

W.R. PARTNERS LTD.
INTERIM FINANCIAL STATEMENTS
August 31, 2007
(Unaudited-Prepared by Management)

NOTICE OF NO AUDITOR'S REVIEW OF INTERIM FINANCIAL STATEMENTS

BALANCE SHEETS

STATEMENTS OF LOSS AND DEFICIT

STATEMENTS OF CASH FLOWS

NOTES TO INTERIM FINANCIAL STATEMENTS

W.R. PARTNERS LTD.

August 31, 2007

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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.

W.R. PARTNERS LTD.
BALANCE SHEET
(Unaudited-Prepared by Management)

	Aug 31, 2007 (unaudited)	Feb 28, 2007 (audited)
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 566,147	\$ 90,001
GST Receivable	3,479	-
Prepaid expenses	851	-
	\$ 570,477	\$ 90,001
	\$ 570,477	\$ 90,001
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,203	\$ 5,000
	3,203	5,000
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 4)	571,901	90,001
CONTRIBUTED SURPLUS	138,400	-
DEFICIT	(143,027)	(5,000)
	567,274	85,001
	\$ 570,477	\$ 90,001

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

“David Clark”
David Clark, Director

“Jens Biertumpel”
Jens Biertumpel, Director

The accompanying notes are an integral part of these financial statements

W.R. PARTNERS LTD.
STATEMENT OF LOSS AND DEFICIT
(Unaudited-Prepared by Management)

	Three Months Ended August 31, 2007 (unaudited)	Six Months Ended August 31, 2007 (unaudited)
<hr/>		
EXPENSES		
Professional fees	\$ 14,639	\$ 36,197
Transfer agent and filing fees	5,251	15,470
Stock-based compensation	86,400	86,400
	<hr/> 106,290	<hr/> 138,067
OTHER ITEMS		
Interest income	(40)	(40)
	<hr/> (40)	<hr/> (40)
NET LOSS FOR THE PERIOD	106,250	138,027
DEFICIT, BEGINNING OF PERIOD	36,777	5,000
	<hr/>	<hr/>
DEFICIT, END OF PERIOD	\$ 143,027	\$ 143,027
	<hr/> <hr/>	<hr/> <hr/>
 LOSS PER SHARE – Basic	 \$ (0.03)	 \$ (0.05)
 Weighted average number of common shares outstanding	 4,010,370	 2,698,015

The Company was incorporated on November 3, 2006 and therefore there are no comparative figures for the three and six months ended August 31, 2007.

The accompanying notes are an integral part of these financial statements

W.R. PARTNERS LTD.
STATEMENT OF CASH FLOWS
(Unaudited-Prepared by Management)

	Three Months Ended August 31, 2007 (unaudited)	Six Months Ended August 31, 2007 (Unaudited)
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (106,250)	\$ (138,027)
Add (deduct) items not affecting cash:		
Non-cash compensation	86,400	86,400
	(19,850)	(51,627)
Net changes in non-cash working capital item:		
GST receivable	(1,928)	(3,479)
Prepaid expenses	(851)	(851)
Accounts payable and accrued liabilities	3,203	(1,797)
	(19,426)	(57,754)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	518,775	533,900
Deferred share offering costs	5,000	-
	523,775	533,900
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	504,349	476,146
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	61,798	90,001
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 566,147	\$ 566,147
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 66,147	\$ 66,147
Term deposit	500,000	500,000
	\$ 566,147	\$ 566,147

The Company was incorporated on November 3, 2006 and therefore there are no comparative figures for the three and six months ended August 31, 2007.

The accompanying notes are an integral part of these financial statements

W.R. PARTNERS LTD.
NOTES TO FINANCIAL STATEMENTS
(Unaudited-Prepared by Management)

NOTE 1 – NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the British Columbia Business Corporations Act on November 3, 2006 and is a Capital Pool Corporation (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

The Company’s Prospectus dated June 29, 2007 was filed and accepted by the Exchange and the B.C Securities and Alberta Securities Commissions effective July 20, 2007.

As at August 31, 2007, the Company has no business operations. As a CPC, the Company’s business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company’s shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company’s shares from trading should it not meet these requirements..

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Estimates, Assumptions and Measurement Uncertainty

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 period. Actual results could differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Financial Instruments

The fair value of cash and accounts payable and accrued liabilities, were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Management does not believe the Company is exposed to significant credit, currency, market or interest rate risks.

Loss Per Share

The loss per share figures is calculated using the weighted average number of common shares outstanding during the respective fiscal periods. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share purchase options and warrants are used to repurchase common shares at the average market price during the period. Diluted loss per share has not been presented as the Company has no dilutive securities.

Cash and cash equivalents

Cash equivalents consist of highly liquid investments with a maturity of ninety days or less at the time of issuance..

Deferred Share Offering Costs

The Company defers costs related to the issue of common shares from treasury. These costs will be netted against gross proceeds received upon the issue of share capital. Costs of unsuccessful share offerings are charged directly to operations.

Stock-based Compensation

The Company has adopted the accounting recommendations of the CICA Handbook Section 3870 “Stock-Based Compensation and Other Stock-based Payments”. When stock or stock options are issued, compensation expense will be recognized based on the fair value of the stock or stock options issued as determined using the Black-Scholes option pricing model.

