

ATW VENTURE CORP.

FINANCIAL STATEMENTS

February 28, 2007

Management's Responsibility for Financial Reporting

To the Shareholders of
ATW Venture Corp.

The accompanying financial statements of ATW Venture Corp. have been prepared in accordance with Canadian generally accepted accounting principals consistent with previous quarters and years.

Management is responsible for the integrity of the financial statements. Systems of internal control are designed and maintained by management to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board exercises this responsibility through the Audit Committee of the Board. This committee meets with management to satisfy itself that management's responsibilities are properly discharged and to review the financial statements before they are presented to the Board of Directors for approval.

"Graham Harris"
Graham Harris
Director

"Andrew W. Bowering"
Andrew W. Bowering
Director

Vancouver, Canada
June 27, 2007

AUDITORS' REPORT

To the Shareholders of
ATW Ventures Corp.

We have audited the balance sheets of ATW Ventures Corp. as at February 28, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended February 28, 2007 and for the period from incorporation on March 7, 2005 to February 28, 2006. 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 year ended February 28, 2007 and for the period from incorporation on March 7, 2005 to February 28, 2006 in accordance with Canadian generally accepted accounting principles.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

May 24, 2007

A Member of SC INTERNATIONAL

ATW VENTURE CORP.
STATEMENTS OF OPERATIONS AND DEFICIT

	Year Ended February 28, 2007	Period from Incorporation on March 7, 2005 to February 28, 2006
EXPENSES		
Advertising and promotion	\$ 2,675	\$ -
Amortization	2,941	-
Investor relations	22,215	-
Management fees	143,815	-
Office	37,744	1,253
Professional fees	75,761	16,451
Property investigation and due diligence	10,270	-
Regulatory and shareholder services	100,678	840
Stock-based compensation (Note 5)	274,327	-
Travel and entertainment	92,734	1,189
	<u>(763,160)</u>	<u>(19,733)</u>
Loss before other items and taxes		
OTHER ITEMS		
Write-down of mineral property interests (Note 4)	(73,185)	-
Interest income	24,927	-
	<u>(811,418)</u>	<u>(19,733)</u>
Loss before taxes		
Future income tax recovery (Note 7)	43,000	-
	<u>(768,418)</u>	<u>(19,733)</u>
Loss for the period		
Deficit, beginning of period	(19,733)	-
Deficit, end of period	\$ (788,151)	\$ (19,733)
Basic and diluted loss per common share		
	\$ (0.06)	\$ (0.01)
Weighted average number of common shares outstanding		
	12,213,055	1,863,510

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

ATW VENTURE CORP.
STATEMENTS OF CASH FLOWS

	Year Ended February 28, 2007	Period from Incorporation on March 7, 2005 to February 28, 2006
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (768,418)	\$ (19,733)
Items not affecting cash:		
Amortization	2,941	-
Stock-based compensation	274,327	-
Write-down of mineral property interests	73,185	-
Future income tax recovery	(43,000)	-
Changes in non-cash working capital items		
Increase in receivables	(7,736)	(764)
Increase in prepaids	(4,335)	-
Increase in accounts payable and accrued liabilities	93,236	8,272
Net cash used in operating activities	<u>(379,800)</u>	<u>(12,225)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Shares issued for cash	2,118,000	180,000
Share issue costs	(197,333)	-
Net cash provided by financing activities	<u>1,920,667</u>	<u>180,000</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of equipment	(19,606)	-
Mineral property expenditures	(322,452)	(3,000)
Net cash used in investing activities	<u>(342,058)</u>	<u>(3,000)</u>
Increase in cash during the period	1,198,809	164,775
Cash, beginning of period	<u>164,775</u>	<u>-</u>
Cash, end of period	<u>\$ 1,363,584</u>	<u>\$ 164,775</u>
Supplementary disclosure with respect to cash flows (Note 8)		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ATW Venture Corp., (formerly Pacific Mariner Mining Corp.), (the "Company") was incorporated March 7, 2005 under the laws of the Province of British Columbia. On November 3, 2005, the Company changed its name to ATW Venture Corp. The Company's business is to acquire, explore and develop interests in mining projects.

On November 23, 2006 the Company completed filing its prospectus for an initial public offering ("IPO") in British Columbia and Alberta and became a reporting issuer in those jurisdictions. The Company trades publicly on the TSX Venture Exchange.

