

# BELVEDERE RESOURCES LIMITED

May 2<sup>nd</sup>, 2008

Exchange: TSX V Symbol: BEL

## Belvedere Reports 2007 Financial and Operating Results

**Vancouver, British Columbia, Belvedere Resources Ltd. BEL:TSX-V (“Belvedere”)** is pleased to announce that it has filed its audited consolidated financial statements and management discussion and analysis (MD&A) for the financial year ended December 31<sup>st</sup>, 2007 with the Canadian securities regulators. All results and filings are also available for review on SEDAR. **All figures are reported in Euro’s,**

### Highlights

- Belvedere reports first revenues of €14.8 million from mining operations at the Hitura and Särkiniemi Nickel Mines in Finland started in June 2007
- Production for the first nine months of operations of 2,040 metric tons (mt) of nickel in concentrate, fully in line with managements target
- First operating profit recorded in Q4 2007 of €34,180
- Positive operating margins for first two quarters of operations

Revenues for 2007 totalled €14.8 million with operating costs totalling €15 million prior to depletion, depreciation, amortization and stock-based compensations resulted in an operating loss of € 0.2 million overall.

This loss was primarily due to heavy exploration and development investment in operations, in combination with Hitura production being sold under a legacy fixed price sales contract. This contract yielded an approximately 40% lower average nickel sale price compared to the Särkiniemi sales over the same period, lowering Hitura revenues for the period by approximately € 7 million. This sales contract will continue to negatively affect revenues for the first half of 2008 until it expires in June. Despite this handicap fourth quarter figures were in profit.

Net loss for the year ended December 31<sup>st</sup>, 2007 was €4.7 million or €0.07 per share, compared to a loss of €0.9 million or €0.03 per share reported for fiscal 2006.

Revenues for the quarter ended December 31, 2007 (Q4) of €7.7 million, (Q3 €6.8 million,) yielded a positive operating margin of € 0.58 million before depletion, depreciation and amortization and stock-based compensation. Overall the Company reported a small net profit of €34,000 or €0.01 per share, which compares with a loss of €3.6 million or €0.07 per share for the previous quarter and a loss of €0.6 million or €0.01 per share reported for the same period of fiscal 2006. Stock based compensation expenses caused the large increase in reported losses in the third quarter of fiscal 2007.

**David Pym**, CEO commented; *“We are pleased to present our 2007 results generating maiden revenues from our two mines which commenced operation in June, fully in line with our original expectations. We remain strongly committed to growing our business further in 2008 when a new offtake agreement will come into effect, significantly increasing our revenues.”*

## **Outlook for 2008:**

- Belvedere is continuing to invest heavily in exploration and development to support rapid production growth. Investment is predominantly focussed on near mine resource development around the Hitura and Kotalahti Production Centres. Definition drilling will commence in the Pori area.
- Significant emphasis is being placed on developing our gold business, with a large programme of resource delineation drilling commencing in Q2, 2008.
- The fixed price agreement for the Hitura concentrate expires on June 30, 2008 and effective July 1, 2008, all of Belvedere's base metal concentrate will be exposed to LME pricing.
- Subject to positive feasibility studies and permitting approvals, the second production centre in the Kotalahti district is scheduled to come on stream in 2009. The Luikonlahti mill will be commissioned with ore from the nearby Hautalampi deposit.

## **Further Details Presented Below:**

Effective January 1, 2007, the Company changed its measurement and reporting currency from the Canadian dollar ("Cdn\$") to the Euro ("€"). For year ending December 31, 2006 and all prior reporting periods, the Company reported its financial statements in Canadian dollars so all comparative figures disclosed in these 2007 financial statements have been restated to the Euro.

