

WESTERN SIERRA MINING CORP.**(An Exploration Stage Company)****Consolidated Balance Sheets****Unaudited**

	ASSETS	March 31, 2008	December 31, 2007
CURRENT ASSETS			
Cash and cash equivalents		\$ 10,798	\$ 4,416
Other assets		-	-
Total current assets		<u>10,798</u>	<u>4,416</u>
PROPERTY AND EQUIPMENT, net		600,000	894,797
MINING PROPERTIES		<u>1,842,399</u>	<u>1,842,399</u>
Total Assets		<u>\$ 2,453,197</u>	<u>\$ 2,741,612</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable		\$ 12,800	\$ -
Accrued expenses		472,500	420,000
Loans from shareholders		207,450	207,450
Current maturities of notes payable		-	-
Total current liabilities		<u>692,750</u>	<u>627,450</u>
NOTES PAYABLE		286,928	286,928
STOCKHOLDERS' EQUITY			
Common stock - par value \$.001 200,000,000 shares authorized; 168,338,187 and 168,338,187 shares issued and outstanding respectively		168,338	168,338
Paid-in capital		5,868,539	5,868,539
Accumulated Deficit		<u>(4,563,358)</u>	<u>(4,209,643)</u>
Total stockholders' equity		<u>1,473,519</u>	<u>1,827,234</u>
Total Liabilities and Stockholders' Equity		<u>\$ 2,453,197</u>	<u>\$ 2,741,612</u>

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

WESTERN SIERRA MINING CORP.
(An Exploration Stage Company)
Consolidated Statement of Stockholders' Equity
Unaudited

