



## **Valley High Ventures Ltd.**

(An Exploration Stage Company)

Consolidated Financial Statements

**Third Quarter – July 31, 2009**

(Expressed in Canadian dollars, except where indicated)

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# Valley High Ventures Ltd.

## Consolidated Balance Sheets

As at July 31, 2009 and October 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

	July 31, 2009	October 31, 2008
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	511,281	27,665
Accounts receivable and prepaid expenses (note 4)	220,649	203,588
	<u>731,930</u>	<u>231,253</u>
<b>Bonds and reclamation deposits</b>	8,000	8,000
<b>Mineral property interests</b> (note 6)	2,047,992	2,308,436
<b>Property, plant and equipment</b> (note 7)	6,561	14,559
	<u>2,794,483</u>	<u>2,562,248</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	90,665	105,065
Due to related parties (note 9)	2,886	15,333
	<u>93,551</u>	<u>120,398</u>
<b>Shareholders' Equity</b>		
Common shares (note 8)	8,313,410	7,867,439
Contributed surplus (note 8)	746,854	398,107
Deficit	(6,359,332)	(5,823,696)
	<u>2,700,932</u>	<u>2,441,850</u>
	<u>2,794,483</u>	<u>2,562,248</u>

**Going Concern** (note 1)

**Commitments** (note 5)

**Approved by the Board of Directors**

“Kathrine MacDonald”

Director

“Ray Strafehl”

Director

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

# Valley High Ventures Ltd.

## Consolidated Statement of Loss, Comprehensive Loss and Deficit For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

	Three months ended July 31, 2009 \$	Three months ended July 31, 2008 \$	Nine months ended July 31, 2009 \$	Nine months ended July 31, 2008 \$
<b>Expenditures</b>				
<b>Exploration expenditures</b>				
Administration	54,538	-	91,001	-
Consulting, labour & professional fees	52,172	-	149,016	-
Drilling and trenching	11,373	-	11,373	-
Property investigations	40,516	-	42,147	-
Property acquisition costs	22,305	-	98,236	-
Property payments received	-	-	(20,000)	-
Reimbursed costs	(129,227)	-	(226,753)	-
Travel and accommodation	15,175	-	28,868	-
Write-down of mineral properties	-	-	-	1,623
	<u>66,852</u>	<u>-</u>	<u>173,888</u>	<u>1,623</u>
<b>Other expenses (income)</b>				
Consulting, labour & professional fees	36,159	6,000	145,991	51,254
Depreciation and amortization	2,989	-	8,963	-
Interest expense (income), net	5,714	(29)	11,156	19,823
Other costs	27,566	604	56,843	(8,197)
Regulatory and compliance costs	884	2,905	7,899	12,097
Stock-based compensation	75,825	40,782	244,541	40,782
Travel and promotion	8,000	17,135	13,855	20,371
	<u>157,137</u>	<u>67,397</u>	<u>489,248</u>	<u>136,130</u>
<b>Loss before income taxes</b>	<u>223,989</u>	<u>67,397</u>	<u>663,136</u>	<u>137,753</u>
Future income tax recovery (note 8)	-	-	(127,500)	-
<b>Loss for the period</b>	<u>223,989</u>	<u>67,397</u>	<u>535,636</u>	<u>137,753</u>
<b>Other comprehensive loss (income) (OCI)</b>	-	-	-	-
<b>Loss and comprehensive loss</b>	<u>223,989</u>	<u>67,397</u>	<u>535,636</u>	<u>137,753</u>
Deficit – beginning of period	6,135,343	3,952,929	5,823,696	3,882,573
Deficit – end of period	<u>6,359,332</u>	<u>4,020,326</u>	<u>6,359,332</u>	<u>4,020,326</u>
<b>Basic and diluted loss per share</b>	\$0.01	\$0.00	\$0.02	\$0.00
<b>Weighted average shares outstanding</b>	30,070,554	14,175,868	29,512,125	14,175,868

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

**Valley High Ventures Ltd.**  
**Consolidated Statements of Cash Flow**  
**As at July 31, 2009 and October 2008**  
(Unaudited)

(Expressed in Canadian dollars, except where indicated)

