

FORM 2A

ANNUAL LISTING STATEMENT

1. Table of Contents

1.	Table of Contents.....	1
2.	Corporate Structure	3
3.	General Development of the Business	4
3.1	Principle Business and Background.....	4
3.2	Recent Mining Acquisitions/Interests	5
3.3	Trends & Uncertainty	9
4.	Narrative Description of the Business.....	10
4.1	Description of the Business	10
4.3(1)	Property Description and Location – Material Asset – Extra High Property	10
4.3(2)	Accessibility, Climate, Local Resources, Infrastructure and Physiography – Extra High Property	14
4.3(3)	History – Extra High Property.....	14
4.3(4)	Geological Setting – Extra High Property.....	16
4.3(5)	Exploration Information – Extra High Property	18
4.3(6)	Mineralization – Extra High Property	19
4.3(7)	Drilling – Extra High Property	23
4.3(8)	Sampling and Analysis – Extra High Property.....	26
4.3(9)	Security of Samples – Extra High Property.....	27
4.3(10)	Mineral Resources and Mineral Reserves	27
4.3(11)	Mining Operations – Extra High Property	28
4.3(12)	Exploration, Development and 2007 Plans – Extra High Property.....	28
5.	Selected Consolidated Financial Information	30
5.1	Annual Information.....	31
5.2	Quarterly Information	32
6.	Management’s Discussion and Analysis	33
6.1	Management’s Discussion and Analysis – Fiscal Year End of December 31, 2007	33
6.2	Management’s Discussion and Analysis – Interim period ended March 31, 2008.....	49
7.	Market for Securities.....	63
8.	Consolidated Capitalization	63
9.	Options to Purchase Securities.....	64
10.	Prior Sales.....	65
10.1	Capital Stock.....	65
10.2	Prior Sales.....	65
10.3	Stock Exchange Price	67



11.	Escrowed Securities	68
12	Principal Shareholders	68
13.	Directors and Officers.....	69
	13.1 Backgrounds	69
	13.2 Directorships Since and Till	70
	13.3 Percentage of Securities owned by Directors and Officers as a group	70
	13.4 Board Committees and Members.....	71
	13.5 Principal Occupations of Directors and Officers.....	72
	13.6 Bankruptcy, Cease Trade, Penalties and Sanctions	73
14.	Capitalization.....	73
	14.1 Issued Capital, Public Float, Registered, Beneficial, Related Persons and Control Group Shareholders.....	73
	14.2 Securities convertible or exchangeable into any Class of listed securities.....	77
	14.3 Any Listed Securities Reserved for Issuance Not Included in Section 14.2	77
15.	Executive Compensation	78
16.	Indebtedness of Directors and Executive Officers.....	78
17	Risk Factors	79
	- Regulations:.....	79
	- Exploration and Development:	79
	- Operating Hazards and Risks:.....	79
	- Fluctuating Metal Prices:	80
	- Environmental Factors:.....	80
	- Competition:.....	80
	- Management:.....	80
	- Dilution:.....	80
	- Requirement of New Capital:.....	80
18.	Promoters	81
19.	Legal Proceedings	81
20.	Interest of Management and Others in Material Transactions.....	81
21.	Auditors, Transfer Agents, Registrar and Other Contacts.....	84
22.	Material Contracts	85
23.	Interest of Experts	86
24.	Other Material Facts	86
25.	Financial Statements	86
	CERTIFICATE OF THE ISSUER.....	87
	CERTIFICATE OF THE TARGET	88



2. Corporate Structure

2.1

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Registered Office: Suite #1600 – 609 Granville Street,
P.O. Box 10068, Pacific Centre
Vancouver, British Columbia, V7Y 1C3
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2.2 Incorporation

Zab Resources Inc. (the “Company” or “Zab” or the “Issuer”) was incorporated under the laws of the Province of British Columbia on August 24, 1984.

Reporting Jurisdictions: British Columbia, Alberta, Quebec & Ontario

2.3 No Subsidiaries. Not Applicable.

2.4 Not Applicable.

2.5 Not Applicable.



3. General Development of the Business

3.1 Principle Business and Background

The Company is a junior mineral exploration company.

The principal business of the Company is the acquisition, exploration and, if warranted, the development of natural resource properties. The Company has interests in the Extra High Mineral Property in the Province of British Columbia and, Lithium Mineral Prospects which are located in the Province of Ontario. (See Item 3.2 for full details)

The Company had an investment in software for online gaming, which was sold by the Company during 2006. All of the Company's former revenues were derived from the Company's former investment in the software.

On January 17, 2005, Lucky 1 Enterprises Inc. changed its name to Bronx Ventures Inc. The Company then consolidated its capital stock on the basis of 35 (old) common shares for 1 (new) common share and its authorized capital stock was increased to an unlimited number of common and preferred shares without par value.

Effective January 24, 2005, the common shares of Lucky 1 Enterprises Inc. were de-listed from trading on the OTC Bulletin Board in the USA. Immediately thereafter the common shares of Bronx Ventures Inc. commenced trading on the OTC Bulletin Board under the trading symbol "BRXVF".

On March 19, 2007, the Company changed its name to Zab Resources Inc. The Company then subdivided its capital stock on a 1 (old) share for 50 (new) shares basis. As a result, the shares of Bronx Ventures Inc. were de-listed from trading and the shares of Zab Resources Inc. commenced trading on the OTC Bulletin Board in the USA under the symbol "ZABRF" on March 22, 2007.

Effective November 28, 2007, the common shares of the Company were listed for trading on the Canadian Trading and Quotation System ("CNQ") under the trading symbol "ZABK". The Cusip number of the Company's common shares is 988753109.

Zab is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents, including an AIF in its alternate form, on www.Sedar.com. The Company is a foreign private issuer in the United States of America and in this respect files, on EDGAR, its Annual Report on Form 20-F and other reports on Form 6K.



3.2 Recent Mining Acquisitions/Interests

Extra High Property, British Columbia

On March 26, 2004, the Company entered into an Option Agreement with an arm's length party (the "Arm's Length Party") in respect to certain mineral claims, which are situated in the Kamloops Mining Division in British Columbia (the "Extra High Property"). Pursuant to the terms of the Option Agreement as amended on March 8, 2005, the Company obtained the right to acquire a 100% undivided interest in the Extra High Property, subject to a 1.5% net smelter returns royalty (the "Arm's Length Royalty"), by making staged cash payments totalling \$150,000 and incurring exploration expenditures on the Extra High Property totalling \$500,000 over a period of three years. Upon the Company earning a 100% undivided interest in the Extra High Property, the Company obtained the right to purchase at any time 50% of the Arm's Length Royalty by paying to the Arm's Length Party the sum of \$500,000 leaving the Arm's Length Party with a 0.75% NSR royalty.

Commencing in May, 2005 and up to December, 2005, the Company conducted its exploration program on the Company's Extra High Property. The exploration program consisted of soil sampling, geological mapping, trenching and diamond drilling. A total of 1,874.3 metres of NQ diamond drilling and 455 lineal metres of trenching were completed while 194 soil samples were collected over 4 areas on the Extra High Mineral Property. The exploration work program was conducted by, and was under the direct supervision of, J.W. Murton, P. Eng, a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of the Company. Mr. J. W. Murton has prepared for the Company a Technical Report (NI 43-101) on the Extra High Property (2005 Exploration Program) dated February 28, 2006 which has been filed by the Company on www.Sedar.com, and on the Company's Corporate Website, www.zabresources.com.

On September 8, 2006, the Company entered into an Option Agreement with Colt Resources Inc. ("Colt") whereby Colt obtained the right to acquire a 50% undivided interest, subject to the Arm's Length Royalty, in the Extra High Property by incurring exploration expenditures of \$240,000 on the Extra High Property by no later than February 28, 2007 and by making cash payments to the Company totaling \$133,770 by no later than March 26, 2007.

On September 12, 2006, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was granted an extension period until June 26, 2007 to make the balance of cash payments to the Arm's Length Party and incur the remaining exploration expenditures on the Extra High Property.

On October 31, 2006, the Company and Colt entered into an Amending Agreement whereby Colt was granted an extension period until June 26, 2007 to



incur exploration expenditures on the Extra High Property and to make the cash payments to the Company.

Upon Colt earning its 50% undivided interest in the Extra High Property, the Company and Colt would thereafter equally contribute to all future exploration costs. If any party would fail to contribute its share of future exploration costs, then its respective interest would be diluted on a straight-line basis. If any party's interest would be diluted to less than a 10% interest, then that party's interest in the Extra High Property would be converted into a 0.5% NSR royalty.

On April 16, 2007, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was released of the requirement to incur the remaining exploration expenditures but instead was required to make a cash payment of \$60,000 (paid) to the Arm's Length Party.

On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property.

On June 26, 2007, the Company made its final payment to the Arm's Length Party thereby earning a 100% undivided interest in the Extra High Property subject only to the Arm's Length Royalty. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

At December 31, 2007, the Company held a 66% interest in the Extra High Property.

As at December 31, 2007, the actual amount spent on the Extra High Property since acquisition totalled \$572,139 which consisted of \$150,000 in cash payments made to the Arm's Length Party, \$13,950 in respect to cash payments for staking, assessment and miscellaneous costs, and \$408,189 of exploration related expenditures incurred since acquisition.

As at December 31, 2007, Colt has made option payments totaling \$193,770 to the Company.

During Q4 of 2007, the Company and its joint venture partner Colt conducted a diamond drilling program on the Extra High Property. A total of 1,293.59 metres were drilled in 8 NQ diamond drill holes. The diamond drilling program was targeted at expanding the previously indicated mineralization in the K7 lens and was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in



earlier work. The diamond drilling program was conducted by and was under the direct supervision of J. W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J. W. Murton is a director of both the Company and Colt. For further particulars about the diamond drilling program please see the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt by J. W. Murton, P. Eng. which has been filed by the Company on its corporate website www.zabresources.com.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Colt whereby Colt has the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt has exercised the first tranche of the option by making a cash payment of \$250,000 to the Company and has acquired from the Company a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt now holds a 67% undivided interest in the Extra High Property and has become the operator of the Extra High Property. Furthermore, pursuant to the 2008 Option Agreement, Colt will be solely responsible for all exploration and property expenditures in respect of the Extra High Property, which are initiated and incurred by Colt from January 31, 2008 to December 31, 2008.

In order to exercise the second tranche of the option, Colt must make a cash payment of \$250,000 to the Company on or before December 31, 2008. And upon Colt making such payment, then Colt will be deemed to have exercised the second tranche of the option and to have acquired from the Company the remaining 33% undivided interest in the Extra High Property, subject only to the Arm's Length Royalty and to a 0.5% NSR royalty payable to the Company (the "Zab Royalty"). Colt will have the option to purchase the Zab Royalty for the sum of \$500,000 and Colt will also have the option to purchase 50% or 0.75% of the Arm's Length Royalty for the sum of \$500,000.

In the event that Colt does not exercise the second tranche of the option by December 31, 2008, then the 2008 Option Agreement will terminate and Colt and the Company shall operate as Joint Venturers with Colt holding an initial 67% undivided interest in the Extra High Property and the Company holding an initial 33% undivided interest in the Extra High Property. Thereafter each party shall contribute its proportionate share of the property expenditures. Should a Joint Venturer fail to make its proportionate share of expenditures, its interest will be diluted. Should any party's interest be diluted to less than a 10% undivided interest in the Extra High Property, then its interest will forever be converted to a 0.5% NSR royalty.

As at the date of this Annual Listing Statement, the Company holds a 33% interest in the Extra High Property.



The Extra High Property, consisting of a total area of approximately 1,074 hectares, is located on Samatsum Mountain, immediately south of the formerly producing Samatsum Mine, 60 km northeast of Kamloops, British Columbia.

The Extra High Property is more particularly described as follows:

TENURE NUMBER	Name of Claim	Property size (in hectares)	CONVERSION DATE or DATE STAKED	B.C. MAP #	EXPIRY DATE
509949	Extra High	60.829	2005/MAR/31	082M	2016/apr/02
509956	Extra High	182.52	2005/MAR/31	082M	2016/apr/02
509961	Extra High	121.664	2005/MAR/31	082M	2016/apr/02
509963	Extra High	40.569	2005/MAR/31	082M	2016/apr/02
509969	Extra High	344.834	2005/MAR/31	082M	2016/apr/02
510213	Extra High	20.289	2005/APR/05	082M	2016/apr/02
510214	Extra High	40.557	2005/APR/05	082M	2016/apr/02
510215	Extra High	81.124	2005/APR/05	082M	2016/apr/02
510306	Extra High	60.857	2005/APR/05	082M	2016/apr/02
509952	Super High #1	60.824	2005/MAR/31	082M	2016/mar/31
520184	Super High #2	20.275	2005/SEP/20	082M	2016/sep/20
520186	Super High #3	40.544	2005/SEP/20	082M	2016/sep/20

The following technical reports (NI-43-101) on the Extra High Property are filed on Sedar:-

- 1.) NI 43-101 Technical Report on the Extra High Property (2005 Exploration Program) dated February 28, 2006 prepared by Mr. J. W. Murton, P. Eng.

And;

- 2.) National Policy 43-101 Report, Extra High Mineral Property, Kamloops Mining Division, British Columbia dated April 22, 2004 prepared by Mr. Erik Ostensoe, P. Geo.;

Mt. Blunt Property (formerly Blunt Mountain Property)

The original Blunt Mountain property that had been acquired in 2006 was allowed to lapse on the anniversary dates in April and May of 2007. A decision was made to re-stake a portion of the original property which was re-named Mt. Blunt and was acquired for a total cost of \$1,322.

During the summer of 2007, J.W. Murton conducted an evaluation, mapping and sampling of the Mt. Blunt property. Rock samples were collected and submitted for analysis. Results from the analytical work did not reveal sufficient metal



values to make the Mt. Blunt property worthy of further work, as a result of which, J.W. Murton recommended that the Company allow the Mt. Blunt property to lapse. As of the date of this Annual Listing Statement, the claims which comprise the property have lapsed. As at December 31, 2007, the Company has written off its investment in this property.

Lithium Properties, Ontario

The Company holds a 100% interest in 45 mining claims in five claim groups that are located in the Nipigon area of north western Ontario and which are: the Noranda-McVittie group, the Newkirk-Vegan group, the Jean Lake Group, the Hanson Lake group and the Foster-Lew group.

Name of Claim Group	No. of Claims
Noranda-McVittie	6
Newkirk-Vegan	8
Jean Lake	25
Hanson Lake	2
Foster-Lew	4

All claims have achieved "Mining Lease Status" declaring them in good standing for 21 years commencing from May 1, 1989 with respect to the Newkirk-Vegan group, June 1, 1989 with respect to the Noranda-McVittie and the Jean Lake groups, and February 1, 1990 with respect to the Hanson Lake and the Foster-Lew groups.

At the end of fiscal year 2000, the Company wrote-off these properties.

3.3 Trends & Uncertainty

Due to global demand, prices of metals have appreciated significantly during the last few years. Barring any unforeseen events, it is generally expected that the worldwide demand for metals will continue for the foreseeable future. Should this trend continue, it is expected that mineral prospects of merit will be more difficult and expensive to acquire, and furthermore, it will be more difficult and expensive for mineral exploration companies to acquire and utilize the services of professional individuals and companies that provide their services to the mineral exploration sector. Moreover, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact on the Company's ability to raise funds. It is reasonable to expect that such known and unforeseen factors will have a material adverse effect on the Company's business.



4. Narrative Description of the Business

4.1 Description of the Business

The Company is a junior mineral exploration company.

Zab is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents, including an AIF in its alternate form, on www.Sedar.com. The Company is a foreign private issuer in the United States of America and in this respect files, on EDGAR, its Annual Report on Form 20-F and other reports on Form 6K.

The principal business carried on and intended to be carried on by the Issuer is the acquisition, exploration and, if warranted, development of natural resource properties. The Issuer intends on raising funds to cover 1) the Company's Exploration Programs for its mineral properties, 2) administrative and overhead costs for the next twelve months and 3) for working capital purposes. The company's mineral properties are in the exploration stage.

4.3(1) Property Description and Location – Material Asset – Extra High Property

The Property is the subject of the Technical Report, which has been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The Technical Report, dated February 28, 2006 and titled "NI 43-101 Technical Report on the Extra High Property", was prepared by J.W. Murton & Associates and has been filed and is available under the Company's profile on SEDAR at www.sedar.com. Mr. J. W. Murton, of J. W. Murton & Associates, is a qualified person as defined in NI 43-101 and is a director of both Zab and Colt. The following information has been taken from the Technical Report.

Extra High Property, Kamloops Mining Division, B.C. (Material Property)

The Extra High Property is more particularly described as follows:

TENURE NUMBER	Name of Claim	Property size (in hectares)	CONVERSION DATE or DATE STAKED	B.C. MAP #	EXPIRY DATE
509949	Extra High	60.829	2005/MAR/31	082M	2016/apr/02
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Commencing in May, 2005 and up to December, 2005, the Company conducted its exploration program on the Company's Extra High Property. The exploration program consisted of soil sampling, geological mapping, trenching and diamond drilling. A total of 1,874.3 metres of NQ diamond drilling and 455 lineal metres of trenching were completed while 194 soil samples were collected over 4 areas on the Extra High Mineral Property. The exploration work program was conducted by, and was under the direct supervision of, J.W. Murton, P. Eng, a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of the Company. Mr. J. W. Murton has prepared for the Company a Technical Report (NI 43-101) on the Extra High Property (2005 Exploration Program) dated February 28, 2006 which has been filed by the Company on www.Sedar.com, and on the Company's Corporate Website, www.zabresources.com.

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On April 16, 2007, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was released of the requirement to incur the remaining exploration expenditures but instead was required to make a cash payment of \$60,000 (paid) to the Arm's Length Party.

On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property.

On June 26, 2007, the Company made its final payment to the Arm's Length Party thereby earning a 100% undivided interest in the Extra High Property subject only to the Arm's Length Royalty. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

At December 31, 2007, the Company held a 66% interest in the Extra High Property.

As at December 31, 2007, the actual amount spent on the Extra High Property since acquisition totaled \$572,139 which consisted of \$150,000 in cash payments made to the Arm's Length Party, \$13,950 in respect to cash payments for staking, assessment and miscellaneous costs, and \$408,189 of exploration related expenditures incurred since acquisition.

As at December 31, 2007, Colt has made option payments totalling \$193,770 to the Company.