	Common Stock		Paid-in Capital	Accumulated Deficit	Stock To be Issued	Stock To be Cancelled	Subscription Receivable	Deferred Interest	Total
	Shares	Amount							
Issuance of stock to founders (\$.001/share)	14,238,100	\$ 14,238							\$ 14,238
Issuance of stock for cash (\$.20/share)	4,216,165	4,216	\$ 839,018				\$ (29,400)		813,834
Issuance of stock for vehicles and equipment (\$.20/share)	517,165	517	102,916						103,433
Issuance of stock for interest (\$.20/share)	166,030	166	33,040						33,206
Issuance of stock for services and expenses (\$.20/share)	862,540	863	171,645						172,508
Stock to be issued for cash received (\$.20/share)					\$ 129,500				129,500
Reverse acquisition of Western Sierra, Inc.	2,529,685	2,530	(2,530)						-
Cash received for subscriptions (\$.20/share)	647,500	647	128,853		(129,500)				-
Issuance of stock for cash (\$.20/share)	81,580	81	16,235						16,316
Issuance of stock for deferred interest (\$.20/share)	1,526,667	1,527	303,806				\$ (305,333)		-
Amortization of deferred interest							44,101		44,101
Net loss for period				\$ (998,781)					(998,781)
Balance, December 31, 2003	24,785,432	\$ 24,785	\$ 1,592,983	\$ (998,781)	\$ -	\$ -	\$ (29,400)	\$ (261,232)	\$ 328,355
Issuance of stock for cash, January 1 - December 31, 2004 (\$.20/share)	3,842,708	3,843	740,174						744,017
Issuance of stock for materials and equipment (\$.20/share)	104,240	104	20,760						20,864
Issuance of stock for compensation and consulting (\$.20/share)	1,359,000	1,359	270,441		141,179				412,979
Issuance of replacement shares	505,007	505				(505)			-
Write off uncollectible subscription receivable			(29,400)				29,400		-
Amortization of deferred interest							261,232		261,232
Net loss for period				(1,346,520)					(1,346,520)
Balance, December 31, 2004	30,596,387	\$ 30,596	\$ 2,594,958	\$ (2,345,301)	\$ 141,179	\$ (505)	\$ -	\$ -	\$ 420,927
Issuance of stock for cash, January 1 - December 31, 2005 (\$.21/share)	932,449	933	201,803						202,736
Issuance of stock for acquisition of mining property, July 27, 2005 (\$.15/share)	10,261,317	10,261	1,528,936						1,539,197
Issuance of stock for professional fees (\$.15/share)	4,050,000	4,050	603,450						607,500
Issuance of stock for exploration costs (\$.025/share)	10,030,755	10,031	240,738		(105,884)				144,885
Issuance of stock for compensation (\$.025/share)	3,343,585	3,343	80,246		(35,295)				48,294
Effect 2-for-1 stock split, July 1, 2005	41,004,528	41,005	(41,005)						-
Net loss for period				(909,074)					(909,074)
Balance, December 31, 2005	100,219,021	\$ 100,219	\$ 5,209,126	\$ (3,254,375)	\$ -	\$ (505)	\$ -	\$ -	\$ 2,054,465
Issuance of stock for cash, January 25, 2006 (\$.02/share)	5,850,000	5,850	106,525						112,375
Issuance of stock for cash, November 14, 2006 (\$.02/share)	1,250,000	1,250	23,750						
Issuance of stock for interest, December 4, 2006 (\$.02/share)	2,000,000	2,000	18,000						
Issuance of stock for professional fees (\$.01/share)	1,019,166	1,019	9,364			505			10,888
Issuance of stock for exploration costs (\$.01-.025/share)	29,580,000	29,580	311,220						340,800
Net loss for period				(717,986)					(717,986)
Balance, December 31, 2006	139,918,187	\$ 139,918	\$ 5,677,985	\$ (3,972,361)	\$ -	\$ -	\$ -	\$ -	\$ 1,845,542
Net loss for period				(62,323)					(62,323)
Balance, March 31, 2007	139,918,187	\$ 139,918	\$ 5,677,985	\$ (4,034,684)	\$ -	\$ -	\$ -	\$ -	\$ 1,783,219
Issuance of stock for cash, May 25, 2007 (\$.008/share)	900,000	900	6,300						7,200
Net loss for period				(59,697)					(59,697)
Balance, June 30, 2007	140,818,187	\$ 140,818	\$ 5,684,285	\$ (4,094,381)	\$ -	\$ -	\$ -	\$ -	\$ 1,730,722
Issuance of stock for acquisition of mining property, July 9, 2007 (\$.008/share)	15,000,000	15,000	105,000						120,000
Issuance of stock for conversion of debt to equity, July 9, 2007 (\$.008/share)	7,500,000	7,500	42,500						50,000
Issuance of stock for professional fees (\$.008/share)	10,000	10	70						80
Net loss for period				(59,795)					(59,795)
Balance, September 30, 2007	163,328,187	\$ 163,328	\$ 5,831,855	\$ (4,154,176)	\$ -	\$ -	\$ -	\$ -	\$ 1,841,007
Issuance of stock for acquisition of mining property, October 15, 2007 (\$.008/share)	4,000,000	4,000	28,000						32,000
Issuance of stock for professional fees (\$.008/share)	210,000	210	1470						1,680
Issuance of stock for cash, November 18, 2007 (\$.008/share)	800,000	800	7,214						8,014
Net loss for period				(55,467)					(55,467)
Balance, December 31, 2007	168,338,187	\$ 168,338	\$ 5,868,539	\$ (4,209,643)	\$ -	\$ -	\$ -	\$ -	\$ 1,827,234
Net loss for period				(353,715)					(353,715)
Balance, March 31, 2008	168,338,187	\$ 168,338	\$ 5,868,539	\$ (4,563,358)	\$ -	\$ -	\$ -	\$ -	\$ 1,473,519

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

WESTERN SIERRA MINING CORP.
(An Exploration Stage Company)
Consolidated Statements of Operations
Unaudited

	For the Three Months Ended March 31, <u>2007</u>	For the Three Months Ended March 31, <u>2008</u>	From February 25, 2003 (Inception) through March 31, <u>2008</u>
REVENUES	\$ -	\$ -	\$ -
OPERATING COSTS AND EXPENSES			
Compensation	11,250	13,125	1,228,186
Employee expenses	-	-	44,082
Professional fees	125	2,125	971,974
Exploration expenses	49,944	43,005	1,093,374
Legal and professional	-	-	98,326
Vehicle and equipment expenses	-	-	70,384
Rent	-	-	48,241
Insurance	-	-	19,753
Licenses, permits, fees	-	-	38,898
Depreciation	-	-	135,391
Office expenses	839	662	69,231
Reporting company expenses	165	-	12,175
Supplies	-	-	29,064
Organization expenses	-	-	14,181
Total Expenses	<u>62,323</u>	<u>58,917</u>	<u>3,873,260</u>
Operating Loss	(62,323)	(58,917)	(3,873,260)
OTHER INCOME (EXPENSES)			
Loss on disposal of assets	-	-	(31,964)
Impairment	-	(294,798)	(294,798)
Interest income	-	-	18
Interest expense	-	-	(363,354)
Income before income taxes	(62,323)	(353,715)	(4,563,358)
Provision for income taxes	-	-	-
NET INCOME (LOSS)	<u>(62,323)</u>	<u>(353,715)</u>	<u>\$ (4,563,358)</u>
Earnings Per Share (see Note 2):			
Basic and diluted weighted average number of common shares outstanding	<u>139,918,187</u>	<u>168,338,187</u>	<u>94,569,021</u>
Basic and diluted net loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.05)</u>