Selected Annual Financial Information All amounts in €'000, except shares and per share figures	Year ended 31 December 2007	Year ended 31 December 2006	Year ended 31 December 2005
Revenue	14,826	-	
Operating Expenses **	17,080	18	
G&A Expenses **	3,223	670	284
Other (income) and expenses	(294)	300	131
Income tax (recovery)	(449)	-	
Net (loss)	(4,734)	(987)	(379)
Loss Per share (basic and diluted)	(0.07)	(0.03)	(0.02)
Cash Flow (used) from operating activities	(461)	(490)	(232)
Cash Flow (used) from investing activities	(1,213)	(1,858)	(655)
Cash Flow from financing activities	10,514	4,645	311
Net increase (decrease) in cash	9,237	2,153	(576)
Cash at end of period	11,522	2,285	131
Total Assets	47,852	6,023	2,442
Total Liabilities	13,554	123	51
Working Capital	11,799	2,215	183
Weighted average number of shares outstanding	65,784,225	36,323,088	29,651,839
Dividends per Share	0	0	0

\*\*: Including stock based compensation

## Quarterly Results

(all amounts in thousands of Euros except per share figures)

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
<b>Fiscal 2007</b>				
Revenue	7,962	6,847	17	-
Comprehensive loss for the year	34	(3,603)	(502)	(199)
Basic and diluted loss per share	0.01	(0.07)	(0.01)	()
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
<b>Fiscal 2006</b>				
Revenue	-	-	-	-
Net earnings (loss)	(566)	(186)	(160)	(60)
Earnings (loss) per share-basic & diluted	(0.01)	(0.01)	(0.01)	()

**Production:** Total production for the first nine months of operations of 2040 Ni t in concentrate comfortably meets management's target for 2500 t of Nickel in concentrate produced during the first 12 months of operations. During the quarter ending Dec 31<sup>st</sup> 2007, Belvedere produced 706 t Ni in concentrate as compared to 668 t in the previous quarter. Total production for 2007 equalled 1426 t of Nickel in concentrate. The bulk of the Nickel has come from the Hitura mine but importantly around 22% of the total has come from the Särkiniemi West satellite operation.

### Hitura Production Centre Q4, 2007

Mill Feed	Metric Tons (mt)	% Ni
Hitura Mine	147,073	0.59
Särkiniemi Mine	21,147	1.07
Total	168,220	0.65

Concentrate Produced	Hitura Mill			
	Wet Tonnes	Ni (t)	Cu (t)	Co (t)
Hitura Mine	7,147	560	157	25
Särkiniemi Mine	1,907	146	41	7
Total	9054	706	198	32

### Hitura Production Centre Total, 2007

Mill Feed	Metric Tons (mt)	% Ni
Hitura Mine	281,529	0.61
Särkiniemi Mine	50,446	0.95
Total	331,975	0.66

Concentrate Produced	Hitura Mill			
	Wet Tonnes	Ni (t)	Cu (t)	Co (t)
Hitura Mine	14,773	1,123	302	50
Särkiniemi Mine	4,070	303	75	14
Total	18,843	1,426	377	64

During the first quarter of 2008, Belvedere produced 615 t of Nickel, slightly below target due to lower grade ore being processed at Hitura. The next quarter's tonnage is expected to be lower due to a planned major shutdown of the mill in June for essential maintenance.

***About Belvedere:***

*Belvedere Resources Ltd. is a publicly-listed resource company engaged in the business of nickel production and exploring, discovering and developing mineral wealth in Finland. Belvedere currently produces 2,500 tonnes annually of payable nickel metal in concentrate from its 100% owned Hitura Nickel Mine in Western Finland, and its 100% owned Särkiniemi Nickel Mine in Eastern Finland.*

***Forward Looking Statement:***

*Some of the statements contained herein may be forward-looking statement, which involve known and unknown risks and uncertainties. Without limitation, statements regarding future revenues, mining rates, drilling plans and exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. It is important to note that the Company's actual results could differ materially from those in such forward-looking statements.*

*This statement is prepared by Dr. Toby Strauss, who is acting as Qualified Person in compliance with National Instrument 43-101 with respect to this release.*

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*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents of this news release.*