URANERZ ENERGY CORP.
Form 424B3
August 23, 2007

Filed pursuant to Rule 424(b)(3)
File No. 333-139537

Prospectus Supplement No. 1
(To Prospectus dated June 29, 2007)

URANERZ ENERGY CORPORATION

28,506,153 shares of common stock

This prospectus supplement supplements the Prospectus dated June 29, 2007 relating to the sale of up to 28,506,153 shares of our common stock. This prospectus supplement should be read in conjunction with the Prospectus.

Quarterly Report on Form 10-QSB

On August 14, 2007, we filed with the Securities and Exchange Commission the attached Quarterly Report on Form 10-QSB for the quarter ended June 30, 2007. The text of the 10-QSB is attached hereto.

Investing in our common stock involves a high degree of risk.
See Risk Factors beginning on page 4 of the Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is August 23, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **June 30, 2007**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________________ to____________________

Commission file number: **000-50180**

URANERZ ENERGY CORPORATION
(Exact Name of Registrant as Specified in its Charter)

NEVADA	**98-0365605**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 1410- 800 West Pender Street	
Vancouver, British Columbia, Canada	**V6C 2V6**
(Address of Principal Executive Offices)	(Zip Code)

(604) 689-1659
(Registrant s Telephone Number, including Area Code)

____
(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
[X] Yes [ ] No

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) [ ] Yes [X] No

Number of shares of issuer s common stock outstanding at August 10, 2007: 39,159,087 Transitional Small Business format (check one): [ ] Yes [X] No

INDEX

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Uranerz Energy Corporation
(An Exploration Stage Company)

June 30, 2007

Index

Uranerz Energy Corporation
(An Exploration Stage Company)
Consolidated Balance Sheets
(Expressed in US dollars)

	June 30, 2007 $ (unaudited)	December 31, 2006 $
ASSETS		
Current Assets		
Cash	15,157,932	12,293,890
Amounts receivable	116,449	
Prepaid expenses and deposits (Note 6)	215,486	74,870
Total Current Assets	15,489,867	12,368,760
Property and Equipment (Note 3)	292,298	123,236
Total Assets	15,782,165	12,491,996
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	423,125	169,688
Accrued liabilities	42,079	9,074
Current portion of loan payable (Note 5)	30,226	
Due to related parties (Note 6)	50,217	200,047
Total Current Liabilities	545,647	378,809
Loan Payable (Note 5)	68,188	
Total Liabilities	613,835	378,809
Commitments and Contingencies (Notes 1, 4 and 10)		
Stockholders Equity		
Preferred Stock, 10,000,000 shares authorized, $0.001 par value;		
No shares issued and outstanding		
Common Stock, 100,000,000 shares authorized, $0.001 par value;		
39,159,087 and 34,560,338 shares issued and outstanding, respectively	39,159	34,560
Additional Paid-in Capital	36,893,589	23,777,517
Common Stock Subscribed (Note 7 (c))	15,000	
Accumulated Other Comprehensive Income	540	542
Deficit Accumulated During the Exploration Stage	(21,779,958)	(11,699,432)
Total Stockholders Equity	15,168,330	12,113,187
Total Liabilities and Stockholders Equity	15,782,165	12,491,996

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

Uranerz Energy Corporation
(An Exploration Stage Company)
Consolidated Statements of Operations
(Expressed in US dollars)
(Unaudited)

	Accumulated From May 26, 1999 (Date of Inception) to June 30, 2007	Three Months Ended June 30,		Six Months Ended June 30,	
		2007	2006	2007	2006
	$	$	$	$	$
Revenue					
Expenses					
Depreciation	33,760	10,664	3,022	18,155	3,545
Foreign exchange	10,378	4,382	2,777	5,217	4,859
General and administrative (Note 6)	16,267,666	927,765	1,468,111	5,797,995	4,447,001
Mineral property expenditures	6,309,666	826,812	176,318	4,633,413	531,914
Total Operating Expenses	22,621,470	1,769,623	1,650,228	10,454,780	4,987,319
Operating Loss	(22,621,470)	(1,769,623)	(1,650,228)	(10,454,780)	(4,987,319)
Other Income (Expense)					
Gain on sale of investment securities	79,129				
Interest income	785,716	197,541	121,324	374,254	121,324
Loss on settlement of debt	(132,000)		(8,231)		(108,906)
Mineral property option payments received	108,667		67,500		72,500
Total Other Income (Expense)	841,512	197,541	180,593	374,254	84,918
Net Loss	(21,779,958)	(1,572,082)	(1,469,635)	(10,080,526)	(4,902,401)
Other Comprehensive Income (Loss)					
Unrealized gain on investment securities			19,500		19,500
Foreign currency translation adjustment	(540)	(44)		2	
Comprehensive Loss	(21,780,498)	(1,572,126)	(1,450,135)	(10,080,524)	(4,882,901)
Net Loss Per Share Basic and Diluted		(0.04)	(0.05)	(0.27)	(0.18)
Weighted Average Shares Outstanding		39,082,000	30,115,000	37,682,000	27,278,000