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

WESTERN SIERRA MINING CORP.

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Consolidated Statements of Cash Flows

Unaudited

	For the Three Months Ended March 31, <u>2007</u>	For the Three Months Ended March 31, <u>2008</u>	From February 25, 2003 (Inception) through March 31, <u>2008</u>
Cash flows from operating activities:			
Net loss	\$ (62,323)	\$ (353,715)	\$ (4,563,358)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	-	-	179,491
Issuance of shares to founders for organization costs	-	-	14,238
Issuance of shares for exploration, compensation and expenses	-	-	1,739,615
Issuance of shares for interest expense	-	-	53,206
Loss on disposal of assets	-	-	31,964
Impairment	-	294,798	294,798
Amortization of deferred interest	-	-	261,232
(Increase) decrease in assets:			
Other assets	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	52,500	65,299	485,299
 Total adjustments	<u>52,500</u>	<u>360,097</u>	<u>3,059,843</u>
 Net cash used in operating activities	 (9,823)	 6,382	 (1,503,515)
Cash flows from investing activities:			
Purchases of property and equipment	-	-	(313,045)
Proceeds from sales of property and equipment	-	-	14,600
Cash paid for plant development costs	-	-	(844,220)
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(1,142,665)</u>
Cash flows from financing activities:			
Issuance of stock for cash	-	-	2,058,991
Payments on borrowings	-	-	(124,999)
Proceeds from borrowings	-	-	723,086
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>2,657,078</u>
 Net increase(decrease) in cash and cash equivalents	 (9,823)	 6,382	 10,898
 Cash and cash equivalents at beginning of period	 <u>15,926</u>	 <u>4,416</u>	 <u>-</u>
 Cash and cash equivalents at end of period	 <u>\$ 6,103</u>	 <u>\$ 10,798</u>	 <u>\$ 10,898</u>
 <u>Supplemental cash flow information:</u>			
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,814</u>
 Cash paid during the period for income taxes	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 <u>Noncash investing and financing activities:</u>			
Acquisition of vehicles and equipment by issuance of stock	\$ -	\$ -	\$ 124,297
Acquisition of mining property by issuance of stock	\$ -	\$ -	\$ 1,751,197
Note issued for acquisition of equipment	\$ -	\$ -	\$ 9,000
Issuance of stock for deferred interest	\$ -	\$ -	\$ 229,000

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

WESTERN SIERRA MINING CORP.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - Organization and Basis of Presentation

Western Sierra Mining Corp. ("Western Sierra", "the Company", "we" or "us")(formerly Global Decs Corp.) was formed in 1907 in the State of Utah to engage in gold and other precious mineral mining. The Company is currently a development stage enterprise.

On December 1, 2003 we entered into a Share Exchange Agreement with Western Sierra, Inc., whereby Western Sierra, Inc. became a wholly owned subsidiary of Western Sierra Mining Corp. The agreement provided for the exchange of 20,000,000 shares of the Company's common stock for 4,000,000 shares or 100% of the outstanding common stock of Western Sierra, Inc. The shareholders of Western Sierra, Inc. owned approximately 90% of the stock of Western Sierra Mining Corp. after consummation of the transaction. Western Sierra, Inc. was subsequently dissolved and all operations transferred into Western Sierra Mining Corp.

NOTE 2 - Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers those short-term, highly liquid investments with original maturities of three months or less as cash and cash equivalents.

Mining, Milling and Other Property and Equipment

Mining, milling and other property and equipment is reported at cost. It is the Company's policy to capitalize costs incurred to improve and develop the mining properties. General exploration costs and costs to maintain rights and leases are expensed as incurred. Management periodically reviews the recoverability of the capitalized mineral properties and mining equipment. Management takes into consideration various information including, but not limited to, historical production records taken from previous mine operations, results of exploration activities conducted to date, estimated future prices and reports and opinions of outside consultants. When it is determined that a project or property will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or property.