During Q4 of 2007, the Company and its joint venture partner Colt conducted a diamond drilling program on the Extra High Property. A total of 1,293.59 metres were drilled in 8 NQ diamond drill holes. The diamond drilling program was targeted at expanding the previously indicated mineralization in the K7 lens and



was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in earlier work. The diamond drilling program was conducted by and was under the direct supervision of J. W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J. W. Murton is a director of both the Company and Colt. For further particulars about the diamond drilling program please see the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt by J. W. Murton, P. Eng. which has been filed by the Company on its corporate website www.zabresources.com.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Colt whereby Colt has the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt has exercised the first tranche of the option by making a cash payment of \$250,000 to the Company and has acquired from the Company a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt now holds a 67% undivided interest in the Extra High Property and has become the operator of the Extra High Property. Furthermore, pursuant to the 2008 Option Agreement, Colt will be solely responsible for all exploration and property expenditures in respect of the Extra High Property, which are initiated and incurred by Colt from January 31, 2008 to December 31, 2008.

In order to exercise the second tranche of the option, Colt must make a cash payment of \$250,000 to the Company on or before December 31, 2008. And upon Colt making such payment, then Colt will be deemed to have exercised the second tranche of the option and to have acquired from the Company the remaining 33% undivided interest in the Extra High Property, subject only to the Arm's Length Royalty and to a 0.5% NSR royalty payable to the Company (the "Zab Royalty"). Colt will have the option to purchase the Zab Royalty for the sum of \$500,000 and Colt will also have the option to purchase 50% or 0.75% of the Arm's Length Royalty for the sum of \$500,000.

In the event that Colt does not exercise the second tranche of the option by December 31, 2008, then the 2008 Option Agreement will terminate and Colt and the Company shall operate as Joint Venturers with Colt holding an initial 67% undivided interest in the Extra High Property and the Company holding an initial 33% undivided interest in the Extra High Property. Thereafter each party shall contribute its proportionate share of the property expenditures. Should a Joint Venturer fail to make its proportionate share of expenditures, its interest will be diluted. Should any party's interest be diluted to less than a 10% undivided interest in the Extra High Property, then its interest will forever be converted to a 0.5% NSR royalty.

As at the date of this Annual Listing Statement, the Company holds a 33% undivided interest in the Extra High Property.



4.3(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography – Extra High Property

The Extra High property is located 60 km north from Kamloops B.C. and /or 22 km east from the town of Barriere B.C. via the paved Agate Bay road from Highway 5. Access to the property is then by good gravel logging roads to the 1,450 metre elevation. The highest elevation on the property is 1,580 metres approximately 1 km to the northeast from the main area of interest and the lowest elevation is 1,200 metres located on the southern boundary of the property. The main area of interest lies immediately south from the past producing Samatosum Mine. The gently sloping hillsides are partially clear cut logged and the remainder contains virgin timber which is currently being harvested. Access may be gained year round providing that the roads are plowed in the winter months. Snowfall averages about 1-2 metres through the winter. Water is readily available from a number of 1 – 2 metre wide creeks which run year round, while a small 1 hectare pond near the north boundary of the property runs water all year. The town of Barriere is a good local source of labour and equipment contractors while Kamloops which lies less than 1 hour drive south, is a major supply centre as well as manpower centre.

4.3(3) History – Extra High Property

The Extra High Property has had a long history of mineral exploration dating back to the 1890's. The Extra High property partially covers three south east trending mineralized horizons that are prospective for volcanogenic massive sulphide deposits containing gold, silver, copper, lead and zinc with occasional barite. From east to west the three horizons are called Twin Mountain Zone, Silver Zone, and Rea Zone.

The Twin Mountain Zone runs up the middle of the property area and is a northerly extension of the historic showing called the Twin Mountain showing on an adjacent property (not owned by Zab). This zone has been explored intermittently since 1936 for copper, lead and zinc sulphides with barite. Extensive trenching with two exploration tunnels plus soil sampling on the adjacent property indicated a strike length of over 4.5 km. Exploration programs in the 1980's by Apex Energy Corp / Austin Resources Corp followed by an option to Falconbridge Copper (later Minova Inc.) disclosed a number of soil geochemical anomalies which trended northwesterly across the Zab ground. Prospecting by a prospector, Paul Watt, in the early 2000's revealed a mineral showing in a road cut on the Twin Mountain trend which carries values similar to the more southerly showing explored by adits on the adjacent ground. The soil anomalies contain copper, lead, silver and zinc values with lesser gold values and extend for 1.6 km across the property all the way to the northern boundary with the now closed Samatosum Mine.

The centrally located Silver Zone which is on the southeastern extension of the Samatosum Horizon was discovered in the 1980's following the discovery of the



Rea Gold Zone and the Samatosum Zone adjacent to the north. This ground was named the Kamad claims and owned by the Kamad Silver Company Ltd. The Kamad claims were explored by Kamad Silver up to 1985 and then optioned to Esso Minerals up to 1989. This was followed by Homestake Canada Ltd. acquiring an interest up to 1992.

The Rea Zone which is located on the western portion of the property was similarly explored during the 1980's and early 1990's as part of a property wide program to attempt to extend the newly discovered Rea Horizon to the south east. This Rea Horizon on the now Zab/Colt ground contains the K7 zone.

The Rea and Silver Zones were partially covered by the Twin 3 claim owned by Apex Energy Corp and optioned to Lincoln Resources Inc. in 1983 and an option to Falconbridge Copper in 1984. Between 1986 and 1992 the property, known as the Twin Property, was explored by Esso Minerals followed by Homestake Canada Ltd.

The following is an excerpt from a report for Homestake Canada Ltd. in 1991 by R.G.Carmichael.

“The discovery of the Rea Gold volcanogenic massive sulphide lenses in 1983 and the Samatosum massive sulphide deposit in 1986 shifted the focus of exploration from the Homestake Bluffs (south east of the Zab ground) to the plateau area. Geophysical surveys and diamond drilling were carried out on the Kamad 7 claim in 1983 and 1984 and identified massive sulphide mineralization on the Rea Horizon. In 1985, a company called 259146 B.C. Ltd. Drilled 5 holes totalling 369.7 metres into this new zone.

In 1986, Esso Minerals Canada conducted an extensive geological, geochemical and geophysical evaluation of the Rea Horizon on the Kamad 7 and 8 claims. This was followed by trenching and 1814 metres of diamond drilling. An additional 1125 metres of diamond drilling were completed in 1987.

In 1988, 2,094 metres of diamond drilling were completed and resulted in the discovery of the K7 massive sulphide lens.

Homestake Canada Ltd. acquired Esso's interest in the property in 1989 and completed 4,972 metres of diamond drilling in 25 holes, 785 metres of trenching in 14 trenches, and 11 km of Genie EM geophysical surveys on the Kamad 7 and 8 claims. This work program tested the down dip continuation of the recently discovered K7 lens and successfully located the Rea horizon on the Kamad 8 claim to the east. Homestake completed 2,961 metres of diamond drilling in 1990 and attempted down hole pulse Em geophysics.”

The claims which now form the Extra High property were allowed to lapse and were staked by Mr. P. Watt of Kamloops B.C. in 2000.

4.3(4) Geological Setting – Extra High Property

The Extra High property lies on the Adams Plateau which is located on the western edge of the Ominica Belt. In this area, the belt is comprised of a Lower Paleozoic succession of clastic metasediments, carbonate and mafic volcanic rocks, and an overlying Devonian - Mississippian succession of felsic to intermediate metavolcanics and clastic metasediments, termed the Eagle Bay Assemblage. The Eagle Bay Assemblage overlies the Devonian to Permian Fennell Formation comprised of bedded chert, gabbro, diabase, pillow basalt, clastic metasediments with minor limestone, quartz feldspar porphyritic rhyolite and conglomerate. The Eagle Bay and Fennell rocks are a fault imbricated assemblage that has been subject to structural stacking. Stratigraphic units generally strike northwesterly and dip moderately northeasterly.

This metasediment / metavolcanic package of rocks is cut by Mid Cretaceous age granitic rocks belonging to the Raft and Baldy Batholiths.

Geological mapping in the area in 1987 – 1988 resulted in a modification of the Eagle Bay Assemblage geology from the above earlier work by Schiarizza and Preto. The Eagle Bay rocks were subdivided into four thrust bounded assemblages, each characterized by a unique internal stratigraphy.

1.) REA ASSEMBLAGE – consists mainly of felsic to mafic pyroclastics and flows which contain the Tshinakin limestone on the northeast portion of the property. The felsic to mafic series is typically structurally underlain (stratigraphically overlain) by a 350 metre thick sequence of clastic sediments informally named the Rea or Hanging Wall sediments. This is a turbidite sequence typified by quartz wackes, siltstones and argillites with lesser chert pebble conglomerate. This Rea Assemblage hosts the Samatosum deposit and the massive sulphide mineralization at the Rea Gold, K7 and Twin 3 zones.

2.) PLATEAU ASSEMBLAGE – lies immediately to the south west of the Rea Assemblage and consists of mafic, intermediate and felsic volcanics with lesser interbedded argillite.

3.) HOMESTAKE ASSEMBLAGE – lies immediately to the south west of the Plateau Assemblage and structurally underlies the Plateau package. It consists of calcareous sediments, mafic, intermediate and felsic volcanics and sericite schist.

4.) ACACIA ASSEMBLAGE – lies further to the south west of the Homestake Assemblage and contains quartzites, quartz wackes, siltstone and argillite.

The Extra High property is completely underlain by the northwest trending Rea Assemblage. From east to west the package consist of limestone, overlain by mafic flows and pyroclastics, overlain by felsic volcanics, cherts and pyritic sediments (which host the massive sulphide mineralization), which is in turn

overlain by turbidites, wackes and conglomerates. This section of the stratigraphy has locally been overturned by isoclinal folding. Further west, a thick section of quartz eye felsic volcanics underlies the sediments and is believed to be in thrust contact with the turbidites.

Contacts between units strike at 135° to 160° and dip 45° to 60° northeast. At least one isoclinal anticline has been identified on the property and this fold is thought to repeat the mineralized horizon so that the Silver Zone is in the upright limb and the Rea Zone is in the overturned limb. The upright limb or Silver Zone is intensely disrupted and locally truncated by a thrust fault which closely parallels the stratigraphy. The overturned limb or Rea Zone displays somewhat similar disruptions but is less fragmented.

Mafic flows and pyroclastics underlay approximately 90% of the property. The succession consists of interbedded mafic pyroclastics and flows with lapilli tuff being very common. Occasional graphitic argillite is present. The volcanic rocks are cut by semi-conformable diorite to hornblende diorite bodies that average between 20 and 40 metres thick. These units are likely subvolcanic sills and dykes. Tabular, foliation parallel zones of moderate to intense ankerite-dolomite-pyrite alteration occur within the mafic volcanics. These alteration zones are sometimes but not always related to an increase in quartz –dolomite veining, and may be related to low angle, foliation parallel faults within the mafics.

The Rea / Silver zone stratigraphically overlies (structurally underlies) the mafic volcanics and can be up to 150 metres thick. The stratigraphy of the zones is reasonably consistent north to south on a property scale although facies changes and variations are noted. There is a strong likelihood that the Rea and Silver Zones are the same zone on opposite limbs of an overturned isoclinal anticline and are described here as one unit from stratigraphic bottom to top.

1. Graphitic chert and argillite commonly form the base of the zones. Texturally this member ranges from a depositional breccia to a massive black chert. Pyrite is present in amounts up to 10% and traces of galena, sphalerite and chalcopyrite have been noted.
2. Sericitic tuff conformably overlies the graphitic chert and is locally interbedded with it. This member has a distinct yellow to green color, a chaotically banded or laminated texture and contains up to 40% sericite. Massive grey chert may be interbedded with the sericitic tuff and may contain well mineralized stringers of pyrite, chalcopyrite, galena, sphalerite and arsenopyrite.
3. Felsic pyroclastic rocks overlie the sericitic tuff. Sericite-pyrite alteration is intense throughout most of this member and sections of strong chlorite alteration are noted. Stringer sulphide mineralization may be present. Within these felsic rocks, volcanic cycles are evident with coarse fragmentals grading into lapilli and ash tuffs.

4. Pyritic sediments stratigraphically overlie the felsic volcanics. This unit contains abundant extremely fine grained pyrite (30-60%) and a well developed sedimentary texture. Lithologies range from mudstone to conglomerate composed of grey, black and sericitic chert clasts in a matrix of pyritic mud. This unit is called pyrite siltite and is the stratigraphic equivalent of the K7 massive sulphide horizon.

4.3(5) Exploration Information – Extra High Property

The mineral deposit type being explored for on the Extra High property falls under the category of volcanogenic massive sulphide. “Volcanogenic massive sulphide deposits occur in marine volcanic rocks or associated marine sedimentary rocks, commonly close to plate margins” (Hoy,1991,quoting Lyndon,1984,Sawkins,1990). A stockwork feeder zone typically underlies a concordant lens of often banded massive sulphide mineralization that commonly exhibits metal zoning both laterally and vertically. Alteration assemblages are variable but usually have volumes vastly greater than that of the metallic mineral lenses.

Various mineral deposits in the area of the Extra High property occur in the Eagle Bay Formation and include characteristics of volcanogenic massive sulphide deposits of the Kuroko type. This classification has been applied to copper, lead, zinc +/- barite, gold and silver mineralization that occurs proximal to centers of explosive felsic volcanism in arc related rifts.

Mineralization of this type occurs in the immediate vicinity of the Extra High claims at the Homestake deposit which lies 4 km to the south and the Rea deposit which lies immediately adjacent to the north from the Extra High claims. Mineralization discovered in previous exploration programs on the Extra High ground has all the characteristics of a volcanogenic massive sulphide. The 2005 and 2007 diamond drilling and exploration programs were targeted at this type of mineralization.

An exploration program of geological mapping, soil geochemical surveying, trenching and diamond drilling was carried out on selected areas of the Extra High property during the period May to December 2005. The areas targeted for exploration (other than diamond drilling) were those that showed anomalous conditions from previous work or were deemed to be located in areas that could host mineralization.

During Q4 of 2007, the Company and its joint venture partner Colt conducted a diamond drilling program on the Extra High Property. A total of 1,293.59 metres were drilled in 8 NQ diamond drill holes. The diamond drilling program was targeted at expanding the previously indicated mineralization in the K7 lens and was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in



earlier work. The diamond drilling program was conducted by and was under the direct supervision of J. W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J. W. Murton is a director of both the Company and Colt. For further particulars about the diamond drilling program please see the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt by J. W. Murton, P. Eng. which has been filed by the Company on its corporate website www.zabresources.com.

4.3(6) Mineralization – Extra High Property

Three mineralized structures cross the Extra High property with a northwest to southeast orientation. From west to east they are (1.) Rea Zone, (2.) Silver Zone, (3.) Twin Mountain Zone.

(1.) Rea Zone. This well mineralized structure hosts the significant mineralization that has been the target of much of past exploration as well as the most recent work.

The stratigraphy of the zones is reasonably consistent north to south on a property scale although facies changes and variations may be observed from drill hole and trench data.

Mineralization within this structure is confined to a metasedimentary and felsic metavolcanic package of rocks confined between an overlying Hanging Wall sedimentary unit consisting of wackes and argillite and a footwall unit of mafic volcanics as summarized below, listed from stratigraphic top to bottom. It must be noted that within the Rea Zone structure, this package of rocks has been overturned by a postulated isoclinal fold so that the Rea Zone is “upside down” while the adjoining Silver Zone is “right side up”.

1. Hanging wall Sediments-wackes and argillite.
2. Pyritic sediments stratigraphically overlie the felsic volcanics. This unit contains abundant extremely fine grained pyrite (30-60%) and a well developed sedimentary texture. Lithologies range from mudstone to conglomerate composed of grey, black and sericitic chert clasts in a matrix of pyritic mud. This unit has been termed pyrite siltite and is the stratigraphic equivalent of the K7 massive sulphide horizon.
3. Felsic pyroclastic rocks overlie the sericitic tuff. Sericite-pyrite alteration is intense throughout most of this member and sections of strong chlorite alteration are noted. Stringer sulphide mineralization may be present. Within these felsic rocks, volcanic cycles are evident with coarse fragmentals grading into lapilli and ash tuffs.



4. Sericitic tuff conformably overlies the graphitic chert and is locally interbedded with it. This member has a distinct yellow to green color, a chaotically banded or laminated texture and contains up to 40% sericite. Massive grey chert may be interbedded with the sericitic tuff and may contain well mineralized stringers of pyrite, chalcopyrite, galena, sphalerite and arsenopyrite.

5. Graphitic chert and argillite commonly form the base of the zones. Texturally this member ranges from a depositional breccia to a massive black chert. Pyrite is present in amounts up to 10% and traces of galena, sphalerite and chalcopyrite have been noted.

6. Mafic volcanics.

The majority of the polymetallic massive sulphides occur within the uppermost pyritic sediment or pyritic siltite unit. Within this unit, solid sulphide zones consist of 80% – 90% pyrite plus varying amount (up to 5%-10%) of galena, sphalerite and chalcopyrite plus arsenopyrite. The sulphides may be variably banded, fine to medium grained and may be considered as lenses.

Diamond drill intersections indicate that the lenses may vary from less than 1 metre to 12.54 metres thick as seen in diamond drill hole 05-10. The strike extension of individual lenses is not well defined as yet, as the 2005 and 2007 diamond drilling programs targeted only the K7 lens and partially delineated this zone.

Stringers of near solid sulphide (NSS) may also occur in the underlying cherts, cherty sediments and silicified tuffs. These stringer zones vary in thickness from 1 cm to 30 cms and are often accompanied by an increase in silica and dolomitic alteration. Sulphide content may range from 30% - 70%.

Previous diamond drilling programs from 1986 – 1991 have indicated numerous intersections of weakly mineralized to narrow sections of solid sulphide (SS) extending over a strike length of 2 km within the total strike length of 3 km of the Rea Zone within the property boundaries. These sulphide zones are always pyrite rich with varying amount of galena, sphalerite and lesser chalcopyrite and arsenopyrite. Grades vary from: Au 0.5 – 4 g/t, Ag 2 – 38 g/t, Cu 0.02 – 0.2%, Pb 0.2 – 2.5%, Zn 0.4 – 4.7%. It must be noted that data from the earlier diamond drilling programs is not complete. Many drill logs and assay data sets are missing or only partially reported in earlier assessment reports or news release formats. As such, Mr. J W. Murton, has not been able to confirm the accuracy of the assay data above.

