,000	-
Tradeshaw and marketing	200,450	-
Transfer agent and filing fees	74,974	9,893
Travel and accommodation	<u>8,276</u>	<u>184</u>
Loss before other items	(1,429,021)	(109,174)
Other items:		
Interest income	13,095	-
Gain on disposal of subsidiary	-	186,451
Future income tax recovery – Note 8	<u>566,000</u>	<u>-</u>
Net (loss) income for the year	(849,926)	77,277
Deficit, beginning of the year	<u>(2,501,320)</u>	<u>(2,578,597)</u>
Deficit, end of the year	<u>\$ (3,351,246)</u>	<u>\$ (2,501,320)</u>
Basic and diluted (loss) income per share	<u>\$ (0.07)</u>	<u>\$ 0.02</u>
Weighted average number of shares outstanding	<u>12,700,731</u>	<u>4,090,476</u>

SEE ACCOMPANYING NOTES

TERRA VENTURES INC.
STATEMENTS OF CASH FLOWS
for the years ended February 28, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating Activities		
Net income (loss) for the year	\$ (849,926)	\$ 77,277
Items not affecting cash		
Stock-based compensation	1,012,000	-
Gain on disposal of subsidiary	-	(186,451)
Future income tax recovery	<u>(566,000)</u>	<u>-</u>
	(403,926)	(109,174)
Changes in non-cash working capital items:		
GST and other receivables	(35,862)	(2,695)
Accounts payable and accrued liabilities	<u>50,345</u>	<u>(312,759)</u>
Cash used in operating activities	<u>(389,443)</u>	<u>(424,628)</u>
Investing Activities		
Acquisition of resource properties	(1,000,000)	-
Deferred exploration expenditures	(219,973)	-
Proceeds from disposal of subsidiary	<u>-</u>	<u>10</u>
Cash used in investing activities	<u>(1,219,973)</u>	<u>10</u>
Financing Activities		
Loans payable	-	(363,887)
Issuance of common shares, net	<u>4,506,639</u>	<u>810,000</u>
Cash provided by financing activities	<u>4,506,639</u>	<u>446,113</u>
Increase in cash during the year	2,897,223	21,495
Cash, beginning of the year	<u>23,363</u>	<u>1,868</u>
Cash, end of the year	<u>\$ 2,920,586</u>	<u>\$ 23,363</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

Non-Cash Transactions – Note 9

SEE ACCOMPANYING NOTES

TERRA VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2007 and 2006

Note 1 Nature of Operations

Terra Ventures Inc. (the “Company”) is a public company listed on the TSX Venture Exchange and is in the business of acquiring, exploring and evaluating mineral resource properties and interests, and either joint venturing or developing these properties and interests further or disposing of them when the evaluation is completed. At February 28, 2007, the Company was in the exploration stage and had interests in properties located in Canada.

The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain financing to complete their development, and future profitable production or disposition thereof.

Note 2 Summary of Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada and are stated in Canadian dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgement. Actual results may differ from these estimates.

The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Accounting for Former Subsidiary

These financial statements have been prepared on a non-consolidated basis. On June 2, 2005, the Company sold its former wholly-owned subsidiary, Transmeridian Communications Inc. (TCI), a private British Columbia company. The financial statements for the year ended February 28, 2006, include the accounts of TCI for the period March 1, 2005 to June 2, 2005, which were not material to the accounts of the Company.

b) Basic and Diluted Income (Loss) per Share

Basic income (loss) per share is computed by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the “if converted” method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive. Accordingly, there is no difference in the amounts presented for basic and diluted income (loss) per share.