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Depletion of mining improvements will be computed using the units of production method. The Company has made no provision for depletion for the period from February 25, 2003 (inception) to March 31, 2008 as production had not commenced.

Provision is made for depreciation of office furniture fixtures and equipment, machinery and equipment, and building. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which are 5 to 10 years.

Impairment of Long-Lived Assets

In accordance with Statement of Financial Accounting Standards ("SFAS") 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," the Company reviews its long-lived assets for impairments. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts. The Company recognized an impairment loss of \$294,798 at March 31, 2008.

Revenue Recognition

Revenues, if any, from sales of minerals will be recognized when earned.

Earnings Per Share

The weighted average number of shares used for computing earnings per share has been restated to retroactively affect the five for one exchange of stock, pursuant to the Share Exchange Agreement between Western Sierra Mining Corp. and Western Sierra, Inc. effective December 1, 2003.

Foreign Currency Translation

All assets and liabilities of the Company's Mexican subsidiary are denominated in US dollars. Amounts on the statement of operations are translated at the average exchange rates during the year. Gains and losses arising from translation of foreign currency are immaterial and are included in the determination of net loss.

Income Taxes

The Company records deferred income taxes using the liability method as prescribed under the provisions of SFAS No. 109. Under the liability method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement and income tax bases of the Company's assets

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and liabilities. An allowance is recorded, based upon currently available information, when it is more likely than not that any or all of the deferred tax assets will not be realized. The provision for income taxes includes taxes currently payable, if any, plus the net change during the year in deferred tax assets and liabilities recorded by the Company

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures 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 these estimates.

Environmental Remediation Costs

Environmental remediation costs are accrued based on estimates of known environmental remediation exposure. Such accruals are recorded even if significant uncertainties exist over the ultimate cost of the remediation. It is reasonably possible that the Company's estimates of reclamation liabilities, if any, could change as a result of changes in regulations, extent of environmental remediation required, means of reclamation or cost estimates. Ongoing environmental compliance costs, including maintenance and monitoring costs, are expensed as incurred. There were no environmental remediation costs accrued at March 31, 2008.

Recently Issued Accounting Pronouncements

SFAS No. 149 "Amendment of Statement 133 on derivative instruments and hedging activities". This statement amends and clarifies financial accounting and reporting for derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS 133, "Accounting for derivative instruments and hedging activities".

SFAS No. 150 "Accounting for certain financial instruments with characteristics of both liabilities and equity". This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity.

The Company believes that the above standards would not have a material impact on its financial position, results of operations or cash flows.

NOTE 3 - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of

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the Company's assets and the satisfaction of its liabilities in the normal course of business. Through March 31, 2008, the Company had incurred cumulative losses of \$4,563,358 and negative working capital of \$681,952 as of March 31, 2008. The Company's successful transition from an exploration stage company to attaining profitable operations is dependent upon obtaining financing adequate to fulfill its exploration activities, development of its properties and achieving a level of revenues adequate to support the Company's cost structure. Management's plan of operations anticipates that the cash requirements for the next twelve months will be met by obtaining capital contributions through the sale of its common stock and cash flows from operations. There is no assurance that the company will be able to implement the plan.

NOTE 4 - Stockholders' Equity

At various stages in the Company's development we have issued shares of common stock for services or assets with a corresponding charge to operations or property and equipment. In accordance with SFAS 123, these transactions have been recorded on the Company's books at the fair value of the consideration received or the fair value of the common stock issued, whichever is more reliably measured. The following equity transactions were recorded:

2003:

We issued 2,847,620 shares to founders for organization costs totaling \$14,239.

We issued 843,233 shares for cash consideration totaling \$843,233 of which \$29,400 was subscribed but not paid as of December 31, 2003.

We issued 103,433 shares for purchase of vehicles and equipment totaling \$103,433.

We issued 172,508 shares for employee compensation and expenses totaling \$172,508.

On March 12, 2003 two individuals advanced us a total of \$100,183. These advances were converted to common stock on August 30, 2003 at a rate of one share for each \$1.00 advanced to us for a total of 100,183 shares. We also issued an additional 33,206 shares in payment of interest on the advances valued at \$33,206.