Within the Rea Zone, the K7 lens is the most well defined and largest occurrence of massive sulphide located to date. This lens lies near the northern boundary of the Extra High property and has received the most extensive drilling of any area on the property.



Between 1985 and 1989, approximately 30 holes were completed, targeting an area 350 metres in strike length and 200 metres down dip. While there were some misses within this drilled area, incomplete assay data for 20 of the holes indicates SS to NSS intervals varying in width from 0.5 metre to 11.6 metres with grades from the 0.5 metre interval in hole 88044 assaying Au 5.0 g/t, Ag 92.0 g/t, Cu 0.1%, Pb 1.5%, Zn 1.5 %, As 1.6%, to hole 88040 with 11.6 metres assaying Au 3.56 g/t, Ag 77.8 g/t, Cu 0.6%, Pb 6.8%, Zn 8.4%, As 2.6%. This assay data is taken from old reports (J.M.Marr, 1989 Assessment Report) and while Mr. J W. Murton, has no reason to not accept the data, direct verification is not possible. The intersections noted are not necessarily representative of the complete K7 lens but are listed to give an indication of the grades of mineralization that might be expected.

A significant feature of the K7 lens and probably the complete Rea Zone, is the effect of faulting as a disruption of the strike and dip continuity of mineralization. A trenching program in 2005 was targeted at locating the K7 Zone on surface. Previous trenching information is not available, and while old trench locations may sometimes be located, there is no information to be gained. The 2005 trenching helped to explain some of the lack of drill intersections in previous and present drill holes and did disclose several locations of the K7 lens on surface.

At one point, in the 1988 - 1989 time period, there was a geological resource calculated by Kamad Silver and/or Homestake Canada from drill hole and trench data. While this resource is not 43-101 compliant, it is mentioned here to give some indication of the size potential of the massive sulphide target. The resource was measured from surface to 150 metres below surface and amounted to 375,000 tonnes of 4.0 g/t Au, 55 g/t Ag, 0.5% Cu, 4.8% Pb, and 6.1% Zn. This mineralized area was the focus of the 2005 and 2007 exploration drilling programs.

At a location approximately 1.2 km south of the K7 lens, diamond drilling in 1987 located a small high grade lens of SS (massive polymetallic sulphide) within the Rea Zone stratigraphy. This zone, called the Twin 3 lens, was intersected by 2 holes with the better grade intersection in hole 87-03 assaying 1.8 metres of Au 30.5 g/t, Ag 248.3 g/t, Cu .2%, Pb 2.0%, Zn 0.7% (Heberlein, 1987). A significant difference between this sulphide zone and the K7 lens is the presence of a barite lens stratigraphically overlying the zone. Projections from two drill holes indicate a possible surface strike length of about 100 metres and a dip length of about 50 - 70 metres. Drilling around this intersection failed to locate a continuation of the mineralization, but extensive faulting was noted in the drill holes.

(2.) Silver Zone

The Silver Zone lies about 350 metres to the east from the Rea Zone. It is parallel to and oriented northwest – southeast as is the Rea Zone.



The stratigraphy is identical to that of the Rea Zone other than the fact that the Silver Zone is “right side up”, rather than inverted as is the Rea Zone due to a proposed overturned isoclinal fold which repeats the mineralized horizon.

Drilling on the Silver Zone took place from 1986 – 1991 with somewhat less encouraging results than those from the Rea Zone. Approximately 23 holes were drilled. Strike length of the Zone on the property is approximately 2 km (similar to the Rea Zone).

Drill hole logs and analytical data is sparse for nearly all the holes, but where data is available from within the mineralized horizon, it indicates a possible range of thickness and grades from: 0.2 metres of Au 9.46 g/t, Ag 89.8 g/t, Cu 0.3%, Pb 3.6%, Zn 5.6% within a broader interval of 7.6 metres of Au 0.81 g/t, Ag 13.0 g/t, Cu 0.06%, Pb 0.2%, Zn 0.3%, all in hole 91036. This assay data is from a news release in George Cross News Letter of 1991 and as such the data can not be verified or the accuracy confirmed by Mr. J. W. Murton. It is listed here only to show that there is potential for mineralization within the Silver Zone.

(3.) Twin Mountain Zone has been explored in the past by geochemical surveys. It is a continuation of the well mineralized structure explored to the southeast on the adjacent SIN claims.

On the Extra High property, the structure is indicated by erratic but very anomalous lead and zinc soil geochemistry (up to 2000 ppm for both elements) and lesser gold, silver and copper geochemistry. Mineralization also appears to be slightly erratic but consists of disseminated and semi massive galena, sphalerite and pyrite with very slight chalcopyrite hosted in a quartz / carbonate / dolomite host. The quartz / sulphide lenses or concentrations are contained within and conformable with chlorite, sericite, and silica altered shear structures within mafic volcanics and lapilli tuffs. These shear structures have a northwest – southeast orientation (135° – 160°) with a shallow (45° – 60°) easterly dip.

The overall strike length of the Twin Mountain Zone on the Extra High property is approximately 2.3 km with observed widths of 1 – 20 metres.

Two exposures of the structure were sampled. The first was a large gossan in a road cut near the eastern property boundary which returned only background values for all elements. The second sample was from a newly discovered exposure (by Paul Watt) in a logging road cut at UTM co-ords N5668620, E304531. The quartz / carbonate vein ran 1 metre of Au- 62 ppb, Ag- 8.2 ppm, Cu- 85 ppm, Pb- 11,439 ppm, Zn – 4,449 ppm. This sample does not represent the true width of the structure as it is covered by overburden in all directions.



4.3(7) Drilling – Extra High Property

2005 Diamond Drilling Program

A diamond drilling program was completed in two phases during the period September 19th to November 25, 2005. A total of 18 holes totalling 1,874.3 metres of NQ core were completed by Frontier Drilling Corp. of Kamloops B.C. using a BB-56 diamond drill.

The target of the drilling program was to confirm the existence of the K7 high grade lens and increase both the confidence in the earlier drill results and to expand the possible resource base.

All 2005 diamond drill holes intersected the Rea Zone and the majority intersected massive polymetallic sulphides of varying widths. Drill hole logs record the core angle of all sample intersections and this intersection interval has been factored by the recorded core angle and reported on the drill logs as “true width” as well as actual core length.

The following are the assay results from the 2005 diamond drilling program:

HOLE #	INTERCEPT		TRUE WIDTH meters	ASSAY DATA				
	FROM metres	TO metres		Au g/t	Ag g/t	Cu %	Pb %	Zn%
05-01	105.8	115.1	9.14	4.28	92.1	0.44	5.40	6.12
incl.	110.0	115.1	5.01	6.96	148.1	0.61	8.47	9.55
05-02	114.2	119.1	4.73	1.69	20.7	0.37	1.73	2.99
05-03	130.5	133.2	2.54	0.50	10.5	0.06	0.80	1.80
05-04	23.6	30.2	6.58	8.09	131.5	0.68	4.16	5.21
incl.	24.9	30.2	5.28	9.84	162.0	0.81	5.00	6.21
05-05	26.7	38.9	11.80	6.67	97.0	0.65	3.87	4.65
incl.	26.7	35.6	8.61	7.72	125.0	0.85	5.09	6.18
05-06	43.2	56.9	9.69	7.82	67.8	0.64	4.30	5.16
05-07	37.1	47.9	8.64	5.07	51.0	0.42	3.89	5.45
05-08	44.4	52.2	5.99	3.34	43.9	0.62	3.75	4.84
05-09	72.7	80.7	3.38	2.10	25.7	0.16	1.61	3.13



05-10	29.6	39.6	9.95	3.67	33.3	0.42	2.54	3.43
incl.	29.6	35.7	6.07	4.89	48.4	0.67	3.98	5.41

HOLE #	INTERCEPT		TRUE WIDTH metres	ASSAY DATA				
	FROM metres	TO metres		Au g/t	Ag g/t	Cu %	Pb %	Zn%
05-11	102.5	113.4	10.9	0.40	9.31	0.04	0.22	0.56
incl.	113.2	113.4	0.2	2.64	119.0	0.61	3.65	4.84
05-12	101.2	106.2	4.92	1.36	7.27	0.06	0.61	1.16
05-13	No intercept		(faulted off)					
05-14	29.9	31.5	1.6	4.96	44.16	0.30	2.33	2.82
05-15	37.1	38.0	0.85	12.20	59.1	0.61	4.24	5.48
05-16	61.0	63.4	2.4	0.82	118.17	0.61	6.50	8.10
05-17	74.1	89.8	14.83	1.35	39.45	0.19	1.67	2.11
incl.	86.0	89.8	3.6	5.50	158.63	0.77	6.21	7.64
05-18	98.0	113.4	10.9	0.69	5.13	0.07	0.53	0.55
incl.	108.9	110.4	1.06	3.39	23.6	0.42	3.66	3.48

2007 Diamond Drilling Program

During the last quarter of 2007, the Company and Colt conducted diamond drilling program which targeted at expanding the previously indicated mineralization in the K7 lens and was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in earlier work.

Holes 07-01 to 07-04 in particular have extended the potential for mineralization to continue to a presently indicated depth of 150 m below surface and the zone remains open to depth.

Holes 07-05 and 07-06 indicate the mineralization may be thinning out to the south at this elevation and may represent the edge of the mineralized lens.

Holes 07-07 and 07-08 have indicated a near surface potential for significant widths of low grade mineralization (28.63 m and 53.56 m) that may be expanded by additional drilling to include bulk tonnage potential in this open pit



environment. These intersections are immediately adjacent to the high grade massive sulphide mineralization drilled in 2005 (K7 Zone) and may represent a more distal phase of mineralization associated with the K7 lens. This lower grade zone within the Rea horizon remains open to the south.

Quality Control and Assurance

Drill intercepts presented below have been corrected to represent true width of mineralization using well defined core angles from drill core and the consistency in the dip of the mineralized system.

All diamond drill core samples were split using a mechanical sample splitter for the NQ core with ½ the core sample stored and marked in the core box in secure storage on site with the remaining ½ core sample shipped to EcoTech Laboratories Ltd. in Kamloops, B.C. Canada. All gold results are by fire assay using industry standard methods and all samples were also analyzed using ICP methods. All ICP results for base metals greater than 10,000 ppm were further assayed using industry standard assay procedures.

A system of standards, blanks and duplicate samples were used at regular intervals throughout the sampling program as well as internal laboratory check analyses as quality control checks for the diamond drill results.

HOLE #	INTERCEPT		TRUE WIDTH	ASSAY DATA				
	FROM	TO		Au g/t	Ag g/t	Cu %	Pb %	Zn%
	metres	metres	meters					
07-01	155.05	157.06	2.03	2.23	50.50	0.20	2.96	4.27
07-02	128.00	151.86	23.77	0.62	2.75	0.02	0.14	0.27
incl	143.90	146.52	2.61	1.36	5.50	0.05	0.49	1.03
07-03	134.24	154.55	20.00	1.02	4.81	0.06	0.41	0.78
incl	152.40	154.55	2.12	5.68	17.85	0.44	2.08	4.15
07-04	146.65	161.10	13.58	1.08	5.84	0.07	0.43	1.01
incl	152.85	155.00	2.02	1.88	16.51	0.11	1.42	3.91
07-05	106.90	115.45	8.55	0.26	1.56	0.01	0.08	0.22
	131.64	134.80	3.16	0.22	6.92	0.07	0.18	0.40
07-06	91.05	105.10	12.69	0.16	0.80	0.01	0.10	0.15
	119.60	127.13	7.08	0.31	2.90	0.02	0.19	0.18
07-07	55.50	112.50	53.56	0.26	4.16	0.01	0.08	0.15



	incl	87.82	89.65	1.72	1.60	28.61	0.06	0.70	1.21
07-08		52.66	81.40	28.63	0.53	8.01	0.05	0.35	0.51
	incl	61.60	66.65	5.03	0.29	13.80	0.14	1.12	1.59
	incl	73.55	80.10	6.53	1.47	12.76	0.05	0.37	0.67
	incl	78.85	79.20	0.35	5.14	54.00	0.30	1.85	2.69

The diamond drilling program detailed above was conducted by and was under the direct supervision of J.W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of both Colt and the Company and is responsible for the technical information above. For further particulars about the diamond drilling program please see the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt by J. W. Murton, P. Eng. which has been filed by the Company on its corporate website www.zabresources.com.

4.3(8) Sampling and Analysis – Extra High Property

A general statement as to drilling and recovery factors would be that core recovery within the mineralized intercepts sampled was 100% and as such, the areas sampled truly represent the drilled intervals.

The soil samples collected were all from a well developed B horizon and as such truly represent the soil values for the locations sampled.

A description of rock types, geological controls, widths of mineralized zones etc is documented in detail under “Drilling” and in the appended drill logs of the 43-101 Technical Report along with any higher grade zones within larger mineralized intervals.

All samples collected were taken either by Mr. J. W. Murton or under the direct supervision of Mr. J. W. Murton. Samples were held under tight security by Mr. J.W. Murton until being hand delivered to the analytical lab. Mr. Murton acts as a geological consultant and is a director of Zab and Colt.

The following is a detailed description of the analytical and sample preparation procedures followed by Eco Tech Laboratory Ltd.

Multi Element ICP Analysis

A 0.5 gram sample is digested with 3ml of a 3:1:2 (HCl:HN03:H2O) which contains beryllium which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10ml with water. The sample is analyzed on a Jarrell Ash ICP unit.



Results are collated by computer and are printed along with accompanying quality control data (repeats and standards).

Base Metal Assay

Samples are catalogued and dried. Rock samples are 2 stage crushed followed by pulverizing a 250 gram subsample. The subsample is rolled and homogenized and bagged in a prenumbered bag. A suitable sample weight is digested with aqua regia. The sample is allowed to cool, bulked up to a suitable volume and analyzed by an atomic absorption instrument, to .01 % detection limit. Appropriate certified reference materials accompany the samples through the process providing accurate quality control. Result data is entered along with standards and repeat values and are faxed and/or mailed to the client.

Gold Assay

Samples are sorted and dried (if necessary). The samples are crushed through a jaw crusher and cone or rolls crusher to -10 mesh. The sample is split through a Jones riffle until a -250 gram sub sample is achieved. The sub sample is pulverized in a ring & puck pulverizer to 95% - 140 mesh. The sample is rolled to homogenize. A 30 g sample size is fire assayed using appropriate fluxes. The resultant dore bead is parted, digested with aqua regia and then analyzed on a Perkin Elmer AA instrument. Appropriate standards and repeat sample (Quality Control Components) accompany the samples on the data sheet.

Eco Tech Laboratories Ltd. employs an internal sample splitting, duplicate analyses and standards check as part of their quality control measures. To this point, these checks have been relied upon by Mr. J.W. Murton as to quality of analysis. Mr. Murton is confident, however, as to the quality of the sample preparation, analyses and security procedures employed by Eco Tech Laboratory Ltd.

4.3(9) Security of Samples – Extra High Property

Mr. Murton maintained and verified with the laboratory, a high quality of sample integrity. Sample verification by check analyses of selected samples has been implemented.

Data that has been incorporated in the 43-101 report or referred to resulting from past exploration activities has not been verified, and cannot be verified. The previous work however appears to have been conducted by (in the opinion of Mr. J. W. Murton,), qualified professionals both as contractors and large company employees and as such may be accepted as valid.

4.3(10) Mineral Resources and Mineral Reserves

There has been no mineral processing or metallurgical testing carried out on any mineralization from the Extra High property.



There has been no mineral resource or reserve estimate prepared for the Extra High property. Earlier estimates by previous operators were not included in the 43-101 report, as the validity, while probably of merit, cannot be verified and would not comply with 43-101 requirements.

4.3(11) Mining Operations – Extra High Property

None

4.3(12) Exploration, Development and Plans – Extra High Property

As a result of the exploration programs completed on the Extra High property during 2005 and 2007 programs, a number of important conclusions may be drawn. The interpretation of the recently acquired data plus consideration and inclusion (where appropriate) of historical data has resulted in a better understanding of the massive sulphide mineralization and its continuity, especially on the K7 lens.

Geochemical soil sampling data indicates that B horizon soils directly over the better mineralized section of the K7 lens are not as anomalous as would have been expected. This lower level of response requires further evaluation of the geochemical data acquired in 2005 as well as historical data. Trenching on untested lower level anomalies is warranted as is additional geochemical sampling on the known trends of the Rea Horizon. The limited soil sampling completed over the parallel Silver Zone and Twin Mountain zone warrants expanding to attempt to locate “hot spots” within the large regional trend of these zones.

Work completed on the K7 area of the Rea Zone including trenching and diamond drilling revealed good continuity of mineralization within the K7 lens over a strike length of 175 metres with a fault offset section of the same zone extending an additional 100 metres to the south at a 75 metre lower elevation. Dip lengths extend from surface to 75 metres below surface in the area from section 90+75N to 92+00N and from 100 – 150 metres below surface in the southern extension. These dimensions are open to depth and to the south.

The semi massive to massive polymetallic sulphide interval reaches thicknesses of up to 12.54 metres in hole 05-10 and 14.0 metres in an older hole (88047) which lies 10 metres higher in elevation than 05-10.

Faulting has played an important role in the disruption of the K7 lens and further work involving trenching and diamond drilling is required to more accurately locate these faults and their effect on continuity of the sulphide zones as well as the surrounding lower grade mineralized intervals.

The primary exploration target on the Extra High claims remains the K7 lens and its lateral and depth extensions. Additional mineralized areas on strike to the



south host earlier intercepts of important mineralization that warrant detailed drilling and trenching.

A near surface drill hole from earlier work in 1985 with one vague reference to mineralization is roughly located on section 90+00N underneath Trench 8 which contained good grade (23.14 g/t gold equivalent) sulphide mineralization in a grab sample from oxidized sulphide rubble from the bottom of the trench. This is an area that warrants further drilling as it is in close proximity to the K7 lens in an identical geological environment.