The recoverability of the amounts shown for mineral property interests in the Company's balance sheet is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the development of its properties, the receipt of necessary permitting and upon achieving future profitable production or receiving proceeds from the disposition of the properties. The timing of such events occurring, if at all, is not yet determinable.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Equipment consists of computer equipment and is recorded at cost. Amortization is recognized using the declining balance method at a rate of 30% per annum.

Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

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

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Stock-based compensation

The fair value of stock options granted is determined using the Black-Scholes option pricing model and recorded as stock-based compensation expense over the vesting period of the stock options.

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.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The Company records a future income tax liability and a reduction in capital stock for the estimated tax benefits transferred to shareholders.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not recognized in previous periods, due to the recording of a valuation allowance, will be recognized as a recovery of income taxes in the statement of operations.

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.

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

ATW VENTURE CORP.
NOTES TO THE FINANCIAL STATEMENTS,
For the year ended February 28, 2007

3. EQUIPMENT

	February 28, 2007			February 28, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 19,606	\$ 2,941	\$ 16,665	\$ -	\$ -	\$ -

4. MINERAL PROPERTY INTERESTS

The Company's mineral property interests are comprised of properties located in British Columbia, Canada and in Argentina.

	Canada	Argentina	Total
Balance, March 7, 2005	\$ -	\$ -	\$ -
Geological and engineering	3,000	-	3,000
Balance, February 28, 2006	3,000	-	3,000
Acquisition costs	-	139,022	139,022
Exploration expenditures			
Geochemistry	890	4,029	4,919
Drilling and metallurgical	48,703	-	48,703
Geological and engineering	18,245	55,303	73,548
Earthworks	-	21,408	21,408
General administration	9,037	7,586	16,623
Maintenance	7,877	-	7,877
Field supplies	239	-	239
Travel and accommodation	4,688	30,207	34,895
	89,679	257,555	347,234
Write-down of mineral property interests	-	(73,185)	(73,185)
Balance, February 28, 2007	\$ 92,679	\$ 184,370	\$ 277,049

4. MINERAL PROPERTY INTERESTS (cont'd...)

CANADA

On February 14, 2006, the Company acquired an option from Mountain Boy Minerals Ltd. ("Mountain Boy") whereby the Company can earn up to 80% of Mountain Boy's interest in its 100% owned Carp Property by spending \$800,000 on exploration over a four year period as follows:

	Exploration Expenditures	
by February 14, 2007	\$ 100,000	(completed subsequently)
by February 14, 2008	100,000	
by February 14, 2009	200,000	
by February 14, 2010	400,000	
	<u>800,000</u>	
	\$	

ARGENTINA

(a) Amarillo

On December 4, 2006, the Company signed a letter of intent and paid a non-refundable deposit of \$65,837 (US\$57,500) to carry out due diligence on Marifil Mines Ltd.'s ("Marifil") Amarillo property located in Argentina and to acquire an option to earn an interest in the property.

On December 11, 2006 the Company signed an option agreement with Marifil and Marifil S.A., a wholly-owned subsidiary of Marifil, whereby the Company can earn a 51% interest in the Amarillo property by spending US\$4,000,000 in exploration and development over a three year period and making certain cash and share payments totaling US\$282,500 and 262,500 shares. Upon earning a 51% interest the Company can elect to increase its ownership to 60% by spending an additional US\$1,500,000 in each of years five and six of the agreement and paying US\$150,000 per year as follows:

to earn 51%	Exploration Expenditures	Payments	
		Cash	Shares
by December 4, 2006	US\$ -	US\$ 57,500	37,500
by January 17, 2008	500,000	50,000	50,000
by January 17, 2009	1,000,000	75,000	75,000
by January 17, 2010	<u>2,500,000</u>	<u>100,000</u>	<u>100,000</u>
	US\$ <u>4,000,000</u>	US\$ <u>282,500</u>	<u>262,500</u>
to earn additional 9%			
by January 17, 2011	US\$ -	150,000	
by January 17, 2012	1,500,000	150,000	
by January 17, 2013	<u>1,500,000</u>	<u>-</u>	
	US\$ <u>3,000,000</u>	<u>300,000</u>	

The Company can elect to earn a further 5% interest by delivering a bankable feasibility study within six years of the agreement or eight years if the Company finds a mineral deposit in excess of 50 million tonnes. Finally the Company can increase its interest a further 5%, bringing the ownership interest to 70%, by agreeing to provide financing for Marifil's entire share of expenses to the commencement of commercial production.