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

Uranerz Energy Corporation
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in US dollars)
(Unaudited)

	For the Six Months Ended June 30, 2007 $	For the Six Months Ended June 30, 2006 $
Operating Activities		
Net loss for the period	(10,080,526)	(4,902,401)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	18,155	3,545
Impairment loss on mineral property costs		374,092
Investment securities received for option payments		(37,500)
Debt settled with options		121,363
Loss on settlement of debt		108,905
Stock-based compensation	4,606,261	3,841,721
Changes in operating assets and liabilities:		
Amounts receivable	(116,424)	
Prepaid expenses	(96,809)	(34,677)
Accounts payable and accrued liabilities	286,443	(4,320)
Advances payable		90,501
Due to related parties	(149,830)	(104,184)
Net Cash Used in Operating Activities	(5,532,730)	(542,955)
Investing Activities		
Acquisition of mineral properties		(374,092)
Acquisition of subsidiary, net cash paid		(48)
Purchase of property and equipment	(88,802)	(73,789)
Net Cash Flows Used In Investing Activities	(88,802)	(447,929)
Financing Activities		
Proceeds from issuance of common stock		10,754,585
Proceeds from the exercise of options	153,900	
Proceeds from the exercise of common share purchase warrants	8,316,678	22,500
Proceeds from common stock subscribed	15,000	
Advances to related parties		(15,000)
Net Cash Flows Provided By Financing Activities	8,485,578	10,762,085

Effects of Exchange Rate Changes on Cash	(4)	
Increase In Cash	2,864,042	9,771,201
Cash - Beginning of Period	12,293,890	1,925,021
Cash - End of Period	15,157,932	11,696,222
Non-cash Investing and Financing Activities		
Purchase of equipment with loan payable	98,414	
Stock options granted to settle debt		121,363
Supplemental Disclosures		
Interest paid		
Income taxes paid		

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

F-3

Uranerz Energy Corporation
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
June 30, 2007
(Expressed in US dollars)
(Unaudited)

1. Nature of Operations

Uranerz Energy Corporation (the Company) was incorporated in the State of Nevada, U.S.A. on May 26, 1999. The Company has acquired mineral property interests in Canada, Mongolia and United States.

The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting Standard (SFAS) No.7 *Accounting and Reporting by Development Stage Enterprises* . The Company s principal business is the acquisition and exploration of uranium and mineral resources. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable.

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at June 30, 2007, the Company has working capital of $14,944,220. Although existing cash resources are currently expected to provide sufficient funds through the upcoming fiscal year, the capital expenditures required to achieve planned principal operations may be substantial. The continuation of the Company as a going concern for a period longer than the upcoming fiscal year is dependent upon the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company s interests in the underlying properties, and the attainment of profitable operations.

2. Summary of Significant Accounting Policies

a) Basis of Presentation and Principles of Consolidation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. These financial statements include the accounts of the Company and its wholly-owned subsidiary Rolling Hills Resources LLC, a Mongolian company. All inter-company transactions and balances have been eliminated. The Company s fiscal year-end is December 31.

b) Interim Financial Statements

The interim unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions for Securities and Exchange Commission (SEC) Form 10-QSB. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company s audited consolidated financial statements and notes thereto for the year ended December 31, 2006, included in the Company s Annual Report on Form 10-KSB filed on April 2, 2007 with the SEC.

The consolidated financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company s consolidated financial position at June 30, 2007, and the consolidated results of its operations and consolidated cash flows for the three and six months ended June 30, 2007 and 2006. The results of operations for the three and six months ended June 30, 2007 are not necessarily indicative of the results to be expected for future quarters or the full year.

c) Use of Estimates

The preparation of financial statements in conformity with U.S. 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. Actual results could differ from those estimates. The Company regularly evaluates estimates and assumptions related to useful life and recoverability of long-lived assets, stock-based compensation and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

Uranerz Energy Corporation
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
June 30, 2007
(Expressed in US dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

e) Property and Equipment

Property and equipment consists of computer hardware, office equipment and field equipment, is recorded at cost and is depreciated on a straight line basis over five years.

f) Mineral Property Costs

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. Mineral property acquisition costs are capitalized in accordance with EITF 04-2 *Whether Mineral Rights Are Tangible or Intangible Assets* when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that a mineral property is acquired through the issuance of the Company s shares, the mineral property will be recorded at the fair value of the respective property or the fair value of common shares, whichever is more readily determinable.