At a location approximately 1.2 km south of the K7 lens, diamond drilling in 1987 located a small high grade lens of massive sulphide within the Rea Zone stratigraphy. This zone, called the Twin 3 lens, was intersected by 2 holes with the better grade intersection in hole 87-03 assaying 1.8 metres of Au 30.5 g/t, Ag 248.3 g/t, Cu .2%, Pb 2.0%, Zn 0.7% (Heberlein, 1987). A significant difference between this sulphide zone and the K7 lens is the presence of a barite lens stratigraphically overlying the zone. Projections from two drill holes indicate a possible surface strike length of about 100 metres and a dip length of about 50 - 70 metres. Step out drilling around this intersection failed to locate an extension of mineralization but due to the high grade of the lens, additional investigation is warranted. The fact that a highly mineralized lens occurs this distance from the K7 lens makes the interval between the occurrences attractive. Wide spaced drilling in this interval in the late 1980's indicated scattered intersections up to a metre in width within the Rea Zone stratigraphy with values in the range of 0.5 g/t gold, 27 g/t silver, 0.22 % copper, 2.39 % lead and 1.81 % zinc.

The 2005 and 2007 programs of exploration both in the area around the K7 lens and on the K7 lens defined additional mineralization on the K7 lens and increased the confidence in the existing mineralization. The program also indicated new areas requiring further work to attempt to locate new zones of mineralization.

The work program completed in 2007 has successfully added to the information available for the evaluation of the Rea Zone mineralization, in particular the K7 lens and its southern extension potential.

In the opinion of Mr. J. W. Murton, the character and mineralization outlined to date is of sufficient merit to justify the following 2 Phase work program.

A Phase 1 program consisting of additional close spaced diamond drilling is warranted to further define the polymetallic massive sulphide K7 lens and its lower grade halo of mineralization. A number of step out holes are also recommended to attempt to further extend the K7 mineralization to the south by several 100 metres where earlier drill holes returned highly anomalous results with only limited assaying completed and then with results only partially available. The potential for broad zones of lower grade mineralization is a distinct possibility within the Rea horizon.



Once the proposed Phase 1 drilling program is complete, it is recommended that a Phase 2 program consisting of an independent resource study should be completed to define the potential resource that may be outlined by the Phase 1 and previous drill programs.

A Phase 1 work program estimated to cost \$320,000 and lasting 2 months is detailed as follows:

PHASE 1

Grid and Diamond Drill Hole Survey and Map Preparation	\$ 10,000
Diamond Drilling, 1,500 m K7 area @ \$185 / metre all in	277,500
Reclamation	3,000
Miscellaneous @+/- 10%	<u>29,500</u>
Total	\$320,000

Upon completion of the Phase 1 program, a Phase 2 program as described below is recommended. This Phase 2 program is estimated to cost \$100,000 and last 2 months.

PHASE 2

Independent Resource Study	\$100,000
Total	\$100,000

Total Phase 1 and Phase 2 **\$ 420,000**

5. Selected Consolidated Financial Information

The selected financial data below has been derived from the audited financial statements of Zab which have been prepared in accordance with accounting principles generally accepted in Canada.



5.1 Annual Information

Selected annual information from the audited financial statements for the three years ended December 31, 2007, 2006 and 2005 is shown in the following table:

	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005
Revenue	\$ 0	\$ 0	\$ 0
Interest income	822	496	1,225
Loss before other items	(790,303)	(570,617)	(468,089)
Loss per common share before other items	(0.03)	(0.03)	(0.02)
Fully diluted earnings/(loss) per common share before other items	n/a	n/a	n/a
Net income/(loss)	(676,166)	967,706	180,718
Basic net earnings/(loss) per common share	(0.02)	0.04	0.01
Fully diluted net earnings/(loss) per common share	n/a	0.04	0.01
Total assets	1,476,545	1,971,465	852,492
Long term financial obligations	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

Note: Gain (loss) per common share calculations in the above table are based on the number of shares outstanding for the periods and not on the weighted average number of shares outstanding (Canadian GAAP) as shown in the Statements of Operations and Deficit for the above mentioned periods. **All common shares and per share amounts included in this management discussion and analysis and in the Company's Audited Financial Statements for the years ended December 31, 2007 and 2006 have been restated to give retroactive effect to the 1:50 forward split described in Results of Operations on page 2 of the Company's MD&A and in note 1 to the Audited Financial Statements for the years ended December 31, 2007 and 2006.**



5.2 Quarterly Information

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three month quarterly period ended March 31, 2008:

For the Quarterly Periods ended:	March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007
Total Revenues	\$ 0	0	0	0
Loss before other items	(119,925)	(376,635)	(153,321)	(136,731)
Loss per common share before other items	(0.01)	(0.01)	(0.01)	(0.01)
Fully diluted earnings / (loss) per common share before other items	**n/a	**n/a	**n/a	**n/a
Earnings / (loss) for the period	(139,647)	(220,978)	(153,321)	(464,671)
Basic earnings / (loss) per common share	(0.01)	(0.01)	(0.01)	(0.02)
Diluted earnings per common share	**n/a	**n/a	**n/a	**n/a

For the Quarterly Periods ended:	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
Total Revenues	\$ 0	0	0	0
Loss before other items	(123,616)	(158,982)	(127,249)	(156,174)
Loss per common share before other items	(0.01)	(0.01)	(0.01)	(0.01)
Fully diluted earnings / (loss) per common share before other items	**n/a	**n/a	**n/a	**n/a
Earnings / (loss) for the period	162,804	(187,460)	(127,249)	1,262,759
Basic earnings / (loss) per common share	0.01	(0.01)	(0.01)	0.07
Diluted earnings per common share	0.01	**n/a	**n/a	0.06

Note: Gain (loss) per common share calculations in the above tables are based on the number of shares outstanding for the periods and which **have been restated to give retroactive effect to the 1:50 forward split described in Results of Operations on page 2 of the Company's MD&A and in note 1 to the interim unaudited Financial Statements for the three months ended March 31, 2008 and 2007** and not on the weighted average number of shares outstanding (Canadian GAAP) as shown in the Statements of Operations and Deficit for the above mentioned periods.

**The diluted loss per share calculations are not reflected as the effect would have been anti-dilutive.

The Company's business is not of a seasonal nature.



6. Management's Discussion and Analysis

6.1 Management's Discussion and Analysis – Fiscal Year End of December 31, 2007

Form 51-102F1
ZAB RESOURCES INC.
(formerly Bronx Ventures Inc.)

Management's Discussion & Analysis
Audited Financial Statements for the
Year ended December 31, 2007

*The following discussion and analysis of the financial position and results of operations for ZAB RESOURCES INC. (formerly Bronx Ventures Inc.) (the "Company" or "Zab") should be read in conjunction with the audited financial statements and the notes for the years ended December 31, 2007 and 2006 and which are prepared in accordance with Canadian generally accepted accounting principals. The audited financial statements and notes thereto have been reviewed by the Company's Auditor. The following Management's Discussion and Analysis **have not been reviewed by the Company's Auditor.***

The following information is prepared as at April 29, 2008.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Description of Business

The Company is a junior mineral exploration company.

Zab is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents, including an AIF in its alternate form, on www.Sedar.com. The Company is a foreign private issuer in the United States of America and in this respect files, on EDGAR, its Annual Report on Form 20-F and other reports on Form 6K. The following link, <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=825171> will give you direct access to the Company's Edgar filings.



Selected Annual Information

Selected annual information from the audited financial statements for the three years ended December 31, 2007, 2006 and 2005 is shown in the following table:

	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005
Revenue	\$ 0	\$ 0	\$ 0
Interest income	822	496	1,225
Loss before other items	(790,303)	(570,617)	(468,089)
Loss per common share before other items	(0.03)	(0.03)	(0.02)
Fully diluted earnings/(loss) per common share before other items	n/a	n/a	n/a
Net income/(loss)	(676,166)	967,706	180,718
Basic net earnings/(loss) per common share	(0.02)	0.04	0.01
Fully diluted net earnings/(loss) per common share	n/a	0.04	0.01
Total assets	1,476,545	1,971,465	852,492
Long term financial obligations	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

Note: Gain (loss) per common share calculations in the above table are based on the number of shares outstanding for the periods and not on the weighted average number of shares outstanding (Canadian GAAP) as shown in the Statements of Operations and Deficit for the above mentioned periods. **All common shares and per share amounts included in this management discussion and analysis and in the Company's Audited Financial Statements for the years ended December 31, 2007 and 2006 have been restated to give retroactive effect to the 1:50 forward split described in Results of Operations in this MD&A and in note 1 to the Audited Financial Statements for the years ended December 31, 2007 and 2006.**

Results of Operations

All financial figures presented herein are expressed in Canadian Dollars (CDN\$) unless otherwise specified.

On March 19, 2007, the Company changed its name to Zab Resources Inc. and the Company's capital stock was subdivided on a 1 (old) share for 50 (new) shares basis. As a result, the shares of Bronx Ventures Inc. were delisted from trading and the shares of Zab Resources Inc. commenced trading on the OTC Bulletin Board in the USA under the trading symbol "ZABRF" on March 22, 2007.

Effective at the open of market on November 28, 2007, the common shares of the Company have been listed for trading on the Canadian Trading and Quotation System



("CNQ") under the trading symbol "ZABK". The Cusip number of the common shares of the Company is 988753109.

On November 4, 2002, the Company entered into a Licensing Agreement with Las Vegas from Home.com Entertainment Inc. ("Las Vegas"), a related company, for the joint development of certain gaming software consisting of three card games (the "three card games software"), as a result of which, the three card games software was equally owned by Las Vegas and the Company. Las Vegas was the operator of the three card games software and marketed the three card games. Prior to May 6, 2006, Las Vegas received 60% of all gaming royalties that were generated from the operation of the three card games software and the Company received 40%. On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas for a consideration of 6,670,000 fully paid and non-assessable common shares in the capital of Las Vegas at a deemed price of \$0.36 per share as valued by an independent third party, for a total amount of \$2,401,200. The 6,670,000 common shares of Las Vegas which have been issued to the Company were restricted from trading until May 1, 2007. As a result of this sale, the Company will no longer receive any gaming royalties whatsoever from Las Vegas with respect to the three card games software.

For the year ended December 31, 2007, the Company recorded gaming royalties of \$0 as compared to \$219,160 for the same period in 2006 which was generated from the Company's former investment in the three card games software. The interest income was \$822 as compared to \$496 for the same period during 2006. The loss before other items was \$(790,303) as compared to a loss of \$(570,617) for the same period in 2006 due to the fact that after the sale of the Company's former investment in the three card games software, the Company no longer has the ability to generate any gaming royalties. Items which contributed to an increase in operating expenses were Directors' compensation, Legal, accounting and audit, Office and miscellaneous, Regulatory and transfer fees and Finance, interest and foreign exchange.

During the year ended December 31, 2007, the Company recorded a Net Loss of \$(676,166) as compared to a Net Income of \$967,706 for the corresponding period in 2006. The basic loss per common share was \$(0.03) as compared to earnings of \$0.05 per common share during the same period in 2006. The Company's total assets were \$1,476,545 as compared to \$1,971,465 for the same period in 2006.

For the year ended December 31, 2007, the Company had a working capital of \$772,764 as compared to a working capital of \$1,543,590 in the same period of 2006.

For the year ended December 31, 2007, the weighted average number of common shares was 23,185,142 as compared to 19,241,150 in 2006.

The Company is presently not a party to any legal proceedings whatsoever.



Mineral Properties

1. Extra High Property

On March 26, 2004, the Company entered into an Option Agreement with an arm's length party (the "Arm's Length Party") in respect to certain mineral claims, which are situated in the Kamloops Mining Division in British Columbia (the "Extra High Property"). Pursuant to the terms of the Option Agreement as amended on March 8, 2005, the Company obtained the right to acquire a 100% undivided interest in the Extra High Property, subject to a 1.5% net smelter returns royalty payable to the Arm's Length Party (the "Arm's Length Royalty"), by making staged cash payments totalling \$150,000 and incurring exploration expenditures on the Extra High Property totalling \$500,000 over a period of three years. Upon the Company earning a 100% undivided interest in the Extra High Property, the Company obtained the right to purchase at any time 50% of the Arm's Length Royalty by paying to the Arm's Length Party the sum of \$500,000 leaving the Arm's Length Party with a 0.75% NSR royalty.

Commencing in May, 2005 and up to December, 2005, the Company conducted its exploration program on the Company's Extra High Property. The exploration program consisted of soil sampling, geological mapping, trenching and diamond drilling. A total of 1,874.3 metres of NQ diamond drilling and 455 lineal metres of trenching were completed while 194 soil samples were collected over 4 areas on the Extra High Mineral Property. The exploration work program was conducted by, and was under the direct supervision of, J.W. Murton, P. Eng, a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of the Company. Mr. J. W. Murton has prepared for the Company a Technical Report (NI 43-101) on the Extra High Property (2005 Exploration Program) dated February 28, 2006 which has been filed by the Company on www.Sedar.com, and on the Company's Corporate Website, www.zabresources.com.

On September 8, 2006, the Company entered into an Option Agreement with Colt Resources Inc. ("Colt"), a company related by certain common officers and directors, whereby Colt obtained the right to acquire a 50% undivided interest, subject to the Arm's Length Royalty in the Extra High Property by incurring exploration expenditures of \$240,000 on the Extra High Property by no later than February 28, 2007 and by making cash payments to the Company totaling \$133,770 by no later than March 26, 2007.

On September 12, 2006, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was granted an extension period until June 26, 2007 to make the balance of cash payments to the Arm's Length Party and incur the remaining exploration expenditures on the Extra High Property.

On October 31, 2006, the Company and Colt entered into an Amending Agreement whereby Colt was granted an extension period until June 26, 2007 to incur exploration expenditures on the Extra High Property and to make the cash payments to the Company.

Upon Colt earning its 50% undivided interest in the Extra High Property, the Company and Colt would thereafter equally contribute to all future exploration costs. If any party would



fail to contribute its share of future exploration costs, then its respective interest would be diluted on a straight-line basis. If any party's interest would be diluted to less than a 10% interest, then that party's interest in the Extra High Property would be converted into a 0.5% NSR royalty.

On April 16, 2007, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was released of the requirement to incur the remaining exploration expenditures but instead was required to make a cash payment of \$60,000 (paid) to the Arm's Length Party.

On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property.

On June 26, 2007, the Company made its final payment to the Arm's Length Party thereby earning a 100% undivided interest in the Extra High Property subject only to the Arm's Length Royalty. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

At December 31, 2007, the Company held a 66% interest in the Extra High Property.

As at the year ended December 31, 2007, the actual amount spent on the Extra High Property since acquisition totals \$572,139 which consists of \$150,000 in cash payments made to the Arm's Length Party, \$13,950 in respect to cash payments for staking, assessment and miscellaneous costs, and \$408,189 of exploration related expenditures incurred since acquisition.

As at the year ended December 31, 2007, Colt has made option payments totaling \$193,770 to the Company,

During Q4 of 2007, the Company and its joint venture partner Colt conducted a diamond drilling program on the Extra High Property. A total of 1,293.59 metres were drilled in 8 NQ diamond drill holes. The diamond drilling program was targeted at expanding the previously indicated mineralization in the K7 lens and was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in earlier work. The diamond drilling program was conducted by and was under the direct supervision of J. W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J. W. Murton is a director of both the Company and Colt. For further particulars about the diamond drilling program please see the Company's and Colt's joint press release dated January 30, 2008.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Colt whereby Colt has the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt has exercised the first tranche of the option



by making a cash payment of \$250,000 to the Company and has acquired from the Company a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt now holds a 67% undivided interest in the Extra High Property and has become the operator of the Extra High Property. Furthermore, pursuant to the 2008 Option Agreement, Colt will be solely responsible for all exploration and property expenditures in respect of the Extra High Property, which are initiated and incurred by Colt from January 31, 2008 to December 31, 2008.

In order to exercise the second tranche of the option, Colt must make a cash payment of \$250,000 to the Company on or before December 31, 2008. And upon Colt making such payment, then Colt will be deemed to have exercised the second tranche of the option and to have acquired from the Company the remaining 33% undivided interest in the Extra High Property, subject only to the Arm's Length Royalty and to a 0.5% NSR royalty payable to the Company (the "Zab Royalty"). Colt will have the option to purchase the Zab Royalty for the sum of \$500,000 and Colt will also have the option to purchase 50% or 0.75% of the Arm's Length Royalty for the sum of \$500,000.

In the event that Colt does not exercise the second tranche of the option by December 31, 2008, then the 2008 Option Agreement will terminate and Colt and the Company shall operate as Joint Venturers with Colt holding an initial 67% undivided interest in the Extra High Property and the Company holding an initial 33% undivided interest in the Extra High Property. Thereafter each party shall contribute its proportionate share of the property expenditures. Should a Joint Venturer fail to make its proportionate share of expenditures, its interest will be diluted. Should any party's interest be diluted to less than a 10% undivided interest in the Extra High Property, then its interest will forever be converted to a 0.5% NSR royalty.

As at the date of this MD&A, the Company holds a 33% interest in the Extra High Property.

2. Lithium Properties

The Company holds a 100% interest in 45 mining claims in five claim groups that are located in the Nipigon area of north western Ontario and which are: the Noranda-McVittie group, the Newkirk-Vegan group, the Jean Lake Group, the Hanson Lake group and the Foster-Lew group.

Name of Claim Group	No. of Claims
Noranda-McVittie	6
Newkirk-Vegan	8
Jean Lake	25
Hanson Lake	2
Foster-Lew	4

All claims have achieved "Mining Lease Status" declaring them in good standing for 21 years commencing from May 1, 1989 with respect to the Newkirk-Vegan group, June 1, 1989 with respect to the Noranda-McVittie and the Jean Lake groups, and February 1, 1990 with respect to the Hanson Lake and the Foster-Lew groups.



At the end of fiscal year 2000, the Company wrote-off these properties.

3. Blunt Mountain Property

The original Blunt Mountain property that had been acquired in 2006 was allowed to lapse on the anniversary dates in April and May of 2007. A decision was made to re-stake a portion of the original property and was acquired for a total cost of \$1,322. The new name for the claims and property is Mt. Blunt. The Mt. Blunt property now consists of 8 Mineral Tenures totaling 3,304 hectares located in the Omineca Mining Division of B.C.

During the summer of 2007, J.W. Murton conducted an evaluation, mapping and sampling of the Mt. Blunt property. Rock samples were collected and submitted for analysis. Results from the analytical work did not reveal sufficient metal values to make the Mt. Blunt property worthy of further work, as a result of which, J.W. Murton has recommended that the Company allow the Mt. Blunt property to lapse. As at the date of this MD&A, the claims which comprise this property have lapsed.

As at December 31, 2007, the Company has written off its investment in this property.