4. MINERAL PROPERTY INTERESTS (cont'd...)

(b) Amiche

On February 14, 2007 the Company signed a non-binding Memorandum of Understanding (the "Memorandum") with Entropy Resources Ltd ("Entropy") and paid a non-refundable deposit of \$73,185 (US\$61,500) which sets out the terms and conditions upon which the Company and Entropy would negotiate an agreement whereby the Company would be granted an option to acquire up to a 75% interest in the property.

On May 1, 2007 the Company informed Entropy that the agreement was terminated due to breaches of the warranties and representations in the agreement and accordingly the deposit paid has been written off to operations for the year ended February 28, 2007.

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited number of common shares without par value			
Issued			
Private placements	6,000,000	\$ 180,000	\$ -
Balance, February 28, 2006	6,000,000	180,000	-
Private placements	2,940,000	735,000	-
Exercise of warrants	3,005,000	33,000	-
Prospectus offering	3,000,000	1,350,000	-
Share issue costs	-	(311,700)	114,367
Stock-based compensation	-	-	274,327
Tax benefits renounced to flow-through share subscribers (Note 8)	-	(43,000)	-
Balance, February 28, 2007	14,945,000	\$ 1,943,300	\$ 388,694

During the year ended February 28, 2007, the Company:

- a) Completed filing a prospectus for an IPO on November 23, 2006 for 3,000,000 units at a price of \$0.45 per unit. Each unit consists of one common share and one-half share purchase warrant, where each whole warrant entitles the holder to purchase one additional common share at a price of \$0.60 for a period of one year from the date of closing. In the event the common shares of the Company trade at a price of \$1.20 or more for thirty consecutive trading days (the "Acceleration Event"), the expiry of the warrants shall accelerate to thirty days after the holders have received notice of the Acceleration Event.

Pursuant to an Agency Agreement with Blackmont Capital Inc. (the "Agent"), the Agent received a cash commission equal to 10% of the gross proceeds raised, Agent's warrants equal to 15% of the total number of units sold, a corporate finance fee of \$25,000, plus reimbursement of legal and other costs. Each Agent's warrant has the same terms as the offering. The 450,000 Agent's warrants issued have a fair value of \$114,367.

ATW VENTURE CORP.
NOTES TO THE FINANCIAL STATEMENTS,
For the year ended February 28, 2007

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

- b) Issued 3,005,000 shares for proceeds of \$33,000 pursuant to the exercise of warrants.
- c) Issued 2,940,000 common shares pursuant to several private placements at a price of \$0.25 per share for total proceeds of \$735,000.

During the period ended February 28, 2006, the Company:

- a) Issued 3,000,000 units at \$0.01 per unit for proceeds of \$30,000. Each unit consisted of one common share and one share purchase warrant exercisable until April 30, 2006 at an exercise price of \$0.01.
- b) Issued 600,000 common shares at \$0.05 per share for proceeds of \$30,000.
- c) Issued 2,400,000 flow-through shares at \$0.05 per share for proceeds of \$120,000.

At February 28, 2007, 8,572,500 shares are held in escrow, of which 1,428,750 will be released every six months.

Stock options

The Company adopted a Stock Option Plan (the "Plan") whereby the Company can grant stock options to directors, officers, employees and consultants enabling them to acquire up to 10% of the issued common shares of the Company. Under the Plan, the exercise price may not be less than the last price per common share sold for cash (other than as the exercise of stock options) immediately before the date of grant. Options granted can have a maximum term of five years and the board of directors can determine the vesting requirements.

As at February 28, 2007 the following stock options are outstanding:

Number Of Shares	Exercise Price	Expiry Date
1,080,000	\$ 0.45	May 4, 2008
<u>400,000</u>	\$ 0.80	December 2, 2011
<u>1,480,000</u>		

Stock option transactions are summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, February 28, 2006	-	\$ -
Options granted	<u>1,480,000</u>	0.54
Balance, February 28, 2007	<u>1,480,000</u>	<u>\$ 0.54</u>
Number of options currently exercisable	<u>1,480,000</u>	<u>\$ 0.54</u>

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock-based compensation

The Company uses the Black-Scholes option pricing model to determine the fair value of options. Total stock-based compensation recognized during the year ended February 28, 2007 was \$274,327. The weighted average fair value of stock options granted during the year ended February 28, 2007 was \$0.19 per option.