W.R. PARTNERS LTD.
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company accounts for income taxes 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 enacted or substantially 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 income tax assets unless it is more likely than not that the Company will realize the benefits of its future income tax assets. In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period. A valuation allowance has been provided against all net future tax assets, as realization of such net assets is uncertain.

NOTE 3 - RELATED PARTY TRANSACTIONS

- (a) During the six months ended August 31, 2007 the Company issued 201,667 shares to one director and one officer of the Company at a price of \$0.075 per share for cash proceeds of \$15,125.
- (b) During the six months ended August 31, 2007 the Company granted 540,000 stock options to directors and officers of the Company to purchase a total of 540,000 common shares of the Company at the price of \$0.15 per share exercisable for a period of up to five years from the date the Company's common shares are listed for trading on the Exchange.

NOTE 4 - SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without par value.

Issued:

	Number of Shares	Value	Contributed Surplus
Issued at Incorporation date, November 3, 2006	1	\$ Nil	\$ Nil
Issued during the period:			
-for cash at \$0.075	1,200,006	90,001	-
Issued at February 28, 2007	1,200,007	90,001	-
Issued during the period:			
-for cash at \$0.075	201,667	15,125	-
-for cash at \$0.15	4,000,000	600,000	-
Agent commission	-	(60,000)	-
Agent options	-	(52,000)	52,000
Share issue cost	-	(21,225)	-
Stock-based compensation	-	-	86,400
Issued at August 31, 2007 (unaudited)	5,401,674	\$ 571,901	\$ 138,400

At August 31, 2007, 1,401,674 shares of the Company are subject to an Escrow Agreement pursuant to policies of the TSX Venture Exchange. Under the terms of the Escrow Agreement, 10% of the escrowed shares will be released from escrow upon the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be release on each of the dates 6 months, 12 months, 18 months, 24 months 30 months and 36 months following Initial Release. Shares held in escrow will be cancelled should the Company fail to complete its Qualifying Transaction or become de-listed.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 - SHARE CAPITAL (continued)

In July 2007, the Company completed an offer to the public by prospectus in British Columbia and Alberta (the "Offering") of 4,000,000 common shares at a price of \$0.15 per share for gross proceeds of \$600,000, before commission and issue costs. The Company paid the Agent a cash commission of \$60,000 (10%) of the gross proceeds, an administration fee of \$10,000 and granted Agent's Options entitling the Agent to acquire 400,000 common shares at a price of \$0.15 per share until July 20, 2009. The Agent has a right of first refusal to act as the Company's agent in respect of any future equity financings that the Company may undertake within 24 months from the date the Issuer's Shares commence trading on the TSX Venture Exchange. Should the Agent decline to exercise its right of first refusal on any equity financing, it will retain a right of participation for up to 15% of said financing. Additionally, the Agent will have a separate right of first refusal to act as the Company's sponsor with respect to any Qualifying Transaction undertaken within a period of 24 months from the closing of the Offering. The proceeds of this public offering are to be used to pay offering costs and to provide funds to identify and evaluate assets or business prospects.

Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grants to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for the issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised after the greater of four months after grant of option or after completion of the qualifying transaction.

In July 2007, the Company granted options to directors, officers and technical consultants to purchase a total of 540,000 common shares of the Company at the price of \$0.15 per share exercisable for a period of up to five years from the date the Company's common shares are listed for trading on the Exchange.

A summary of the status of the Company's stock option plan as of March 31, 2007 and March 31, 2006 and changes during the periods then ended is presented below:

	August 31, 2007		August 31, 2006	
	Number of	Weighted	Number of	Weighted
	Shares	Average	Shares	Average
		Exercise		Exercise
		Price		Price
Outstanding, beginning balance	-	\$ -	-	\$ -
Granted	540,000	0.15	-	-
Exercised	-	-	-	-
Outstanding, ending balance	540,000	\$ 0.15	-	\$ -

At August 31, 2007, 540,000 share purchase options were outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Options	Exercise Price	Expiry Date
540,000	\$ 0.15	20-Jul-12

The fair value of stock options granted pursuant to the incentive stock option plan is \$86,400. This has been determined using the Black-Scholes Option Pricing Model with the following assumptions: - risk free interest rate of 4.32%; - expected life of 60 months and - expected volatility of 49%.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 - SHARE CAPITAL (continued)

Agent Options

At August 31, 2007, 400,000 agent options were outstanding entitling the holders thereof the right to purchase one unit for each option held as follows:

Options	Exercise Price	Expiry Date
400,000	\$ 0.15	20-Jul-09

The fair value of agent options granted pursuant to the Offering is \$52,000. This has been determined using the Black-Scholes Option Pricing Model with the following assumptions: - risk free interest rate of 4.32%; - expected life of 24 months and - expected volatility of 49%.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option and warrant grants.

NOTE 5 - INCOME TAXES

As at August 31, 2007, the Company has non-capital losses for Canadian income tax purposes of approximately \$56,627 which may be used to reduce future taxable income in Canada, expiring in 2028. In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period. A valuation allowance has been provided against all net future tax assets, as realization of such net assets is uncertain.