4. Whiteman Property

The Whiteman Property consists of 5 Mineral Tenures totalling 1,736.825 hectares located on Whiteman Creek in the Vernon Mining Division, 25 km south west from Vernon British Columbia. The size of the block is roughly 3.5 km x 4.5 km and equals 17.37 square km. Elevations range from 800m - 1600m. The center of the property is 5564000N, 314000E. The acquisition cost for the Whiteman property was \$695 and the Company spent \$4,162 in exploration related expenses for a total of \$4,857. During the year ended December 31, 2006, this amount was written off. The Company followed up with Mr. J. W. Murton's recommendation and allowed the claims to lapse on May 12, 2007.

Fourth Quarter, (December 31, 2007)

During the three month [fourth quarter] period ended December 31, 2007, the Company had a net loss of \$(220,978) or \$(0.01) per share as compared to a net loss of \$(187,460) or \$(0.01) per share for the same three month [fourth quarter] period ended December 31, 2006.

Operating costs increased to \$376,635 as compared to \$158,982 for the same period in 2006. Items which contributed to an increase in Operating costs were Directors' compensation, Legal, accounting and audit, Employee benefits, Mineral license fees and Office and miscellaneous.



The Company did not generate any gaming royalties during the fourth quarter in 2007 (2006: \$Nil). The Company no longer has the ability to generate gaming royalties since it sold its former investment in the three card games software in May 2006.

Risks related to our Business

The Company, and the Securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities.

From time to time the Company has acquired, for investment purposes, securities of public companies. The Company is exposed to significant market risk with respect to these securities and there are no assurances whatsoever that the Company will recover its investment in these securities.

On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas, a related company, for a consideration of 6,670,000 common shares of Las Vegas. As a result of this sale, the Company will no longer be entitled to receive any gaming royalties whatsoever from the three card games software.

The Company does not generate any revenues and does not anticipate generating any revenues in the foreseeable future. Should the Company at a future date generate any revenues, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

In respect to the Company's Mineral Exploration Properties, the exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's mineral exploration properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct adverse impact on the Company's ability to raise funds for its mineral exploration properties. A drop in the availability of equity financings will likely impede spending on mineral properties. As a result of all these significant risks, it is quite possible that the Company may lose all its investments in the Company's mineral properties.



Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three month quarterly period ended December 31, 2007:

For the Quarterly Periods ended:	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Total Revenues	\$ 0	0	0	0
Loss before other items	(376,635)	(153,321)	(136,731)	(123,616)
Loss per common share before other items	(0.01)	(0.01)	(0.01)	(0.01)
Fully diluted earnings / (loss) per common share before other items	**n/a	**n/a	**n/a	**n/a
Earnings / (loss) for the period	(220,978)	(153,321)	(464,671)	162,804
Basic earnings / (loss) per common share	(0.01)	(0.01)	(0.02)	0.01
Diluted earnings per common share	**n/a	**n/a	**n/a	0.01

For the Quarterly Periods ended:	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Total Revenues	\$ 0	0	0	0
Loss before other items	(158,982)	(127,249)	(156,174)	(128,267)
Loss per common share before other items	(0.01)	(0.01)	(0.01)	(0.01)
Fully diluted earnings / (loss) per common share before other items	**n/a	**n/a	**n/a	**n/a
Earnings / (loss) for the period	(187,460)	(127,249)	1,262,759	19,656
Basic earnings / (loss) per common share	(0.01)	(0.01)	0.07	0.00
Diluted earnings per common share	**n/a	**n/a	0.06	0.00

Note: Gain (loss) per common share calculations in the above tables are based on the number of shares outstanding for the periods and which **have been restated to give retroactive effect to the 1:50 forward split described in Results of Operations on page 2 of this MD&A and in note 1 to the audited Financial Statements for the years ended December 31, 2007 and 2006** and not on the weighted average number of shares outstanding (Canadian GAAP) as shown in the Statements of Operations and Deficit for the above mentioned periods.

**The diluted loss per share calculations are not reflected as the effect would have been anti-dilutive.



The Company's business is not of a seasonal nature.

Liquidity and Capital Resources

During 2007, the Company shall require at least \$500,000 so as to conduct its operations uninterrupted. In order to meet this requirement, the Company intends to seek equity and/or debt financings through private placements and/or public offerings and/or loans. In the past, the Company has been successful in securing equity and debt financings in order to conduct its operations uninterrupted. While the Company does not give any assurances whatsoever that in the future it will continue being successful in securing equity and/or debt financings in order to conduct its operations uninterrupted, it is the Company's intention to pursue these methods for future funding of the Company.

Pursuant to the Option Agreement dated September 8, 2006, as amended, with Colt, a related party, the Company has received \$193,770 as of December 31, 2007.

Subsequent to the year-ended 2007, the Company entered into an Option Agreement (the "2008 Option Agreement") dated January 21, 2008 with Colt whereby Colt has the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Colt has already exercised the first tranche of the option by making a cash payment of \$250,000 to the Company. In the event that Colt exercises the second tranche of the option by making a cash payment of \$250,000 to the Company, then such funds shall be used for general working capital purposes.

The Company has issued warrants to acquire common shares of the Company, at certain prices, to various parties. Should any outstanding warrants be exercised by any party, then any funds received by the Company shall be used for Canadian Exploration Related Expenditures. However, there are no assurances whatsoever that any warrants will be exercised before their respective expiry dates. During the year ended December 31, 2006, 1,200,000 share purchase warrants were issued at \$0.05 per share with an expiry of December 31, 2007. During the twelve month period ended December 31, 2007, a warrant holder exercised 400,000 flow-through warrant shares at an exercise price of \$0.05 per flow-through common share for total proceeds to the Company of \$20,000.

During 2005 and 2006 the Company acquired, through Private Placement financings, an aggregate of 2,500,000 shares in the capital of Colt for a total cost to the Company of \$25,000. During 2007, the shares of Colt began trading on the CNQ and the Company sold all 2,500,000 common shares held and realized a net gain of \$99,011.

During 2007, the Company entered into Private Placement Agreements to sell an aggregate of 3,000,000 units in the securities of the Company at a price of US \$0.05 per unit for total proceeds to the Company of US\$150,000 (Cdn \$155,945). Each unit



consists of one common share and one non-transferable share purchase warrant which entitles the holder to purchase one common share at a price of US \$0.10 for a period of one year from the closing date. All common shares and non-transferable share purchase warrants pursuant to these Private Placement Agreements have been issued with the required hold period. The Company paid finders' fees to an arm's length third party in the sum of US \$15,000 (Cdn \$15,320) in connection with these Private Placement Agreements.

During 2007, the Company entered into Private Placement Flow-Through Financing Agreements with two directors, for the purchase of 1,200,000 flow-through share units in the securities of the Company at the purchase price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consists of one common share (the "flow-through shares") of the Company that will be a "flow-through share" pursuant to the provisions of the *Income Tax Act* (Canada) (the "ITA") and one non-transferable common share purchase warrant (the "Warrants"), each Warrant entitling the holder to purchase one common share (the "flow-through warrant shares") at a price of \$0.05 per flow-through warrant share until December 31, 2008. All common shares and non-transferable share purchase warrants pursuant to this private placement financing have been issued with the required hold period.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures. As at December 31, 2007 the amount of flow-through proceeds remaining to be expended is \$66,242 (2006 - \$127,996).

During the year ended December 31, 2007, 4,456,060 stock options were granted to Directors, Officers, Employees and Consultants on June 15, 2007 which have a term of 4 years and are exercisable at Cdn \$0.05 per common share. If any stock options are exercised in the future, then any funds received by the Company from the exercising of stock options shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised before their expiry. As of December 31, 2007, there were no stock options exercised.

As at December 31, 2007, the Company had \$18,461 in cash and term deposits as compared to \$57,144 for the year ended December 31, 2006. Working capital as at December 31, 2007 was \$772,764 as compared to a working capital of \$1,543,590 for the year ended December 31, 2006. Marketable securities as at December 31, 2007 were \$983,321 as compared to \$1,575,498 for the year ended December 31, 2006. Accounts receivable as at December 31, 2007 was \$14,672 as compared to \$1,436 for the year ended December 31, 2006 and Receivable from related party was \$71,722 as compared to \$5,196 for the year ended December 31, 2006.

As at December 31, 2007, the total assets of the Company was \$1,476,545 (2006: \$1,971,465) and the total liabilities was \$315,412 (2006: \$95,684).



During the year ended December 31, 2007, the Company had a net loss of \$(676,166) as compared to a net income of \$967,706 for the corresponding period in 2006 as a result of the Company not generating any gaming royalties due to the sale of the Company's investment in the three card games software to Las Vegas, a related party.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Trends

Due to global demand, prices of metals have appreciated significantly during the last few years. It is generally expected that the worldwide demand for metals will continue for the foreseeable future. Should this trend continue, it is expected that mineral prospects of merit will be more difficult and expensive to acquire and the services of technically competent people will be more difficult to obtain.

Related Party Transactions

The Company shares office space with Las Vegas, a company related by certain common officers and directors. Effective as of March 1, 2007, Las Vegas invoices the Company \$1,500 plus G.S.T. per month for providing office space, telephone and photocopy services, office supplies, reception, accounting, secretarial and other miscellaneous services for as long as such services are required by the Company.

On November 4, 2002, the Company entered into a Licensing Agreement with Las Vegas, a related company, for the joint development of certain gaming software consisting of three card games (the "three card games software"), as a result of which, the three card games software was equally owned by Las Vegas and the Company. Las Vegas was the operator of the three card games software and marketed the three card games. Prior to May 6, 2006, Las Vegas received 60% of all gaming royalties that were generated from the operation of the three card games software and the Company received 40%. For the twelve month period ended December 31, 2007, the Company's share of gaming royalties from the three card games software was \$0 as compared to \$219,160 for the corresponding period in 2006. On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas for a consideration of 6,670,000 fully paid and non-assessable common shares in the capital of Las Vegas at a deemed price of \$0.36 per share as valued by an independent third party for a total amount of \$2,401,200. The 6,670,000 common shares of Las Vegas which have been issued to the Company were restricted from trading until May 1, 2007. As a result of this sale, the Company will no longer receive any gaming royalties whatsoever from Las Vegas with respect to the three card games software. The Company intends to sell all of its Las Vegas securities in an orderly manner. During the twelve month period ended December 31, 2007, the company sold 22,000 Las Vegas securities for total net proceeds of \$4,400.



Pursuant to the New Management Services Agreement dated November 1, 2001, as amended on August 18, 2003 and on July 31, 2005, the aggregate amount of payments made for Management Fees totalled \$360,000 during the twelve month period ended December 31, 2007 (2006: \$360,000) and was paid to Kalpakian Bros. of B.C. Ltd., (the "Manager") the principals of which are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors of the Company. The New Management Services Agreement expires in October, 2008 and is renewable on an annual basis and may be terminated by either party by giving three months notice in writing.

The Company's Board of Directors resolved effective as of July 1, 2005, to remunerate two independent Directors for an aggregate monthly amount of \$2,501 plus G.S.T. Effective as of June 30, 2007, the Company and the two Directors agreed to terminate the aforementioned arrangement. As of June 30, 2007 an aggregate amount of \$37,166 in directors' fees remained payable to the two Directors (the "Debt"). The two Directors and the Company entered into respective Share for Debt Settlement Agreements on July 12, 2007 and the Company issued an aggregate of 743,320 common shares at the fair market value price of \$0.05 per share as full and final settlement of the Debt.

The Company has hired the services of J.W. Murton & Associates to provide geological services. J.W. Murton & Associates is a private company owned by a Director of the Company. For the twelve month period ended December 31, 2007, J. W. Murton & Associates has provided geological services to the Company in the amount of \$33,797 (2006: \$33,750) plus G.S.T.

On September 8, 2006, the Company entered into an option agreement for the Extra High Property with Colt; this agreement was subsequently amended on October 31, 2007 and June 14, 2007. The terms of the agreement were completed in full on June 26, 2007 (see Mineral Properties – 1. Extra High Property in this MD&A).

On January 21, 2008, the Company entered into an option agreement for the Extra High Property with Colt (see Mineral Properties – 1. Extra High Property in this MD&A).

During 2007, the Company entered into Private Placement Flow-Through Financing Agreements with two directors, for the purchase of 1,200,000 flow-through share units in the securities of the Company at the purchase price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consists of one common share (the "flow-through shares") of the Company that will be a "flow-through share" pursuant to the provisions of the *Income Tax Act* (Canada) (the "ITA") and one non-transferable common share purchase warrant (the "Warrants"), each Warrant entitling the holder to purchase one common share (the "flow-through warrant shares") at a price of \$0.05 per flow-through warrant share until December 31, 2008. All common shares and non-transferable share purchase warrants pursuant to this private placement financing have been issued with the required hold period.

During 2006, the Company issued 1,200,000 flow-through share units in the securities of the Company to two individuals, one of which is a director of the Company, at the price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consisted of



one flow-through common share and one flow-through common share purchase warrant exercisable at \$0.05 per share until December 31, 2007. During 2007, 400,000 of the flow-through share warrants were exercised at \$0.05 per flow through share for total proceeds to the Company of \$20,000 and the remaining balance of 800,000 unexercised flow-through share warrants have expired.

On January 7, 2005, the Company acquired 1,250,000 units of Las Vegas at a price of \$0.20 per unit. Each Las Vegas unit consists of one Las Vegas common share and one-half of one warrant. One whole warrant is required to purchase one Las Vegas common share at \$0.25 per common share for a period of 24 months. In January 2006, the Company exercised 600,000 of its half warrants. In January 2007, the remaining 650,000 half warrants expired.

During 2005, the Company entered into a Private Placement Financing Agreement with Colt. The Company purchased 1,000,000 common shares in the capital of Colt at \$0.01 per share for a total purchase price of \$10,000.

During 2006, the Company entered into a Private Placement Financing Agreement with Colt whereby the Company purchased 1,500,000 common shares in the capital of Colt at \$0.01 per share for a total purchase price of \$15,000.

The shares of Colt began trading on the CNQ on March 1, 2007 and the Company sold all 2,500,000 common shares held in the capital of Colt for total gross proceeds to the Company of \$125,000.

Financial instruments

Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants' (CICA) Handbook Section 3855, "financial instruments – recognition and measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The Company classifies its debt and marketable equity securities into held-to-maturity, trading or available-for-sale categories. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Debt securities for which the Company does not have the intent or ability to hold to maturity are classified as available-for-sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on contractual maturity date and are stated at amortized cost. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt and marketable equity securities not classified as held-to-maturity or as trading are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in stockholders' equity.

Prior to the adoption of the new standard, the Company recorded its marketable securities at the lower of cost and market value at the balance sheet date.



On the date of adoption, the Company remeasured its financial assets and liabilities as appropriate. There was no impact on the financial statements arising from the adoption of the standard. In accordance with this standard, prior period financial statements have not been restated.

(a) Financial instruments

The Company has designated its cash and cash equivalents as held-to maturity, marketable securities as available for sale, accounts receivable and notes receivable as loans and receivables, accounts payable and accrued liabilities, other liabilities and long-term debt, including current portion, as other liabilities.

(b) Fair value

Prior to the adoption of Section 3855, the Company disclosed the fair value of its financial instruments. The carrying values of cash, term deposits, receivables, and accounts payable and accrued liabilities approximated their fair values due to the relatively short periods to maturity of those financial instruments.

(c) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(d) Concentrations of credit risk

The Company is not exposed to significant credit risk with respect to its cash and term deposits as the funds are held in a recognized financial institution.

(e) Market risk

The Company is exposed to significant market risk with respect to marketable securities due to fluctuations in their market value and the possibility of being delisted from public trading, resulting in potential losses to the Company. Currently the total amount exposed to market risk is \$983,321.

Comprehensive Income

Effective January 1, 2007, the Company adopted Section 1530, "comprehensive income", which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with stockholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income consists of unrealized gains and losses that under generally accepted accounting principles are required to be recognized in a period but excluded from net income for that period. The Company has included a comprehensive loss calculation in the statement of stockholders' equity.



Analysis of expenses

For a breakdown of general and administrative expenditures, please refer to the Company's Annual (audited) Financial Statements of Operations and Deficit for the year ended December 31, 2007.

Disclosure over Internal Controls

There have been no significant changes to the Company's internal control environment during the twelve months ended December 31, 2007 that would have materially affected the Company's internal controls over financial reporting.

Upon completion of the Company's Audit for the year ended December 31, 2007, the Auditors have identified matters relating to corporate governance be addressed and documented by the Company's Management on a going forward basis, however, the Auditors appreciated the assistance provided by the Company during the Audit and the Auditors determined that all transactions were diligently and accurately accounted for. Furthermore, the Auditors determined that they did not encounter any specific internal control matters be brought to the Company's attention other than matters relating to corporate governance.

The Company's certifying Officers conclude that the Company's internal disclosure controls and procedures are effective and sufficient to execute its business plan.

Capital Stock

Authorized share capital:

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Outstanding Share Data as of April 29, 2008	No. of Common Shares	No. of Preferred Shares	Exercise Price	Expiry Date
Issued and Outstanding as at April 29, 2008	27,323,620	Nil	N/A	N/A
Stock Options	4,456,060	Nil	Cdn\$0.05	June 15/11
Warrants	4,200,000	Nil	Cdn\$0.05 – US \$0.10	December 31/08
Fully Diluted as at April 29, 2008	35,979,680	Nil	N/A	N/A



Outlook

Management's efforts are directed towards pursuing opportunities of merit in the mineral exploration sector for the Company.

6.2 Management's Discussion and Analysis – Interim period ended March 31, 2008.

Form 51-102F1
ZAB RESOURCES INC.
(formerly Bronx Ventures Inc.)

Management's Discussion & Analysis
Interim unaudited Financial Statements for the
Three Months ended March 31, 2008

*The following discussion and analysis of the financial position and results of operations for ZAB RESOURCES INC. (formerly Bronx Ventures Inc.) (the "Company" or "Zab") should be read in conjunction with the interim unaudited financial statements and the notes thereto for the three months ended March 31, 2008 and the audited financial statements and the notes for the years ended December 31, 2007 and 2006 and which are prepared in accordance with Canadian generally accepted accounting principals. **The interim unaudited financial statements for the three months ended March 31, 2008 and notes thereto have not been reviewed by the Company's Auditor. The following discussion and analysis has not been reviewed by the Company's Auditor.***

The following information is prepared as at May 28, 2008.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Description of Business

The Company is a junior mineral exploration company.

Zab is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents, including an AIF in its alternate form, on www.Sedar.com. The Company is a foreign private issuer in the United States of America and in this respect files, on EDGAR, its Annual Report on Form 20-F and other



reports on Form 6K. The following link, <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=825171> will give you direct access to the Company's Edgar filings.