Note 2 Significant Accounting Policies – (cont'd)

c) Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

d) Financial Instruments

The carrying value of the cash and cash equivalents, GST and other receivables, accounts payable and accrued liabilities and loans payable approximate their fair value due to the short-term maturity of such instruments. 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.

e) Stock-based Compensation Plan

The Company has a stock-based compensation plan as disclosed in Note 6, whereby stock options are granted in accordance with the policies of regulatory authorities. The fair value of all share purchase options are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

f) Cash and Cash Equivalents

The Company considers cash and cash equivalents to be cash and short-term deposits with maturities of three months or less from the original date of acquisition.

g) Resource Properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

Note 2 Significant Accounting Policies – (cont'd)

g) Resource Properties – (cont'd)

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

h) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or liabilities incurred. Income and expense items are translated at the exchange rates prevailing on the date of the transaction. Resulting exchange gains or losses are included in income.

i) Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

j) Impairment of Long Lived Assets

The Company periodically evaluates the recoverability of its long lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition are less than its carrying amount. No impairment in assets was identified at February 28, 2007.

k) Flow-through Shares

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The tax effect related to renounced expenditures is recorded as a reduction of share capital and an increase in future income tax liabilities. Recognition of previously unrecorded future income tax assets are credited to income tax expense.

Note 3 Cash and Cash Equivalents

Included in cash and cash equivalents at February 28, 2007, is a \$2,113,000 redeemable term deposit which bears interest at prime less 2.1% per annum and matures on December 31, 2007.

Note 4 Resource Properties – Schedule 1 and Notes 9 and 11

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

a) Carswell Lake Uranium Property, Saskatchewan

By agreement dated April 25, 2006, the Company entered into a Sale and Purchase Agreement (“the Agreement”) to acquire a 100% interest in 44 mineral dispositions and two claim units known as the Carswell Lake Uranium Property located in the Athabasca Basin of northern Saskatchewan. Pursuant to the terms of the Agreement the Company paid the property vendors \$1,000,000 cash and issued 2,500,000 common shares of the Company. In addition, the vendors were granted a 2% net smelter return and a 2% gross overriding royalty.

A finder’s fee of 190,000 common shares was paid by the Company in connection with the property acquisition.

b) Titan Production Carried Interest, Saskatchewan

By agreement dated January 12, 2007, the Company entered into an agreement (“the Titan Agreement”) with certain arms-length vendors (“the Vendors”) to purchase their 10% production carried interest (“the Titan Production Interest”) in 34 claims held by Titan Uranium Inc. (“Titan”) comprising 310,158 acres in seven separate projects located in the southwestern and northeastern parts of the Athabasca Basin, Saskatchewan. As consideration for acquiring the Titan Production interest, the Company issued 2,000,000 of its common shares to the vendor. The Titan Production Interest remains in effect until the commencement of commercial production by Titan on one or more of the claims. At the time of commencement of commercial production, Titan is entitled to recover 10% of the aggregate expenditures incurred after February 5, 2007, with respect to putting the respective claim(s) into production. The cost recovery to Titan is to be paid from a portion of the production profits otherwise due to the Company.

Note 5 Loans Payable

	<u>2007</u>	<u>2006</u>
Loans payable, unsecured, non-interest bearing, due on demand.	\$ <u>257</u>	\$ <u>257</u>

Note 6 Share Capital – Note 11

a) Authorized:

Unlimited common shares without par value.

b) Issued:

	2007		2006	
	Number	Amount	Number	Amount
Balance, beginning of year	10,626,476	\$ 2,510,688	2,006,476	\$ 1,700,688
Issued during the year				
For cash				
Pursuant to private placements	5,203,750	4,163,000	8,100,000	810,000
Less:				
Issue costs - cash and other	-	(418,861)	-	-
- shares	-	-	520,000	-
Pursuant to exercise of share purchase warrants	6,100,000	762,500	-	-
Pursuant to resource property agreements	4,690,000	6,631,500	-	-
Future income tax on flow-through shares	-	(723,000)	-	-
Balance, end of year	<u>26,620,226</u>	<u>\$ 12,925,827</u>	<u>10,626,476</u>	<u>\$ 2,510,688</u>

c) Financings:

During the year ended February 28, 2007:

The Company completed a brokered private placement of 2,641,250 flow-through common shares at a price of \$0.80 per share and 2,562,500 non-flow-through units at a price of \$0.80 per unit for aggregate gross proceeds of \$4,163,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company until December 28, 2008 at a price of \$1.20 per share.