On December 1, 2003 we entered into a Share Exchange Agreement with Western Sierra, Inc. whereby Western Sierra, Inc. became a wholly owned subsidiary of Western Sierra Mining Corp. (formerly Global Decs Corp.). The agreement provided for the exchange of 20,000,000 shares of the Company's common stock for 4,000,000 shares of common stock of Western Sierra, Inc. The shareholders of Western Sierra, Inc. owned approximately 90% of the stock of Western Sierra Mining Corp. after consummation of the transaction. The exchange was accounted for as a reverse acquisition. Accordingly, the combination of the two companies is recorded as a recapitalization of Western Sierra Inc., pursuant to which Western Sierra, Inc. is treated as the continuing entity. In accordance with the agreement, the board of directors of Western Sierra Mining Corp. authorized an amendment to the Articles of Incorporation to change the name of the

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corporation to from Global Decs Corp. to Western Sierra Mining Corp. As a result of the Share Exchange Agreement, Western Sierra, Inc. has become a wholly owned subsidiary of Western Sierra Mining Corp.

We received cash of \$129,500 for 129,500 shares to be issued as of December 31, 2003.

2004:

We issued 3,842,708 shares for cash consideration totaling \$708,017.

We issued 104,240 shares for purchase of equipment and materials totaling \$20,864.

We issued 1,359,000 shares for employee compensation totaling \$271,800.

2005:

We issued 932,449 shares for cash totaling \$202,736.

We issued 10,261,317 shares for purchase of a mining property totaling \$2,439,198.

We issued 4,050,000 shares for consulting fees totaling \$607,500.

We issued 10,030,755 for exploration costs totaling \$250,769.

We issued 3,343,585 shares for employee compensation totaling \$83,589.

On July 1, 2005, the Company authorized a 2-for-1 stock split.

2006:

We issued 7,100,000 shares for cash consideration totaling \$137,375.

We issued 2,000,000 shares for interest on debt totaling \$20,000.

We issued 1,019,166 shares for consulting fees totaling \$10,383.

We issued 29,580,000 shares for compensation totaling \$340,800.

2007:

We issued 1,700,000 shares for cash consideration totaling \$15,214.

We issued 26,500,000 shares as part of the purchase of a mining property totaling \$202,000.

We issued 220,000 shares for consulting fees totaling \$1,760.

The value of shares, other than shares issued as founder's shares, is based on the most recent market price as of the transaction date.

NOTE 5 - Joint Venture

In November 2003, Black Mountain our Mexican subsidiary, entered into a joint venture agreement with Escuadra whereby Black Mountain was granted the exclusive right to process and market minerals from approximately 35,000 tons of ore previously extracted from a mining property owned by Escuadra called the El Picacho.

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The agreement provides that Escuadra will be responsible for:

- Grinding and crushing the ore
- Hauling the ore to the plant
- Disposing of the tailings

The agreement provides that Black Mountain will be responsible for:

- Design and completion of the processing system
- Paying Escuadra \$5.00 per ton of ore processed.
- Processing the ore through the plant
- Transportation of the final product
- Marketing of the final product

Proceeds from sale of the minerals will be split evenly between Escuadra and Black Mountain after deduction of the following expenses:

- Hauling costs of the ore to the plant
- Processing of the ore by Escuadra to grind and crush
- Processing costs through the Black Mountain plant

The agreement further provides that additional amounts of ore may be considered for processing on the same basis. The agreement may be terminated by Black Mountain if we determine that there are insufficient gold resources to support the processing expenses.

NOTE 6 - Option To Acquire Mining Property

In November 2003 we formalized an agreement with Emilio Acuna Peralta, the owner of Escuadra, for an exclusive option, for a seven month period, to purchase a mining concession called Pirita, which is adjacent to the El Picacho. The agreement requires us to pay \$30,000 for the option which is expensed as exploration costs in the accompanying statement of operations. The agreement allows us full access to the concession for exploration activities during its term and provides for a purchase price of \$1,000,000 for the mining rights concession.

NOTE 7 - Acquisition of Mining Property

On July 27, 2005, the Company entered into an agreement with ASDI, LLC, ("ASDI"), whereby the Company obtained the rights to mine barite and placer gold on certain mineral claims owned by ASDI located in Crescent Valley, Nevada, hereafter referred to as Mud Springs., in exchange for a total of 10,261,317 shares of the Company's common stock valued at \$.15 per share for a total of \$1,539,137. Under the terms of the agreement, the Company will pay ASDI a royalty of \$5.00 per ton for each ton of barite

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mined and delivered. The Company will also pay ASDI 25% of the net profits from production from all placer gold removed from the Mud Springs property.