Results of Operations

All financial figures presented herein are expressed in Canadian Dollars (CDN\$) unless otherwise specified.

On March 19, 2007, the Company changed its name to Zab Resources Inc. and the Company's capital stock was subdivided on a 1 (old) share for 50 (new) shares basis. As a result, the shares of Bronx Ventures Inc. were delisted from trading and the shares of Zab Resources Inc. commenced trading on the OTC Bulletin Board in the USA under the trading symbol "ZABRF" on March 22, 2007.

Effective at the open of market on November 28, 2007, the common shares of the Company have been listed for trading on the Canadian Trading and Quotation System ("CNQ") under the trading symbol "ZABK". The Cusip number of the common shares of the Company is 988753109.

On November 4, 2002, the Company entered into a Licensing Agreement with Las Vegas from Home.com Entertainment Inc. ("Las Vegas"), a related company, for the joint development of certain gaming software consisting of three card games (the "three card games software"), as a result of which, the three card games software was equally owned by Las Vegas and the Company. Las Vegas was the operator of the three card games software and marketed the three card games. Prior to May 6, 2006, Las Vegas received 60% of all gaming royalties that were generated from the operation of the three card games software and the Company received 40%. On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas for a consideration of 6,670,000 fully paid and non-assessable common shares in the capital of Las Vegas at a deemed price of \$0.36 per share as valued by an independent third party, for a total amount of \$2,401,200. The 6,670,000 common shares of Las Vegas which have been issued to the Company were restricted from trading until May 1, 2007. As a result of this sale, the Company will no longer receive any gaming royalties whatsoever from Las Vegas with respect to the three card games software.

The Company is presently not a party to any legal proceedings whatsoever.

Mineral Properties

1. Extra High Property

On March 26, 2004, the Company entered into an Option Agreement with an arm's length party (the "Arm's Length Party") in respect to certain mineral claims, which are situated in the Kamloops Mining Division in British Columbia (the "Extra High Property"). Pursuant to the terms of the Option Agreement as amended on March 8, 2005, the Company obtained



the right to acquire a 100% undivided interest in the Extra High Property, subject to a 1.5% net smelter returns royalty payable to the Arm's Length Party (the "Arm's Length Royalty"), by making staged cash payments totalling \$150,000 and incurring exploration expenditures on the Extra High Property totalling \$500,000 over a period of three years. Upon the Company earning a 100% undivided interest in the Extra High Property, the Company obtained the right to purchase at any time 50% of the Arm's Length Royalty by paying to the Arm's Length Party the sum of \$500,000 leaving the Arm's Length Party with a 0.75% NSR royalty.

Commencing in May, 2005 and up to December, 2005, the Company conducted its exploration program on the Company's Extra High Property. The exploration program consisted of soil sampling, geological mapping, trenching and diamond drilling. A total of 1,874.3 metres of NQ diamond drilling and 455 lineal metres of trenching were completed while 194 soil samples were collected over 4 areas on the Extra High Mineral Property. The exploration work program was conducted by, and was under the direct supervision of, J.W. Murton, P. Eng, a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of the Company. Mr. J. W. Murton has prepared for the Company a Technical Report (NI 43-101) on the Extra High Property (2005 Exploration Program) dated February 28, 2006 which has been filed by the Company on www.Sedar.com, and on the Company's Corporate Website, www.zabresources.com.

On September 8, 2006, the Company entered into an Option Agreement with Colt Resources Inc. ("Colt"), a company related by certain common officers and directors, whereby Colt obtained the right to acquire a 50% undivided interest, subject to the Arm's Length Royalty in the Extra High Property by incurring exploration expenditures of \$240,000 on the Extra High Property by no later than February 28, 2007 and by making cash payments to the Company totaling \$133,770 by no later than March 26, 2007.

On September 12, 2006, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was granted an extension period until June 26, 2007 to make the balance of cash payments to the Arm's Length Party and incur the remaining exploration expenditures on the Extra High Property.

On October 31, 2006, the Company and Colt entered into an Amending Agreement whereby Colt was granted an extension period until June 26, 2007 to incur exploration expenditures on the Extra High Property and to make the cash payments to the Company.

Upon Colt earning its 50% undivided interest in the Extra High Property, the Company and Colt would thereafter equally contribute to all future exploration costs. If any party would fail to contribute its share of future exploration costs, then its respective interest would be diluted on a straight-line basis. If any party's interest would be diluted to less than a 10% interest, then that party's interest in the Extra High Property would be converted into a 0.5% NSR royalty.

On April 16, 2007, the Company and the Arm's Length Party amended the Option Agreement by entering into an Amending Agreement whereby the Company was released



of the requirement to incur the remaining exploration expenditures but instead was required to make a cash payment of \$60,000 (paid) to the Arm's Length Party.

On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property.

On June 26, 2007, the Company made its final payment to the Arm's Length Party thereby earning a 100% undivided interest in the Extra High Property subject only to the Arm's Length Royalty. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

At December 31, 2007, the Company held a 66% interest in the Extra High Property.

As at December 31, 2007, the actual amount spent on the Extra High Property since acquisition totaled \$572,139 which consisted of \$150,000 in cash payments made to the Arm's Length Party, \$13,950 in respect to cash payments for staking, assessment and miscellaneous costs, and \$408,189 of exploration related expenditures incurred since acquisition.

As at December 31, 2007, Colt has made option payments totaling \$193,770 to the Company.

During Q4 of 2007, the Company and its joint venture partner Colt conducted a diamond drilling program on the Extra High Property. A total of 1,293.59 metres were drilled in 8 NQ diamond drill holes. The diamond drilling program was targeted at expanding the previously indicated mineralization in the K7 lens and was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in earlier work. The diamond drilling program was conducted by and was under the direct supervision of J. W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J. W. Murton is a director of both the Company and Colt. For further particulars about the diamond drilling program please see the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt by J. W. Murton, P. Eng. which has been filed by the Company on its corporate website www.zabresources.com.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Colt whereby Colt has the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt has exercised the first tranche of the option by making a cash payment of \$250,000 to the Company and has acquired from the Company a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt now holds a 67% undivided interest in the Extra High Property and has become the operator of the Extra High Property. Furthermore, pursuant to the 2008 Option Agreement, Colt will be solely responsible for all exploration and



property expenditures in respect of the Extra High Property, which are initiated and incurred by Colt from January 31, 2008 to December 31, 2008.

In order to exercise the second tranche of the option, Colt must make a cash payment of \$250,000 to the Company on or before December 31, 2008. And upon Colt making such payment, then Colt will be deemed to have exercised the second tranche of the option and to have acquired from the Company the remaining 33% undivided interest in the Extra High Property, subject only to the Arm's Length Royalty and to a 0.5% NSR royalty payable to the Company (the "Zab Royalty"). Colt will have the option to purchase the Zab Royalty for the sum of \$500,000 and Colt will also have the option to purchase 50% or 0.75% of the Arm's Length Royalty for the sum of \$500,000.

In the event that Colt does not exercise the second tranche of the option by December 31, 2008, then the 2008 Option Agreement will terminate and Colt and the Company shall operate as Joint Venturers with Colt holding an initial 67% undivided interest in the Extra High Property and the Company holding an initial 33% undivided interest in the Extra High Property. Thereafter each party shall contribute its proportionate share of the property expenditures. Should a Joint Venturer fail to make its proportionate share of expenditures, its interest will be diluted. Should any party's interest be diluted to less than a 10% undivided interest in the Extra High Property, then its interest will forever be converted to a 0.5% NSR royalty.

As at the date of this MD&A, the Company holds a 33% interest in the Extra High Property.

2. Lithium Properties

The Company holds a 100% interest in 45 mining claims in five claim groups that are located in the Nipigon area of north western Ontario and which are: the Noranda-McVittie group, the Newkirk-Vegan group, the Jean Lake Group, the Hanson Lake group and the Foster-Lew group.

Name of Claim Group	No. of Claims
Noranda-McVittie	6
Newkirk-Vegan	8
Jean Lake	25
Hanson Lake	2
Foster-Lew	4

All claims have achieved "Mining Lease Status" declaring them in good standing for 21 years commencing from May 1, 1989 with respect to the Newkirk-Vegan group, June 1, 1989 with respect to the Noranda-McVittie and the Jean Lake groups, and February 1, 1990 with respect to the Hanson Lake and the Foster-Lew groups.

At the end of fiscal year 2000, the Company wrote-off these properties.



3. Blunt Mountain Property, British Columbia

The original Blunt Mountain property that had been acquired in 2006 was allowed to lapse on the anniversary dates in April and May of 2007. A decision was made to re-stake a portion of the original property and was acquired for a total cost of \$1,322. The new name for the claims and property is Mt. Blunt. The Mt. Blunt property now consists of 8 Mineral Tenures totaling 3,304 hectares located in the Omineca Mining Division of B.C.

During the summer of 2007, J.W. Murton conducted an evaluation, mapping and sampling of the Mt. Blunt property. Rock samples were collected and submitted for analysis. Results from the analytical work did not reveal sufficient metal values to make the Mt. Blunt property worthy of further work, as a result of which, J.W. Murton has recommended that the Company allow the Mt. Blunt property to lapse. As at the date of this MD&A, the claims which comprise this property have lapsed.

As at December 31, 2007, the Company has written off its investment in this property.

4. Whiteman Property

The Whiteman Property consists of 5 Mineral Tenures totaling 1,736.825 hectares located on Whiteman Creek in the Vernon Mining Division, 25 km south west from Vernon British Columbia. The size of the block is roughly 3.5 km x 4.5 km and equals 17.37 square km. Elevations range from 800m - 1600m. The center of the property is 5564000N, 314000E. The acquisition cost for the Whiteman property was \$695 and the Company spent \$4,162 in exploration related expenses for a total of \$4,857. During the year ended December 31, 2006, this amount was written off. The Company followed up with Mr. J. W. Murton's recommendation and allowed the claims to lapse on May 12, 2007.

First Quarter, (March 31, 2008)

During the three month [first quarter] period ended March 31 2008, the Company had a net loss of \$(139,647) or \$(0.01) per share as compared to a net gain of \$162,804 or \$0.01 per share for the same three month [first quarter] period ended March 31, 2007.

Operating costs were \$119,925 as compared to \$123,616 for the same period in 2007. During the three months ended March 31, 2008 the operating expenses consisted of Finance, interest and foreign exchange of \$8,795 (2007: \$529), Legal, accounting and audit of \$564 (2007: \$5,885), Management fees of \$90,000 (2007: \$90,000), Regulatory and transfer agent fees of \$1,741 (2007: \$1,505), Rent of \$900 (2007: \$2,500), Office and miscellaneous of \$8,942 (2007: 2,671), Salaries and benefits of \$8,705 (2007: \$12,632) and Telephone of \$278 (2007: \$210)..



Risks related to our Business

The Company, and the Securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities.

From time to time the Company has acquired, for investment purposes, securities of public companies. The Company is exposed to significant market risk with respect to these securities and there are no assurances whatsoever that the Company will recover its investment in these securities.

On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas, a related company, for a consideration of 6,670,000 common shares of Las Vegas. As a result of this sale, the Company will no longer be entitled to receive any gaming royalties whatsoever from the three card games software.

The Company does not generate any revenues and does not anticipate generating any revenues in the foreseeable future. Should the Company at a future date generate any revenues, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

In respect to the Company's Mineral Exploration Properties, the exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's mineral exploration properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct adverse impact on the Company's ability to raise funds for its mineral exploration properties. A drop in the availability of equity financings will likely impede spending on mineral properties. As a result of all these significant risks, it is quite possible that the Company may lose all its investments in the Company's mineral properties.



Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three month quarterly period ended March 31, 2008:

For the Quarterly Periods ended:	March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007
Total Revenues	\$ 0	0	0	0
Loss before other items	(119,925)	(376,635)	(153,321)	(136,731)
Loss per common share before other items	(0.01)	(0.01)	(0.01)	(0.01)
Fully diluted earnings / (loss) per common share before other items	**n/a	**n/a	**n/a	**n/a
Earnings / (loss) for the period	(139,647)	(220,978)	(153,321)	(464,671)
Basic earnings / (loss) per common share	(0.01)	(0.01)	(0.01)	(0.02)
Diluted earnings per common share	**n/a	**n/a	**n/a	**n/a

For the Quarterly Periods ended:	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
Total Revenues	\$ 0	0	0	0
Loss before other items	(123,616)	(158,982)	(127,249)	(156,174)
Loss per common share before other items	(0.01)	(0.01)	(0.01)	(0.01)
Fully diluted earnings / (loss) per common share before other items	**n/a	**n/a	**n/a	**n/a
Earnings / (loss) for the period	162,804	(187,460)	(127,249)	1,262,759
Basic earnings / (loss) per common share	0.01	(0.01)	(0.01)	0.07
Diluted earnings per common share	0.01	**n/a	**n/a	0.06

Note: Gain (loss) per common share calculations in the above tables are based on the number of shares outstanding for the periods and which have been restated to give retroactive effect to the 1:50 forward split described in Results of Operations on page 2 of this MD&A and in note 1 to the interim unaudited Financial Statements for the three months ended March 31, 2008 and 2007 and not on the weighted average number of shares outstanding (Canadian GAAP) as shown in the Statements of Operations and Deficit for the above mentioned periods.

**The diluted loss per share calculations are not reflected as the effect would have been anti-dilutive.

The Company's business is not of a seasonal nature.

Liquidity and Capital Resources

During 2008, the Company shall require at least \$500,000 so as to conduct its operations uninterrupted. In order to meet this requirement, the Company intends to seek equity and/or debt financings through private placements and/or public offerings



and/or loans. In the past, the Company has been successful in securing equity and debt financings in order to conduct its operations uninterrupted. While the Company does not give any assurances whatsoever that in the future it will continue being successful in securing equity and/or debt financings in order to conduct its operations uninterrupted, it is the Company's intention to pursue these methods for future funding of the Company.

Pursuant to the Option Agreement dated September 8, 2006, as amended, with Colt, a related party, the Company has received \$193,770 as of December 31, 2007.

The Company entered into an Option Agreement (the "2008 Option Agreement") dated January 21, 2008 with Colt whereby Colt has the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Colt has already exercised the first tranche of the option by making a cash payment of \$250,000 to the Company. In the event that Colt exercises the second tranche of the option by making a cash payment of \$250,000 to the Company, then such funds shall be used for general working capital purposes.

The Company has issued warrants to acquire common shares of the Company, at certain prices, to various parties. Should any outstanding warrants be exercised by any party, then any funds received by the Company shall be used for Canadian Exploration Related Expenditures. However, there are no assurances whatsoever that any warrants will be exercised before their respective expiry dates. During the year ended December 31, 2006, 1,200,000 share purchase warrants were issued at \$0.05 per share with an expiry of December 31, 2007. During the twelve month period ended December 31, 2007, a warrant holder exercised 400,000 flow-through warrant shares at an exercise price of \$0.05 per flow-through common share for total proceeds to the Company of \$20,000.

During 2005 and 2006 the Company acquired, through Private Placement financings, an aggregate of 2,500,000 shares in the capital of Colt for a total cost to the Company of \$25,000. During 2007, the shares of Colt began trading on the CNQ and the Company sold all 2,500,000 common shares held and realized a net gain of \$99,011.

During 2007, the Company entered into Private Placement Agreements to sell an aggregate of 3,000,000 units in the securities of the Company at a price of US \$0.05 per unit for total proceeds to the Company of US\$150,000 (Cdn \$155,945). Each unit consists of one common share and one non-transferable share purchase warrant which entitles the holder to purchase one common share at a price of US \$0.10 for a period of one year from the closing date. All common shares and non-transferable share purchase warrants pursuant to these Private Placement Agreements have been issued with the required hold period. The Company paid finders' fees to an arm's length third party in the sum of US \$15,000 (Cdn \$15,320) in connection with these Private Placement Agreements.

During 2007, the Company entered into Private Placement Flow-Through Financing Agreements with two directors, for the purchase of 1,200,000 flow-through share units in the securities of the Company at the purchase price of \$0.05 per unit for total proceeds



to the Company of \$60,000. Each unit consists of one common share (the “flow-through shares”) of the Company that will be a “flow-through share” pursuant to the provisions of the *Income Tax Act* (Canada) (the “ITA”) and one non-transferable common share purchase warrant (the “Warrants”), each Warrant entitling the holder to purchase one common share (the “flow-through warrant shares”) at a price of \$0.05 per flow-through warrant share until December 31, 2008. All common shares and non-transferable share purchase warrants pursuant to this private placement financing have been issued with the required hold period.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures. As at December 31, 2007, the amount of flow-through proceeds remaining to be expended is \$66,242 (2006 - \$127,996).

During the three months ended March 31, 2008, there were no stock option granted to Directors, Officers, Employees and Consultants. As at March 31, 2008, there are 4,456,060 stock options outstanding (2007: Nil) which have been granted to Directors, Officers, Employees and Consultants on June 15, 2007 which have a term of 4 years and are exercisable at Cdn \$0.05 per common share. If any stock options are exercised in the future, then any funds received by the Company from the exercising of stock options shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised before their expiry. As at March 31, 2008, there were no stock options exercised.

As at March 31, 2008, the Company had \$4,476 in cash and cash equivalents as compared to \$18,461 for the three months period ended March 31, 2007. Working capital as at March 31, 2008 was \$825,284 as compared to a working capital of \$1,789,908 for the three months period ended March 31, 2007. Marketable securities as at March 31, 2008 were \$847,681 as compared to \$1,844,401 for the three month period ended March 31, 2007. Accounts receivable as at March 31, 2008 was \$6,316 as compared to \$6,024 for the three months period ended March 31, 2007 and Prepaid Expense was \$41,500 as compared to \$Nil for the three month period ended March 31, 2007.

As at March 31, 2008, the total assets of the Company were \$1,058,035 (December 31, 2007: \$1,476,545) and the total liabilities were \$74,689 (December 31, 2007: \$315,412).

During the three months ended March 31, 2008, the Company had a net loss of \$(139,647) as compared to a net loss of \$(123,259) for the corresponding period in 2007.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.



Trends

Due to global demand, prices of metals have appreciated significantly during the last few years. It is generally expected that the worldwide demand for metals will continue for the foreseeable future. Should this trend continue, it is expected that mineral prospects of merit will be more difficult and expensive to acquire and the services of technically competent people will be more difficult to obtain.