A cash commission of \$333,040 was paid to the agent in connection with the private placement and in addition \$85,821 of legal and other expenses associated with the offering were also charged to share issue costs.

During the year ended February 28, 2006:

- i) In July 2005 the Company completed a non-brokered private placement of 2,000,000 common shares at \$0.10 per share totalling \$200,000.
- ii) In January 2006 the Company completed a non-brokered private placement of 6,100,000 units at a price of \$0.10 per unit for aggregate gross proceeds of \$610,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company until January 16, 2007 at a price of \$0.125 per share.

Note 6 Share Capital – Note 11

c) Financings – (cont'd)

ii) – (cont'd)

A finder's fee of 520,000 common shares was paid in connection with the private placement.

All 6,100,000 warrants issued in connection with the private placement were exercised during fiscal 2007 prior to their expiry.

d) Escrow Shares

At February 28, 2007, 370,009 (2006: 370,009) common shares are held in escrow by the Company's transfer agent. The Company has applied to have the escrow shares cancelled.

e) Commitments:

i) Stock-based Compensation Plan

The Company has established a stock option plan in accordance with the policies of the TSX-V under which it is authorized to grant share purchase options up to 10% of its outstanding shares. The exercise price of options granted equals the market price of the Company's stock on the date of the grant. Unless otherwise stated, the options vest when granted. The options are for a maximum term of five years.

A summary of the status of the stock option plan as of February 28, 2007 and changes during the year then ended is presented below. The Company did not have a stock option plan in place for the year ended February 28, 2006 and accordingly there is no comparative information.

	<u>2007</u>	
	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of the year	-	\$ -
Granted	2,000,000	\$1.13
Exercised	<u>-</u>	<u>\$ -</u>
Outstanding, end of the year	<u>2,000,000</u>	<u>\$1.13</u>
Exercisable, end of the year	<u>2,000,000</u>	<u>\$1.13</u>

Note 6 Share Capital – Note 11 – (cont'd)

e) Commitments: – (cont'd)

i) Stock-based Compensation Plan – (cont'd)

At February 28, 2007, 2,000,000 share purchase options were outstanding entitling the holder thereof to acquire one share for each option held as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,000,000	\$1.00	December 14, 2011
<u>1,000,000</u>	\$1.25	January 05, 2012
<u><u>2,000,000</u></u>		

The weighted fair value of share purchase options granted during the year ended February 28, 2007 of \$0.51 per option was estimated using the Black-Scholes option valuation model with the following assumptions:

	<u>2007</u>
Average risk-free interest rate	3.86-3.94%
Expected life	5 years
Expected volatility	93.1-93.5%
Expected dividends	Nil

ii) Warrants

	<u>2007</u>		<u>2006</u>	
	<u>Number of Shares issuable Pursuant to Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Shares issuable Pursuant to Warrants</u>	<u>Weighted Average Exercise Price</u>
Balance, beginning of year	6,100,000	\$0.125	-	\$ -
Issued	1,281,250	\$ 1.20	6,100,000	\$0.125
Exercised	<u>(6,100,000)</u>	<u>\$0.125</u>	<u>-</u>	<u>\$ -</u>
Balance, end of year	<u><u>1,281,250</u></u>	<u><u>\$1.20</u></u>	<u><u>6,100,000</u></u>	<u><u>\$0.125</u></u>

At February 28, 2007, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
<u><u>1,281,250</u></u>	\$1.20	December 28, 2008

Note 7 Related Party Transactions

The Company incurred the following charges with directors, officers and former directors of the Company:

	<u>2007</u>	<u>2006</u>
Accounting fees	\$ 4,600	\$ 5,200
Consulting fees	7,500	30,000
Management fees	20,000	30,000
Rent	9,500	4,000
Website	<u>3,000</u>	<u>-</u>
	<u>\$ 44,600</u>	<u>\$ 69,200</u>

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At February 28, 2007 accounts payable included \$33,182 (2006: \$4,990) due to current or former directors and officers of the Company or companies controlled by such individuals for consulting and management fees payable, and for reimbursement of expenses incurred on the Company's behalf.