The following weighted average assumptions were used for the valuation of stock options:

	February 28, 2007
Risk-free interest rate	4.04%
Expected life	2.81 years
Annualized volatility	75%
Dividend rate	0.00%

Warrants

As at February 28, 2007 the following warrants are outstanding:

Number Of Warrants	Exercise Price	Expiry Date
1,495,000	\$ 0.60	November 23, 2007
<u>450,000</u>	<u>\$ 0.60</u>	<u>November 23, 2007</u>
<u>1,945,000</u>		

Share purchase warrant transactions are summarized as follows:

	Number Of Shares	Weighted Average Exercise Price
Issued	3,000,000	\$ 0.01
Exercised	-	-
Expired	<u>-</u>	<u>-</u>
Balance, February 28, 2006	3,000,000	0.01
Issued	1,950,000	0.60
Exercised	<u>(3,005,000)</u>	<u>0.01</u>
Balance, February 28, 2007	<u>1,945,000</u>	<u>\$ 0.60</u>

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

The Company used the Black-Scholes option pricing model to estimate the fair value of the 450,000 broker warrants issued as part of the Agency Agreement with Blackmont Capital Inc. and had a weighted average fair value of \$0.18 per broker warrant. The following weighted average assumptions were used:

Risk-free interest rate	4.00%
Dividend yield	Nil
Expected volatility	75.0%
Expected warrant life	1 year

6. RELATED PARTY TRANSACTIONS

During the year ended February 28, 2007, the Company paid or accrued management fees of \$127,815 (February 28, 2006 - \$Nil) to a company controlled by the president of the Company and \$16,000 (February 28, 2006 - \$Nil) to a director of the Company. The Company also paid \$15,000 (February 28, 2006 - \$Nil) in investor relations fees to a director of the Company.

Included in accounts payable is an amount of \$41,976 (2006 - \$Nil) owing to directors and officers of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. INCOME TAX

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

	Year ended February 28, 2007	Period from Incorporation on March 7, 2005 to February 28, 2006
Loss for the period before income taxes	\$ (811,418)	\$ (19,733)
Income tax recovery at statutory rates	\$ (290,000)	\$ (7,500)
Non-deductible items	144,000	30
Share issuance costs	(14,000)	-
Unrecognized benefit of non-capital losses	117,000	7,470
Total future income tax recovery	\$ (43,000)	\$ -

7. INCOME TAX (cont'd...)

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

	February 28, 2007	February 28, 2006
Future income tax assets:		
Equipment	\$ 1,000	\$ -
Mineral property interests and deferred exploration costs	(2,000)	-
Non-capital losses carried forward	<u>144,000</u>	<u>7,000</u>
	143,000	7,000
Valuation allowance	<u>(143,000)</u>	<u>(7,000)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

During the period ended February 28, 2006, the Company issued 2,400,000 shares on a flow through basis for gross proceeds of \$120,000 which were renounced in February 2007 resulting in a future income tax recovery of \$43,000 and a charge against capital stock.

The Company has non-capital losses of approximately \$463,000 available for deduction against future taxable income. These losses, if not utilized, will expire up to 2027. Future tax benefits which may arise as a result of these non-capital losses and other tax assets have not been recognized in these financial statements and have been offset by a valuation allowance.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash financing or investing transactions for the period ended February 28, 2007 included:

- a) Issuing 450,000 agent's warrants with a fair value of \$114,367 recorded as share issue costs.
- b) Incurring \$24,782 of mineral property expenditures through accounts payable.

There were no significant non-cash financing or investing transactions for the period ended February 28, 2006.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, 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.

10. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. Geographical information is as follows:

	February 28, 2007	February 28, 2006
Capital Assets		
Canada	\$ 109,344	\$ 3,000
Argentina	<u>184,370</u>	<u>-</u>
	<u>\$ 293,714</u>	<u>\$ 3,000</u>

11. SUBSEQUENT EVENTS

Subsequent to the year end, the Company:

- a) Completed a private placement for 5,000,000 units at a price of \$0.64 per unit for gross proceeds of \$3,200,000. Each unit consists of one common share and one-half share purchase warrant, where each whole warrant entitles the holder to purchase one additional common share at a price of \$0.80 for a period of one year from the date of closing. The Company paid finders fees of \$256,009 for the placement.
- b) Granted 514,000 stock options to certain directors, officers, employees and consultants. The options have a term of five years and are exercisable at a price of \$0.95 per share.
- c) Issued 37,500 shares to Marifil Mines Ltd. pursuant to option agreement on the Amarillo property.
- d) Issued 689,750 shares pursuant to the exercise of warrants for gross proceeds of \$413,850.