Related Party Transactions

The Company shares office space with Las Vegas, a company related by certain common officers and directors. Effective as of March 1, 2007, Las Vegas invoices the Company \$1,500 plus G.S.T. per month for providing office space, telephone and photocopy services, office supplies, reception, accounting, secretarial and other miscellaneous services for as long as such services are required by the Company. As at March 31, 2008, Las Vegas charged the Company for its share of (i) office expenses of \$3,600 (2007 - \$0); and (ii) rent expenses of \$900 (2007 - \$2,500).

On November 4, 2002, the Company entered into a Licensing Agreement with Las Vegas, for the joint development of certain gaming software consisting of three card games (the "three card games software"), as a result of which the three card games software was equally owned by the Company and Las Vegas. On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas for a consideration of 6,670,000 fully paid and non-assessable common shares of Las Vegas at a deemed price of \$0.36 per share, as valued by an independent third party, for a total amount of \$2,401,200. The 6,670,000 common shares of Las Vegas, which have been issued to the Company, were restricted from trading until May 1, 2007.

Pursuant to the New Management Services Agreement dated November 1, 2001, as amended on August 18, 2003 and on July 31, 2005, the aggregate amount of payments made for Management Fees totaled \$90,00 during the three months ended March 31, 2008 (2007: \$90,000) and was paid to Kalpakian Bros. of B.C. Ltd., (the "Manager") the principals of which are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors of the Company. The New Management Services Agreement expires in October, 2008 and is renewable on an annual basis and may be terminated by either party by giving three months notice in writing.

The Company's Board of Directors resolved effective as of July 1, 2005, to remunerate two independent Directors for an aggregate monthly amount of \$2,501 plus G.S.T. Effective as of June 30, 2007, the Company and the two Directors agreed to terminate the aforementioned arrangement. As of June 30, 2007 an aggregate amount of \$37,166 in directors' fees remained payable to the two Directors (the "Debt"). The two Directors and the Company entered into respective Share for Debt Settlement Agreements on July 12, 2007 and the Company issued an aggregate of 743,320 common shares at the fair market value price of \$0.05 per share as full and final settlement of the Debt.



The Company has hired the services of J.W. Murton & Associates to provide geological services. J.W. Murton & Associates is a private company owned by a Director of the Company. For the three months period ended March 31, 2008, J. W. Murton & Associates has provided geological services to the Company in the amount of \$29,499 (2007: \$0) .

On September 8, 2006, the Company entered into an option agreement for the Extra High Property with Colt; this agreement was subsequently amended on October 31, 2007 and June 14, 2007. The terms of the agreement were completed in full on June 26, 2007 (see Mineral Properties – 1. Extra High Property in this MD&A).

On January 21, 2008, the Company entered into an option agreement for the Extra High Property with Colt (see Mineral Properties – 1. Extra High Property in this MD&A).

During 2007, the Company entered into Private Placement Flow-Through Financing Agreements with two directors, for the purchase of 1,200,000 flow-through share units in the securities of the Company at the purchase price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consists of one common share (the “flow-through shares”) of the Company that will be a “flow-through share” pursuant to the provisions of the *Income Tax Act* (Canada) (the “ITA”) and one non-transferable common share purchase warrant (the “Warrants”), each Warrant entitling the holder to purchase one common share (the “flow-through warrant shares”) at a price of \$0.05 per flow-through warrant share until December 31, 2008. All common shares and non-transferable share purchase warrants pursuant to this private placement financing have been issued with the required hold period.

During 2006, the Company issued 1,200,000 flow-through share units in the securities of the Company to two individuals, one of which is a director of the Company, at the price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consisted of one flow-through common share and one flow-through common share purchase warrant exercisable at \$0.05 per share until December 31, 2007. During 2007, 400,000 of the flow-through share warrants were exercised at \$0.05 per flow through share for total proceeds to the Company of \$20,000 and the remaining balance of 800,000 unexercised flow-through share warrants have expired.

During 2005, the Company entered into a Private Placement Financing Agreement with Colt. The Company purchased 1,000,000 common shares in the capital of Colt at \$0.01 per share for a total purchase price of \$10,000.

During 2006, the Company entered into a Private Placement Financing Agreement with Colt whereby the Company purchased 1,500,000 common shares in the capital of Colt at \$0.01 per share for a total purchase price of \$15,000.

The shares of Colt began trading on the CNQ on March 1, 2007 and the Company sold all 2,500,000 common shares held in the capital of Colt for total gross proceeds to the Company of \$125,000.



Financial instruments

Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants' (CICA) Handbook Section 3855, "financial instruments – recognition and measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The Company classifies its debt and marketable equity securities into held-to-maturity, trading or available-for-sale categories. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Debt securities for which the Company does not have the intent or ability to hold to maturity are classified as available-for-sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on contractual maturity date and are stated at amortized cost. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt and marketable equity securities not classified as held-to-maturity or as trading are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in stockholders' equity.

Prior to the adoption of the new standard, the Company recorded its marketable securities at the lower of cost and market value at the balance sheet date.

On the date of adoption, the Company remeasured its financial assets and liabilities as appropriate. There was no impact on the financial statements arising from the adoption of the standard. In accordance with this standard, prior period financial statements have not been restated.

(a) Financial instruments

The Company has designated its cash and cash equivalents as held-to maturity, marketable securities as available for sale, accounts receivable and notes receivable as loans and receivables, accounts payable and accrued liabilities, other liabilities and long-term debt, including current portion, as other liabilities.

(b) Fair value

Prior to the adoption of Section 3855, the Company disclosed the fair value of its financial instruments. The carrying values of cash, term deposits, receivables, and accounts payable and accrued liabilities approximated their fair values due to the relatively short periods to maturity of those financial instruments.

(c) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.



(d) Concentrations of credit risk

The Company is not exposed to significant credit risk with respect to its cash and term deposits as the funds are held in a recognized financial institution.

(e) Market risk

The Company is exposed to significant market risk with respect to marketable securities due to fluctuations in their market value and the possibility of being delisted from public trading, resulting in potential losses to the Company. Currently the total amount exposed to market risk is \$847,681.

Comprehensive Income

Effective January 1, 2007, the Company adopted Section 1530, “comprehensive income”, which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with stockholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income consists of unrealized gains and losses that under generally accepted accounting principles are required to be recognized in a period but excluded from net income for that period.

Analysis of expenses

For a breakdown of general and administrative expenditures, please refer to the Company’s Interim (unaudited) Financial Statements of Operations and Deficit for the three months ended March 31, 2008.

Disclosure over Internal Controls

There have been no significant changes to the Company’s internal control environment during the three month period ended March 31, 2008 that would have materially affected the Company’s internal controls over financial reporting.

Upon completion of the Company’s Audit for the year ended December 31, 2007, the Auditors have identified matters relating to corporate governance be addressed and documented by the Company’s Management on a going forward basis, however, the Auditors appreciated the assistance provided by the Company during the Audit and the Auditors determined that all transactions were diligently and accurately accounted for. Furthermore, the Auditors determined that they did not encounter any specific internal control matters be brought to the Company’s attention other than matters relating to corporate governance.

The Company’s certifying Officers conclude that the Company’s internal disclosure controls and procedures are effective and sufficient to execute its business plan.



Capital Stock

Authorized share capital:

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Outstanding Share Data as of May 28, 2008	No. of Common Shares	No. of Preferred Shares	Exercise Price	Expiry Date
Issued and Outstanding as at May 28, 2008	27,323,620	Nil	N/A	N/A
Stock Options	4,456,060	Nil	Cdn\$0.05	June 15/11
Warrants	4,200,000	Nil	Cdn\$0.05 – US \$0.10	December 31/08
Fully Diluted as at May 28, 2008	35,979,680	Nil	N/A	N/A

Subsequent Event

Subsequent to the three months ended March 31, 2008, the Company sold all of its marketable securities of 7,064,006 shares in Las Vegas at prices ranging from \$0.05 to \$0.075 per common share with total net proceeds to the Company of \$353,826.87.

Outlook

Management's efforts are directed towards pursuing opportunities of merit in the mineral exploration sector for the Company.

7. Market for Securities

Currently the Issuer's shares are listed for trading on the OTC Bulletin Board ("OTCBB") in the United States under the trading symbol ZABRF and on the Canadian Trading and Quotation System ("CNQ") in Canada under the trading symbol "ZABK".

8. Consolidated Capitalization

Authorized share capital:

Unlimited number of common voting shares
Unlimited number of preferred shares, issuable in series

Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares with no par value of which 27,323,620 common



shares were outstanding as of December 31, 2007 (December 31, 2006 – 21,980,300). As of the date of this Listing Statement, there are 27,323,620 common shares issued and outstanding.

As of the date of this Annual Listing Statement, there are no securities held in escrow.

Authorized share capital:

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Outstanding Share Data as of June 16, 2008	No. of Common Shares	No. of Preferred Shares	Exercise Price	Expiry Date
Issued and Outstanding	27,323,620	Nil	N/A	N/A
Stock Options	4,456,060	Nil	Cdn\$0.05	June 15, 2011
Warrants	4,200,000	Nil	Cdn\$0.05 – US \$0.10	December 31/08
Fully Diluted as at June 16, 2008	35,979,680	Nil	N/A	N/A

9. Options to Purchase Securities

As at June 16, 2008, there are 4,456,060 stock options at an exercise price \$0.05 per common share expiring on June 15, 2011 that have been granted or are outstanding, and a total of 4,200,00 share purchase warrants are outstanding which are exercisable as follows: 2,400,000 share purchase warrants exercisable at US \$0.10 per common share which expire on October 8, 2008, 600,000 share purchase warrants exercisable at US \$0.10 per common share which expire on December 20, 2008 and 1,200,000 share purchase warrants exercisable at US \$0.10 per common share which expire on December 31, 2008.



10. Prior Sales

10.1 Capital Stock

- (a) Authorized - Unlimited number of common and preferred shares without par value of which there are no preferred shares issued.
- (b) Issued

	Number of Common Shares	Amount	Contributed Surplus
Balance, December 31, 2005	18,905,300	\$22,680,846	\$ 213,850
Shares issued for cash			
Private placement flow-through common shares	1,200,000	60,000	0
Exercise of flow-through warrants	1,875,000	75,000	0
Income tax effect of flow-through share renoucement	0	(46,062)	0
Balance, December 31, 2006	21,980,300	22,769,784	213,850
Shares issued for cash			
Private placement	3,000,000	140,625	0
Exercise of flow-through warrants	400,000	20,000	0
Private placement flow-through common shares	1,200,000	60,000	0
Shares issued for non-cash			
Shares for debt settlement	743,320	37,166	0
Income tax effect of flow-through share renoucement	0	(22,960)	0
Stock-based compensation	0	0	218,347
Balance, December 31, 2007	27,323,620	\$ 23,004,615	\$ 432,197
Balance, March 31, 2008	27,323,620	\$ 23,004,615	\$432,197

10.2 Prior Sales

All common shares and per share amounts have been restated to give retroactive effect to the 1:50 share subdivision, which took effect on March 19, 2007 (note 1 to the Financial Statements).

During 2007, the Company entered into Private Placement Agreements to sell an aggregate of 3,000,000 units in the securities of the Company at a price of US \$0.05 per unit for total proceeds to the Company of US \$150,000 (Cdn \$155,945). Each unit consists of one common share and one non-transferable share purchase warrant, which entitles the holder to purchase one common share at a price of US \$0.10 for a period of one year from the closing date. All common shares and non-transferable share purchase warrants pursuant to these



Private Placement Agreements have been issued with the required hold period. The Company paid finders' fees to an arm's length third party in the sum of US \$15,000 (Cdn \$15,320) in connection with these Private Placement Agreements.

During 2007, the Company entered into Private Placement Flow-Through Financing Agreements with two directors, for the purchase of 1,200,000 flow-through share units in the securities of the Company at the purchase price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consists of common shares (the "flow-through shares") of the Company that will be a "flow-through share" pursuant to the provisions of the *Income Tax Act* (Canada) (the "ITA") and one non-transferable common share purchase warrant (the "Warrants"), each Warrant entitling the holder to purchase one common share (the "flow-through warrant shares") at a price of \$0.05 per flow-through warrant share until December 31, 2008. All common shares and non-transferable share purchase warrants pursuant to this private placement financing have been issued with the required hold period.

The Company's Board of Directors resolved effective as of July 1, 2005, to remunerate two independent directors for an aggregate monthly amount of \$2,501 plus GST. Effective as of June 30, 2007, the Company and the two directors agreed to terminate the aforementioned arrangement. As of June 30, 2007, an aggregate amount of \$37,166 in directors' fees remained payable to the two directors (the "Debt"). The two directors and the Company entered into respective Share for Debt Settlement Agreements on July 12, 2007 and the Company issued an aggregate of 743,320 common shares at the fair market value price of \$0.05 per share as full and final settlement of the Debt.

During 2006, the Company issued 1,200,000 flow-through share units in the securities of the Company to two individuals, one of which is a director of the Company, at the price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consisted of one flow-through common share and one flow-through common share purchase warrant exercisable at \$0.05 per share until December 31, 2007. During 2007, 400,000 of the flow-through share warrants were exercised at \$0.05 per flow-through share for total proceeds to the Company of \$20,000 and the remaining unexercised balance of 800,000 flow-through share warrants have expired.

During 2005, the Company issued 1,875,000 flow-through share units of the securities of the Company to directors at the purchase price of \$0.04 per unit for total proceeds to the Company of \$75,000. Each unit consisted of one flow-through common share and one flow-through common share purchase warrant exercisable at \$0.04 per share for a period of twelve months. During 2006, all 1,875,000 flow-through warrants issued were exercised at \$0.04 for total proceeds to the Company of \$75,000.



10.3 Stock Exchange Price

Effective October 4, 1994, the Company's shares have been listed for trading on the OTC Bulletin Board. The current trading symbol of the Company's common shares on the OTC Bulletin Board is "ZABRF".

Effective November 28, 2007, the common shares of the Company were listed for trading on the Canadian Trading and Quotation System ("CNQ") under the trading symbol "ZABK". The Cusip number of the Company's common shares is 988753109.

The following tables set forth the market price (US\$), range and trading volumes of the common shares of the Company on the OTC Bulletin Board and on the CNQ for the periods indicated.

OTC BULLETIN BOARD Trading Range

Five Most Recent Financial Years	<u>U.S.\$ High</u>	<u>U.S.\$ Low</u>	<u>Volume</u>
2003	2.00	0.199	1,257,800
2004	0.59	0.05	1,282,700
2005	4.65	2.31	370,800
2006	3.95	1.25	353,392
2007	0.75	0.47	302,944
Two Most Recent Financial Years			
Year 2006			
Jan 1 – Mar 31	3.95	1.85	53,339
Apr 1 – Jun 30	3.00	1.25	93,848
Jul 1 – Sep 30	3.00	1.25	52,400
Oct 1 – Dec 31	3.30	1.60	153,805
Year 2007			
Jan 1 – Mar 31*	0.12	0.07	645,150
Apr 1 – Jun 30	0.084	0.03	936,976
Jul 1 – Sep 30	0.06	0.035	854,513
Oct 1 – Dec 31	0.06	0.03	1,753,910
Six Most Recent Months			
December 2007	0.049	0.03	625,081
January 2008	0.045	0.03	22,941
February 2008	0.035	0.03	106,906
March 2008	0.03	0.02	1,306,760
April 2008	0.03	0.02	984,843
May 2008	0.03	0.025	335,152

*market prices between January 1, 2007 and March 19, 2007 have been re-stated to reflect the forward split of 1:50



CNQ
Canadian Trading & Quotation System
Trading Range

	<u>Cdn \$ High</u>	<u>Cdn \$ Low</u>	<u>Volume</u>
Most Recent Financial Year			
Year 2007			
Nov 30 – Dec 31	0.015	0.015	0
Six Most Recent Months			
December 2007	0.015	0.015	0
January 2008	0.06	0.15	5,002,000
February 2008	0.05	0.03	1,600,000
March 2008	0.03	0.02	105,000
April 2008	0.03	0.015	100,000
May 2008	N/A	N/A	N/A

11. Escrowed Securities

Designation of class held in escrow	Number of securities held in escrow	Percentage of class %
Common	0	N/A

12. Principal Shareholders

The number of common shares without par value beneficially owned (directly or indirectly) by directors and officers of the Corporation as of June 16, 2008, are as follows:

Name of Director/Officer and Municipality	Number of Shares held as of the date of this Listing Statement	Percentage of the total issued Share Capital ⁽¹⁾
Bedo H. Kalpakian ⁽³⁾ Richmond, BC, Canada Director	6,464,801 734,500 ⁽²⁾	26.35%
Jacob H. Kalpakian Vancouver, BC, Canada Director	5,623,019 734,500 ⁽²⁾	23.27%
J. Wayne Murton ⁽³⁾ Kelowna, BC, Canada Director	459,760	1.68%



Gregory T. McFarlane (3) Las Vegas, Nevada, USA Director	283,560	1.04%
Maria P. Arenas Surrey, BC, Canada Secretary	0	0%
Total	14,300,140	52.34%

Notes:

- (1) Based on 27,323,620 shares of common stock issued and outstanding as of **June 16, 2008**.
- (2) Of these common shares, 1,469,000 are held by Kalpakian Bros. of B.C. Ltd., a private company of which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders with equal ownership. (i.e. 734,500 shares each)
- (3) Member of the Audit Committee of the Issuer

13. Directors and Officers

13.1 Backgrounds

Name and municipality of residence ⁽¹⁾	Birth Date and Place of Birth	Position with Issuer
Bedo H. Kalpakian ⁽¹⁾ Richmond, BC, Canada	May 14, 1946, Khartoum, Sudan	President, CEO, CFO & Director
Jacob H. Kalpakian Vancouver, BC, Canada	October 18, 1968, Khartoum, Sudan	Vice President & Director
James Wayne Murton ⁽¹⁾	November 2, 1937, Brandon, Manitoba, Canada	Director
Gregory T. McFarlane ⁽¹⁾	November 3, 1968, North Vancouver, BC, Canada	Director
Maria P. Arenas Surrey, BC, Canada	September 29, 1969, Angeles City, Pampanga, Philippines	Secretary

13.2 Directorships Since and Till

Name	Director Since	Term Expires
Bedo H. Kalpakian ⁽¹⁾ Richmond, BC, Canada	August 24, 1984 to present	Annually at AGM
Jacob H. Kalpakian Vancouver, BC, Canada	January 2, 1991 to present	Annually at AGM
James Wayne Murton ⁽¹⁾ Kelowna, BC, Canada	April 15, 1999 to present	Annually at AGM
Gregory T. McFarlane ⁽¹⁾ Las Vegas, NV, USA	October 1, 1992 to present	Annually at AGM

Notes:

(1) Member of the Audit Committee of the Issuer

13.3 Percentage of Securities owned by Directors and Officers as a group

Name of Director/Officer and Municipality	Number of Shares held as of the date of this Listing Statement	Percentage of the total issued Share Capital ⁽¹⁾
Bedo H. Kalpakian ⁽³⁾ Richmond, BC, Canada Director	6,464,801 734,500 ⁽²⁾	26.35%
Jacob H. Kalpakian Vancouver, BC, Canada Director	5,623,019 734,500 ⁽²⁾	23.27%
J. Wayne Murton ⁽³⁾ Kelowna, BC, Canada Director	459,760	1.68%
Gregory T. McFarlane ⁽³⁾ Henderson, Nevada, USA Director	283,560	1.04%
Maria P. Arenas Surrey, BC, Canada Secretary	0	0%
Total	14,300,140	52.34%



Notes:

- (1) Based on 27,323,620 shares of common stock issued and outstanding as of June 16, 2008.
- (2) Of these common shares, 1,469,000 are held by Kalpakian Bros. of B.C. Ltd., a private company of which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders with equal ownership. (i.e. 734,500 shares each)
- (3) Member of the Audit Committee of the Issuer

13.4 Board Committees and Members

Compensation Committee: None

Audit Committee (elected annually by the Board of Directors): Bedo H. Kalpakian, James Wayne Murton and Gregory T. McFarlane.