During the year ended February 28, 2006, the Company issued 210,000 common shares at \$0.10 per share as a finders' fee to a director of the Company.

Note 8 Income Taxes

A reconciliation of the statutory income tax rate to the Company's effective income tax rate is as follows:

	<u>2007</u>	<u>2006</u>
Statutory rate	\$ 34.2%	\$ 34.9%
Provision for income taxes based on statutory Canadian combined federal and provincial income tax rates	\$ (484,000)	\$ 27,000
Permanent differences	314,000	(48,000)
Future income taxes recoverable not previously recognized	(566,000)	-
Valuation allowance	<u>170,000</u>	<u>21,000</u>
Income tax recovery	<u>\$ (566,000)</u>	<u>\$ -</u>

Note 8 Income Taxes – (cont'd)

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	<u>2007</u>	<u>2006</u>
Future income tax assets (liabilities)		
Non-capital tax losses carried forward	\$ 440,000	\$ 280,000
Permanent differences	<u>126,000</u>	<u>-</u>
	566,000	280,000
Future income tax liabilities		
Resource pools net of flow-through share renunciations	<u>(723,000)</u>	<u>-</u>
Net income tax (liabilities) assets	(157,000)	280,000
Less: valuation allowance for future income tax assets	<u>-</u>	<u>(280,000)</u>
Net future income tax liabilities	<u>\$ (157,000)</u>	<u>\$ -</u>

During the year ended February 28, 2007, the Company renounced \$2,113,000 of Canadian exploration expenditures to subscribers of a flow-through shares offerings. As a result of this renunciation, the Company is not entitled to deduct these expenses for tax purposes. Further, the Company is committed to incurring qualifying expenditures in the amount of \$2,113,000 on or before December 31, 2007 with respect to these flow-through share subscriptions.

A valuation allowance was applied in fiscal 2006 against future income tax assets as the realization of such assets was not considered more likely than not.

At February 28, 2007, the Company has accumulated non-capital losses totalling approximately \$1,285,000 that may be applied against future years' taxable income. The non-capital losses expire as follows:

2008	\$ 116,000
2009	102,000
2010	169,000
2011	177,000
2015	222,000
2027	<u>499,000</u>
	<u>\$ 1,285,000</u>

Note 9 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flow. During the year ended February 28, 2007, the following transactions were excluded from the statements of cash flows:

Note 9 Non-cash Transactions – (cont'd)

During the year ended February 28, 2007:

- the Company issued the following common shares pursuant to resource property agreements and finder fee agreements:
 - 2,690,000 common shares at \$1.35 per share totalling \$3,631,500; and
 - 2,000,000 common shares at \$1.50 per share totalling \$3,000,000.

Note 10 Segmented Information

The Company operates in one segment – the acquisition, exploration and development of uranium properties. As at February 28, 2007, all the operations and assets of the Company were located in Canada.

Note 11 Subsequent Events

Financing Transactions

- a) In April 2007 the Company closed a brokered private placement of 1,600,000 flow-through shares at \$1.25 per share plus 9,500,000 units at \$1.10 per unit for aggregate gross proceeds of \$12,450,000. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company on or before October 3, 2008 at an exercise price of \$1.40 per share.

In the event that the Company's common shares trade at a closing price on the TSX Venture Exchange of greater than \$2.25 per share for a period of 20 consecutive trading days at any time after August 4, 2007, the Company may accelerate the expiry date of the warrants by giving notice to the holders and in such case the warrants will expire on the 30th day after the date on which such notice is given by the Company.

The agents were paid a cash commission of \$809,250, and were granted broker warrants exercisable for 666,000 shares of the Company at a price of \$1.10 per share on or before October 3, 2008. In addition, a finder's fee of \$60,000 and 100,000 common shares was issued.