When mineral properties are acquired under option agreements with future acquisition payments to be made at the sole discretion of the Company, those future payments, whether in cash or shares, are recorded only when the Company has made or is obliged to make the payment or issue the shares. As option payments do not meet the definition of tangible property under EITF 04-2, all option payments are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and pre feasibility, the costs incurred to develop such property are capitalized.

Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

At June 30, 2007, the Company has incurred only acquisition and exploration costs which have been expensed. During the six months ended June 30, 2007, mineral property acquisition costs totalling $3,216,904 and exploration costs of $1,416,509 were expensed. During the prior year, the Company initially capitalized mineral property acquisition costs and performed an impairment analysis at each fiscal quarter end.

g) Financial Instruments

The fair values of cash, amounts receivable, accounts payable, accrued liabilities, amounts due to related parties and loan payable approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash in excess of federally insured amounts. To date, the Company has not incurred a loss relating to this concentration of credit risk.

h) Long-lived Assets

In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* , the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Uranerz Energy Corporation
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
June 30, 2007
(Expressed in US dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

i) Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 *Accounting for Income Taxes* as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

j) Foreign Currency Translation

The Company's functional currency is the United States dollar and management has adopted SFAS No. 52, *Foreign Currency Translation* . The functional currency of the Company s wholly owned subsidiary is the Mongolian Togrog. Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at rates of exchange in effect at the balance sheet date. Non-monetary assets, liabilities and items recorded in income arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Foreign currency transactions are primarily undertaken in Canadian dollars and Mongolian Togrogs. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

k) Stock-based Compensation

The Company records stock based compensation in accordance with SFAS 123(R), *Share-Based Payments,* which requires the measurement and recognition of compensation expense, based on estimated fair values, for all share-based awards, made to employees and directors, including stock options. In March 2005, the Securities and Exchange Commission issued SAB 107 relating to SFAS 123(R). The Company applied the provisions of SAB 107 in its adoption of SFAS 123(R).

SFAS 123(R) requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company s stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company s expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statement of operations over the requisite service period.

No tax benefits were attributed to stock-based compensation expense because a full valuation allowance was maintained for all net deferred tax assets.

l) Comprehensive Loss

SFAS No. 130, *Reporting Comprehensive Income*, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. For the six month periods ended June 30, 2007 and 2006, the Company s only components of comprehensive income consisted of foreign currency translation adjustments and an unrealized gain on investment securities.

m) Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, *"Earnings per Share"*. SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS and the weighted average number of common shares exclude all dilutive potential shares since their effect is anti dilutive.

n) Reclassifications

Certain reclassifications have been made to the prior period s financial statements to conform to the current period s presentation.

Uranerz Energy Corporation
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
June 30, 2007
(Expressed in US dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

o) Recently Issued Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115* . This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 Accounting for Certain Investments in Debt and Equity Securities applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity s first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, *Fair Value Measurements* . The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* . The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

p) Recently Adopted Accounting Pronouncements

In September 2006, the SEC issued Staff Accounting Bulletin (SAB) No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. SAB No. 108 is effective for fiscal years ending after November 15, 2006. The adoption of SAB No. 108 in fiscal 2006 did not have a material effect on the Company's financial statements.

In September 2006, the FASB issued SFAS No. 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R) . This statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of this statement did not have a material effect on the Company's future reported financial position or results of operations.

In June 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statements No. 109 (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on derecognition, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement in fiscal 2007, did not have a material effect on the Company's financial statements.

Uranerz Energy Corporation
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements
June 30, 2007
(Expressed in US dollars)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

p) Recently Adopted Accounting Pronouncements

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". This statement requires all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable, and permits for subsequent measurement using either fair value measurement with changes in fair value reflected in earnings or the amortization and impairment requirements of Statement No. 140. The subsequent measurement of separately recognized servicing assets and servicing liabilities at fair value eliminates the necessity for entities that manage the risks inherent in servicing assets and servicing liabilities with derivatives to qualify for hedge accounting treatment and eliminates the characterization of declines in fair value as impairments or direct write-downs. SFAS No. 156 is effective for an entity's first fiscal year beginning after September 15, 2006. The adoption of this statement in fiscal 2007 did not have a material effect on the Company's financial statements.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments-an amendment of FASB Statements No. 133 and 140", to simplify and make more consistent the accounting for certain financial instruments. SFAS No. 155 amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities"; to permit fair value re-measurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, "Accounting for the Impairment or Disposal of Long-Lived Assets", to allow a qualifying special-purpose entity to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006, with earlier application allowed. The adoption of this statement in fiscal 2007 did not have a material effect on the Company's financial statements.

	Cost $	Accumulated Depreciation $	June 30, 2007 Net Carrying Value $	December 31, 2006 Net Carrying Value $
Computers and office equipment	99,383	16,414	82,969	47,411
Field equipment	226,676	17,347	209,329	75,825
	326,059	33,761	292,298	123,236

4. Mineral Properties