13.5 Principal Occupations of Directors and Officers

Name and position with the Issuer	Principal occupation, business or employment and business or employment during the past five years
Bedo H. Kalpakian Director	Chairman and CFO of Las Vegas From Home.com Entertainment Inc. and President, CEO & CFO of Zab Resources Inc. and President & CEO of Colt Resources Inc. and President and CEO of Mountain Capital Inc.
Jacob H. Kalpakian Director	President and CEO of Las Vegas From Home.com Entertainment Inc. and Vice-President of Zab Resources Inc. and Vice President of Colt Resources Inc. and Secretary and CFO of Mountain Capital Inc.
James Wayne Murton	President of J.W. Murton & Associates, a geological engineering and mining services company.
Gregory T. McFarlane	Freelance Advertising Copywriter, Las Vegas, Nevada

DIRECTORSHIPS

The directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer	Term
Bedo H. Kalpakian	Las Vegas From Home.com Entertainment Inc. Colt Resources Inc. Mountain Capital Inc. Touchdown Capital Inc.	August 1987 to present September 2004 to present September 2005 to present July 2005 to present



Name of Director	Name of Reporting Issuer	Term
Jacob H. Kalpakian	Las Vegas From Home.com Entertainment Inc. Colt Resources Inc. Mountain Capital Inc. Touchdown Capital Inc.	January 1991 to present September 2004 to present September 2005 to present July 2005 to present
Gregory Todd MacFarlane	Las Vegas From Home.com Entertainment Inc.	October 1992 to present
James Wayne Murton	Mountain Capital Inc. Colt Resources Inc	September 2005 to present June 2007 to present

13.6 Bankruptcy, Cease Trade, Penalties and Sanctions

None of the Directors or Officers of the Company have been involved in any matters that personally involve bankruptcy, cease trade orders against them personally, any regulatory or other securities and/or civil penalties and/or sanctions.

14. Capitalization

14.1 Issued Capital, Public Float, Registered, Beneficial, Related Persons and Control Group Shareholders

Prepare and file the following chart for each class of securities to be listed:

Capital Stock

Authorized share capital:

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Outstanding Share Data as of June 16, 2008	No. of Common Shares	No. of Preferred Shares	Exercise Price	Expiry Date
Issued and Outstanding	27,323,620	Nil	N/A	N/A
Stock Options	4,456,060	Nil	Cdn\$0.05	June 15, 2011
Warrants	4,200,000	Nil	Cdn\$0.05 – US \$0.10	December 31/08
Fully Diluted as at June 16, 2008	35,979,680	Nil	N/A	N/A



Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	27,323,620	35,979,680	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	14,300,140	19,756,200	52.34%	54.91%
Total Public Float (A-B)	13,023,480	16,223,480	47.66%	45.09%
<u>Freely-Tradeable Float</u>	27,323,620	35,979,680	100%	100%
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	0%	0%
Total Tradeable Float (A-C)	27,323,620	35,979,680	100%	100%



Public Securityholders (**Registered**)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	50	2,500
100 – 499 securities	44	8,000
500 – 999 securities	11	7,250
1,000 – 1,999 securities	1*	1,150
2,000 – 2,999 securities	1*	2,300
3,000 – 3,999 securities	1*	3,500
4,000 – 4,999 securities	0	0
5,000 or more securities **	7*	27,298,920
	<u>115</u>	<u>27,323,620</u>

- See attached registered shareholders list as of June 16, 2008. There are a total of 115, of which 3 are persons enumerated in section (B) of the previous chart.

* Number of Registered Shareholders holding one board lot of 1000 shares or more. (See footnote under Beneficial Shareholders on the following page.)

** Includes CDS and Cede & Co which has been excluded from the Number of Registered Shareholders holding one board lot or more.



Public Securityholders (**Beneficial**)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

(June 16, 2008 Share range Report (Canadian & US combined))

<u>Size of Holding</u>	<u>Number of holders Canadian</u>	<u>Number of holders US</u>	<u>Total number of securities (Cdn & US)</u>
1 – 99 securities	127	114	11,995
100 – 499 securities	172	156	64,595
500 – 999 securities	29	24	36,650
1,000 – 1,999 securities	*29	* 9	44,550
2,000 – 2,999 securities	*4	* 7	26,493
3,000 – 3,999 securities	*0	*1	3,400
4,000 – 4,999 securities	*3	* 0	13,050
5,000 or more securities	*78	* 22	25,282,465
Total	442	333	25,483,198

* The Number of Registered (8) and Beneficial Shareholders (153) totals 161 Shareholders holding one board lot of 1000 shares or more.



Non-Public Securityholders (**Registered**)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	14,300,140
	<u>4</u>	<u>14,300,140</u>

14.2 Securities convertible or exchangeable into any Class of listed securities

None

14.3 Any Listed Securities Reserved for Issuance Not Included in Section 14.2

The Company's 2004 Stock Option Plan, reserves for granting to directors, officers, employees and consultants up to 20% of the issued and outstanding common shares of the Company calculated from time to time on a rolling basis. The terms of the options are determined at the date of grant. During 2007, a total of 4,456,060 stock options were granted to Officers, Directors and Employees with an exercise price of \$0.05 per common share expiring on June 15, 2011.



During 2007, the Company entered into Private Placement Agreements to sell an aggregate of 3,000,000 units in the securities of the Company at a price of US \$0.05 per unit for total proceeds to the Company of US \$150,000 (Cdn \$155,945). Each unit consists of one common share and one non-transferable share purchase warrant, which entitles the holder to purchase one common share at a price of US \$0.10 for a period of one year from the closing date. All common shares and non-transferable share purchase warrants pursuant to these Private Placement Agreements have been issued with the required hold period. The Company paid finders' fees to an arm's length third party in the sum of US \$15,000 (Cdn \$15,320) in connection with these Private Placement Agreements.

During 2007, the Company entered into Private Placement Flow-Through Financing Agreements with two directors, for the purchase of 1,200,000 flow-through share units in the securities of the Company at the purchase price of \$0.05 per unit for total proceeds to the Company of \$60,000. Each unit consists of common shares (the "flow-through shares") of the Company that will be a "flow-through share" pursuant to the provisions of the *Income Tax Act* (Canada) (the "ITA") and one non-transferable common share purchase warrant (the "Warrants"), each Warrant entitling the holder to purchase one common share (the "flow-through warrant shares") at a price of \$0.05 per flow-through warrant share until December 31, 2008. All common shares and non-transferable share purchase warrants pursuant to this private placement financing have been issued with the required hold period.

All Shareholders of the Company have equal voting rights.

15. Executive Compensation

The Company does not have a Compensation Committee. The Company has, in the past, paid Directors' fees to two of its Directors, namely J. Wayne Murton and Gregory T McFarlane. The Company has a Management Services Agreement with Kalpakian Bros. of B.C. Ltd., a company owned by two Directors and Officers of the Company, namely Bedo H. Kalpakian and Jacob H. Kalpakian.

For the fiscal year ended December 31, 2007, the Company granted an aggregate of 4,456,060 stock options to its Employees, Officers and Directors. As of the date of this Listing Statement, no incentive stock options have been exercised by any of the Company's Directors, Officers or Employees.

The Company has no long term incentive plans and, has not granted any stock appreciation rights.

16. Indebtedness of Directors and Executive Officers

None.



17 Risk Factors

- Regulations: Zab's mineral explorations are subject to extensive federal, provincial and local laws and regulations governing such exploration, development and operation of mining activities as well as the protection of the environment, including laws and regulations relating to obtaining permits to mine, protection of air and water quality, hazardous waste management, mine reclamation and the protection of endangered or threatened species.

- Exploration and Development: The Company has a 33% right, title and interest, subject to a 1.5% net smelter returns royalty payable to an arm's length party, in the Extra High Property which is in the exploration stages only and does not have a known body of commercial ore. Exploration and development of natural resource properties involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities or grades to justify commercial operations or that the funds required for development can be obtained on a timely basis.

- Operating Hazards and Risks: Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damages to persons or property and possible environmental damages. Although the Company may obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.



- **Fluctuating Metal Prices:** The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the prices of metals, and therefore the economic viability of the Company's exploration properties, cannot be accurately predicted.
- **Environmental Factors:** Should the Company decide to conduct any mineral exploration works then all phases of the Company's mineral exploration works shall be subject to environmental regulation in the various jurisdictions in which the Company operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.
- **Competition:** The resource industry is intensely competitive in all of their respective phases, and the Company competes with many companies possessing much greater financial resources and technical abilities than the Company. Competition could adversely affect the Company's ability to acquire suitable properties for mineral exploration or the Company's ability to secure the services of qualified technical personnel or contractors.
- **Management:** The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.
- **Dilution:** There are stock option agreements and warrants pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.
- **Requirement of New Capital:** As a company without any revenues, the Company needs more capital than it has available to it. In the past, the Company has had to raise, by way of debt and equity financings, funds to meet its capital needs. There is no assurance that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth and can have an adverse effect on the Company's business.
- **Disruption in Trading:** Trading in the common shares of the Company may be halted for certain reasons, including the failure by the Company to submit documents to the regulatory authorities in the time periods required.



18. Promoters

Bedo H. Kalpakian
Jacob H. Kalpakian

19. Legal Proceedings

The Corporation is not party to any legal proceedings whatsoever.

20. Interest of Management and Others in Material Transactions

Related party transactions during the year ended period ended December 31, 2007:

All of the following transactions and balances 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.

The amounts due/from related parties are unsecured and payable on demand without interest.

The Company shares office space and certain employees with Las Vegas From Home.com Entertainment Inc. ("Las Vegas").

	2007	2006
Receivable from related parties		
Payroll expenses charged to Las Vegas	\$ 0	\$ 5,196
Joint venture expenses	71,722	0
	\$ 71,722	\$ 5,196
Payable to related parties		
Rent charged from Las Vegas	\$ 318	\$ 530
Office and other expenses charged from Las	1,776	0
Advertising expenses paid for by Colt	1,325	0
Directors' fees	0	21,560
Geological services to a company owned by a	24,310	477
	\$ 27,729	\$ 22,567

Related party transactions during the year:

- (a) Geological services of \$33,797 (2006 - \$33,750; 2005 - \$77,815) were provided by a company owned by a director.



- (b) Management fees of \$360,000 (2006 - \$360,000) were paid to a company related by common management and directors.
- (c) The Company received gaming royalties of \$nil (2006 - \$219,160) from Las Vegas, from the Company's investment in online gaming software.
- (d) On January 7, 2005, the Company acquired 1,250,000 units of Las Vegas at a price of \$0.20 per unit. Each Las Vegas unit consisted of one Las Vegas common share and one-half of one warrant. One whole warrant was required to purchase one Las Vegas common share at \$0.25 per common share expiring on January 7, 2007. In January 2006, the Company exercised 600,000 of its half warrants. In January 2007, the remaining 650,000 half warrants expired.
- (e) On November 4, 2002, the Company entered into a Licensing Agreement with Las Vegas, for the joint development of certain gaming software consisting of three card games (the "three card games software"), as a result of which the three card games software was equally owned by the Company and Las Vegas. On May 5, 2006, the Company sold its interest in the three card games software to Las Vegas for a consideration of 6,670,000 fully paid and non-assessable common shares of Las Vegas at a deemed price of \$0.36 per share, as valued by an independent third party, for a total amount of \$2,401,200. The 6,670,000 common shares of Las Vegas, which have been issued to the Company, were restricted from trading until May 1, 2007.
- (f) Directors' fees of \$15,006 (2006 - \$30,012) were paid to two directors.
- (g) The Company entered into debt settlement agreements with two directors in regards to directors' fees payable.
- (h) During 2005, the Company entered into a Private Placement Financing Agreement with Colt. The Company purchased 1,000,000 common shares in the capital of Colt at \$0.01 per share for a total purchase price of \$10,000.
- (i) During 2006, the Company entered into a Private Placement Financing Agreement with Colt whereby the Company purchased 1,500,000 common shares in the capital of Colt at \$0.01 per share for a total purchase price of \$15,000.
- (j) The shares of Colt began trading on the CNQ on March 1, 2007 and the Company sold all 2,500,000 common shares held in the capital of Colt for total gross proceeds to the Company of \$125,000.



(k) Paid to the Company

The Company charged Las Vegas for its share of:

- (i) payroll expenses of \$nil (2006 - \$322,629); and
- (ii) other expenses of \$4,061 (2006 - \$nil);

Paid to related parties:

Las Vegas charged the Company for its share of:

- (iii) office expenses of \$12,000 (2006 - \$nil);
- (iv) rent expenses of \$4,000 (2006 - \$6,000); and
- (v) other expenses of \$504 (2006 - \$244);

Colt charged the Company for its share of:

- (vi) other expenses of \$1,250 (2006 - \$nil).

- (l) On September 8, 2006, the Company entered into an option agreement for the Extra High Property with Colt; this agreement was subsequently amended on October 31, 2006 and June 14, 2007. The terms of the agreement were completed in full on June 26, 2007.
- (m) On January 21, 2008, the Company entered into an option agreement for the Extra High Property with Colt.



21. Auditors, Transfer Agents, Registrar and Other Contacts

Auditors:

Name: Smythe Ratcliffe, Chartered Accountants
Address: 7th Floor, Marine Building, 355 Burrard Street,
Vancouver, B.C. V6C 2G8
Telephone Number: (604) 687-1231
Facsimile Number: (604) 688-4675
E-mail address: leudke@smytheratcliffe.com

Transfer Agent

Name: Computershare Trust Company of Canada
Address: 3rd Floor, 510 Burrard Street, Vancouver, BC
V6C 3B9
Telephone Number: (604) 661-9400 or (800) 663-9097
Facsimile Number: (604) 661-9401
E-mail address: mariano.banting@computershare.com

Registrar

Name: Computershare Trust Company of Canada
Address: 9th Floor, 100 University Avenue, Toronto,
Ontario M5J 2y1
Telephone Number: (800) 663-9097
Facsimile Number: (416) 981-9800
E-mail address: www.computershare.com



Regulatory Contact:

Name: Bedo H. Kalpakian
Address: Suite 1501 - 700 West Georgia St, Vancouver,
B.C. V7Y 1A1
Telephone Number: (604) 681-1519
Facsimile Number: (604) 681-9428
E-mail address: bedo@zabresources.com

Accounting Contact:

Name: Raymond Williams
Address: Suite 1501 - 700 West Georgia St, Vancouver,
B.C. V7Y 1A1
Telephone Number: (604) 681-1519
Facsimile Number: (604) 681-9428
E-mail address: ray@zabresources.com

Administrative Contact:

Name: Maria P. Arenas
Address: Suite 1501 - 700 West Georgia St, Vancouver,
B.C. V7Y 1A1
Telephone Number: (604) 681-1519
Facsimile Number: (604) 681-9428
E-mail address: maria@zabresources.com

Investor Relations:

Name: Bedo H. Kalpakian
Address: Suite 1501 - 700 West Georgia St, Vancouver,
B.C. V7Y 1A1
Telephone Number: (604) 681-1519
Facsimile Number: (604) 681-9428
E-mail address: bedo@zabresources.com

22. Material Contracts

These agreements are:

- Debt Settlement Agreements between the Issuer and two directors dated July 12, 2007;
- Option Agreement dated January 21, 2008 between Zab and Colt; and
- Management Services Agreement with Kalpakian Bros. Of B.C. Ltd.



23. Interest of Experts

Mr. J. Wayne Murton is a director of the Company and Colt Resources Inc., a related company and principal of J. W. Murton & Associates which prepared the 43-101 Technical Report dated February 28, 2006 on the Extra High Property.

Mr. J. Wayne Murton is also responsible for the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt.

24. Other Material Facts

- None

25. Financial Statements

The following financial statements have been posted on the Company's Disclosure Page on the CNQ website:

- Audited Financial Statements for the years ended December 31, 2007 audited by Smythe Ratcliffe, Chartered Accountants.
- Unaudited Interim Financial Statements for the 1st quarter period ended March 31, 2008 (prepared by Management)



The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **ZAB RESOURCES INC.** hereby files its annual listing statement. The foregoing contains full, true and plain disclosure of all material information relating to **ZAB RESOURCES INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia

this 16th day of June, 2008.

Signed:

"Bedo H. Kalpakian"

Bedo H. Kalpakian

President, CEO, CFO and
Director

Signed:

"J. Wayne Murton"

J. Wayne Murton

Director

Signed:

"Greg McFarlane"

Greg McFarlane

Director

Signed:

"Jacob H. Kalpakian"

Jacob H. Kalpakian

Vice President and Director



CERTIFICATE OF THE TARGET

(Not Applicable to Zab)

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____ day of _____, 2007.

Chief Executive Officer

Chief Financial Officer

Promoter (if applicable)

Director

Director

[print or type names beneath signatures]