NOTE 8 - Mining, Milling and Other Property and Equipment

Property and equipment at December 31, consists of the following:

	<u>2004</u>	<u>2005</u>	<u>2006/2007</u>
Mining equipment	\$ 49,339	\$ 55,037	\$ 5,698
Shop tools and equipment	49,298	49,298	-
Office equipment	3,597	3,597	-
Vehicles	77,502	78,134	33,011
Picacho plant development costs	<u>694,106</u>	<u>844,220</u>	<u>878,648</u>
	873,842	1,030,286	917,357
Less: Accumulated depreciation	<u>(68,620)</u>	<u>(106,313)</u>	<u>(22,559)</u>
	<u>\$805,222</u>	<u>\$923,973</u>	<u>\$894,798</u>

NOTE 9 - Related Parties

2003:

In June, 2003, the Company acquired an RV to be used as a field office from the Company's Chairman and CEO in exchange for 7,500 shares of common stock and the assumption of \$9,000 of debt payable to a bank. In November, 2003, the Company issued 19,000 shares of common stock to the Company's Chairman and CEO for expenses of \$19,000 which he incurred on behalf of the Company and 97,708 shares of common stock for services and expenses totaling \$97,708.

In June, 2003, the Company issued 45,433 shares of common stock to a shareholder in exchange for equipment totaling \$45,433.

In September, 2003, the Company issued 50,100 shares of common stock to a shareholder in exchange for vehicles and equipment amounting to \$50,100

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In November, 2003, the Company issued 55,000 shares of common stock to the its officers and employees for services totaling \$55,000.

2004:

In July, 2004, the Company issued 144,000 shares of common stock to each of its directors in exchange for services totaling \$271,800.

2005:

In December, 2005, the Company issued 13,374,340 shares of common stock to its officers and employees in exchange for services totaling \$334,358. Also in December, 2005, the Company approved two year employment contracts for the CEO, COO and CFO at their current salary levels.

2006:

In January and December, the Company issued a total of 29,580,000 shares to its officers and employees in exchange for services totaling \$340,800.

NOTE 10 - Notes Payable

	<u>2005</u>	<u>December 31,</u> <u>2006</u>	<u>2007</u>
Notes payable to shareholders, unsecured, due October 23 - November 14, 2004, interest of 100% payable in shares of the Company's common stock	\$113,500	\$107,450	\$207,450
Notes payable to two shareholders, unsecured, due January 2, 2009, bearing no interest	<u>286,928</u>	<u>286,928</u>	<u>286,928</u>
	400,428	394,378	494,378
Less: Current portion	<u>(113,500)</u>	<u>(107,450)</u>	<u>(207,450)</u>
Long-Term Debt	<u>\$286,298</u>	<u>\$286,928</u>	<u>\$286,928</u>

Maturities of long-term debt are as follows:

2009	<u>286,298</u>
Total	<u>\$286,298</u>

WESTERN SIERRA MINING CORP.
AN EXPLORATION STAGE COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2008

During the period from October 23, to December 15, 2003, we received a total of \$229,000 in loan proceeds from nine individuals. The loans are payable at maturity one year from the date of issuance. In lieu of interest, pursuant to the note agreements we agreed to issue 1,526,667 shares of common stock to the nine individuals at a rate of one share for each \$.15 loaned to us. These shares, valued at \$229,000, are considered interest on the loans. The interest expense will be recognized over the twelve month period corresponding to the due dates of the loans.

During 2004, we received a total of \$286,298 in loan proceeds from two shareholders. The loans bear no interest and are payable January 2, 2009.

NOTE 11 - Income Taxes

No provision was made for income taxes since we have incurred an operating loss from inception. At March 31, 2008, we have incurred losses for federal income tax purposes of approximately \$2,644,252. Differences between financial statement and tax losses consist primarily of the reduction of amounts recorded for non-cash compensation and depreciation and amortization. Net operating losses may be used to reduce taxable income through the year 2027.

We have a deferred tax asset of \$1,057,701 at March 31, 2008 relating to our net operating losses. We recognized a valuation allowance of 100% for the net deferred tax asset of \$1,057,701.