- b) In March 2007 the Company granted share purchase options to officers, directors and consultants of the Company to purchase up 235,000 common shares of the Company at \$1.35 per share.

In April 2007 the Company granted stock options to officers and directors of the Company to purchase up 1,200,000 common shares of the Company at \$1.40 per share.

Note 11 Subsequent Events – (cont'd)

Mineral Property Acquisitions

- c) In March 2007 the Company entered into an agreement to acquire the Lac Kachiwiss uranium property located near Sept-Iles, Quebec. The terms of the agreement provide that the Company can acquire a 100% interest in the property by issuing 2,000,000 common shares (issued) to the property vendor.

The agreement also provides that the vendor will retain a 0.5% Net Smelter Royalty (“NSR”) on any revenues generated from ore mined from the property. The Company has the right to purchase back one-half (0.25%) of the NSR for \$1,000,000.

A finders’ fee of 106,000 common shares has been issued in connection with this transaction.

- d) In April 2007 the Company acquired from an arms-length third party an 8% carried working interest in 7 claims comprising 56,360 acres in two separate projects located in the Athabasca Basin, Saskatchewan, of which 90% of the remaining 92% interest is held by a subsidiary of Hathor Exploration Ltd. Consideration paid by the Company for such interest was \$2,300,000. A finder’s fee of \$69,000 was also paid. The vendor shall be entitled to receive a royalty of 2% of net smelter returns and a 2% gross overriding royalty.
- e) In May 2007 the Company entered into a letter of agreement pursuant to which it has been granted the right to acquire a 100% interest in 208 unpatented Federal lode mining claims and one State lease, in four separate blocks, totalling 4,720 acres in Grand County, Utah. In order to vest its interest in the property the Company must make cash payments aggregating US\$450,000 and issue an aggregate of 200,000 common shares over a period of five years. In addition the vendor has retained a 3% NSR which the Company may purchase for US\$2,000,000.

The Company agreed to pay a finder’s fee of 60,000 common shares in connection with this transaction, subject to regulatory approval.

Consulting Agreement

- f) By an agreement dated March 5, 2007, the Company entered into an investor relations and marketing services agreement for a term of six months. The Company will pay a fee of US\$80,000 and grant 175,000 share purchase options at \$1.35 per share for a period of five years.

TERRA VENTURES INC.
SCHEDULE OF RESOURCE PROPERTIES
for the year ended February 28, 2007

Schedule 1

	<u>Carswell Lake</u>	Titan Production <u>Interest</u>	<u>Total</u>
Balance, February 28, 2006	\$ -	\$ -	\$ -
Deferred exploration costs			
Consultants – Geophysical	85,825	-	85,825
Consultants – Geological Reports	43,452	-	43,452
Consultants – Geological	11,589	-	11,589
Field office	132	-	132
Travel and accommodation	2,426	-	2,426
Refundable deposit	<u>76,549⁽¹⁾</u>	-	<u>76,549</u>
	<u>219,973</u>	-	<u>219,973</u>
Acquisition costs			
Cash	1,000,000	-	1,000,000
Shares	<u>3,631,500</u>	<u>3,000,000</u>	<u>6,631,500</u>
	<u>4,631,500</u>	<u>3,000,000</u>	<u>7,631,500</u>
Balance, February 28, 2007	<u>\$ 4,851,473</u>	<u>\$ 3,000,000</u>	<u>\$ 7,851,473</u>

- (1) The refundable deposit represents funds advanced to and held by the Province of Saskatchewan as security against the Company completing a minimum amount of exploration expenditures on the Carswell Lake property on an annual or aggregate basis, as the case may be for a maximum of two years. In the event that the Company exceeds such exploration expenditure threshold and the Company determines at some future date to let the claims tenure lapse, after having met on a continuous basis the minimum exploration expenditure threshold, the funds will be returned back to the Company