	Three months ended July 31, 2009 \$	Three months ended July 31, 2008 \$	Nine months ended July 31, 2009 \$	Nine months ended July 31, 2008 \$
<b>Cash flows from operating activities</b>				
Net loss for the period	(223,989)	(67,397)	(535,636)	(137,753)
Items not affecting cash				
Depreciation	2,989	-	8,963	-
Future income tax recovery	-	-	(127,500)	-
Stock based compensation	75,825	40,782	244,541	40,782
Related party transactions	(31,868)	-	(12,447)	20,040
Write-down of liabilities	-	-	-	(18,644)
	<u>(177,043)</u>	<u>(26,615)</u>	<u>(422,079)</u>	<u>(95,575)</u>
Change in non-cash operating working capital				
Increase in accounts receivable and prepaids	(25,917)	(7,797)	(17,061)	26,914
Increase (decrease) in accounts payable & accruals	16,050	38,356	(14,400)	87,516
	<u>(186,910)</u>	<u>3,944</u>	<u>(453,540)</u>	<u>18,855</u>
<b>Cash flows from financing activities</b>				
Net issuance of common shares & warrants	-	-	669,876	-
Related party loan payable	-	-	-	22,745
	<u>-</u>	<u>-</u>	<u>669,876</u>	<u>22,745</u>
<b>Cash flows from investing activities</b>				
Deferred mineral property recovery (expenditures)	222,817	(10,899)	268,243	(40,275)
Payments to acquire capital assets	(963)	-	(963)	-
	<u>221,854</u>	<u>(10,899)</u>	<u>267,280</u>	<u>(40,275)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	34,944	(6,955)	483,616	1,325
<b>Cash and cash equivalents - Beginning of period</b>	<u>476,337</u>	<u>17,721</u>	<u>27,665</u>	<u>9,441</u>
<b>Cash and cash equivalents - End of period</b>	<u>511,281</u>	<u>10,766</u>	<u>511,281</u>	<u>10,766</u>

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

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

**For the three and nine months ended July 31, 2009 and 2008**

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

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## 1 Going concern

Valley High Ventures Ltd. (the “Company” or “Valley High”) is pursuing opportunities related to the exploration of mineral resource properties principally in British Columbia and the Yukon Territory, Canada and in Mexico. The Company was incorporated in the Province of British Columbia on August 11, 1980.

These statements have been prepared using generally accepted accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business as they become due. At July 31, 2009, the Company had cash and cash equivalents of \$511,281, working capital of \$638,379 and a deficit of \$6,359,332. A significant portion of the cash and cash equivalents was raised through flow through financing and therefore is restricted to exploration activities in Canada. Because of these conditions there is significant doubt about the validity of that assumption.

The Company’s ability to continue as a going concern is dependent on management’s ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These financial statements do not include the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2 Basis of presentation

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Principles (“GAAP”) on a basis consistent with the annual financial statements of the Company. Disclosure requirements for interim financial statements do not contain all the information that is required of annual financial statements. Accordingly, they should be read in conjunction with the October 31, 2008 audited financial statements.

### Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of all entities controlled by the Company. The effects of transactions between entities in the consolidated group are eliminated. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

### Estimates, risks and uncertainties

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

## 2 Basis of presentation (continued)

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future copper and other base and precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated future income taxes, and the availability of financing and various operational factors.

Title to mineral properties includes certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

### Currency

All references to dollars (\$) are to Canadian dollars unless otherwise noted. US\$ refers to United States dollars.

### Comparative figures

Certain prior period comparative figures have been reclassified to conform to current period presentation.

## 3 Cash and Cash Equivalents

	July 31, 2009	October 31, 2008
	\$	\$
Flow-through funds	441,754	-
Other	69,527	27,665
	<b>511,281</b>	<b>27,665</b>

In November 2008, the Company completed a flow-through funding for \$500,000.00 (note 8). These funds are restricted to exploration activities within Canada and therefore are not available to fund corporate or exploration activities outside of Canada.

## 4 Accounts receivable and prepaid expenses

	July 31, 2009	October 31, 2008
	\$	\$
Mexican value added tax	177,116	166,875
Other	43,533	36,713
	<b>220,649</b>	<b>203,588</b>

In June 2009 the Company received \$150,348 in exploration tax credits from Revenue Canada for its fiscal years ended October 31, 2005 and 2006. The Company has also filed a 2007 return which is yet to be assessed and therefore has not been accrued for.

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

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## 5 Exploration expenditures

All exploration costs are currently being deferred in respect of the Company's Mount Polley properties (note 5).

### **Cordero-Sanson, Mexico:**

The Cordero property comprises two claim groups. The Cordero claim group is an option on an early stage polymetallic porphyry related property located 45km northeast of Parral, in the southern part of Chihuahua State. The Company has the option to acquire a 100% interest in the Cordero claim group for total option payments of US\$3,200,000. Production from the properties is subject to a net smelter return royalty of between 1% and 2%. The neighbouring Sanson claim group includes an 8,200 hectare claim to cover potential extensions to the Cordero claim group. The Company owns 100% of the Sanson claim group.

In October 2008, due to the economic uncertainty, declining commodity prices and a lack of a formal plan to recover the acquisition costs, the Company recorded a permanent impairment in the carrying value of the Cordero property.

The Company acquired its Mexican subsidiary including the Cordero property on September 26, 2008, through the issuance of, 8,140,353 common shares to Coro Mining Corp. ("Coro"). In February 2009, the Company optioned the Cordero property to Levon Resources Ltd. ("Levon").

Under the terms of the agreement Levon may earn a 51% interest in Cordero by spending \$1,250,000 by the end of February 2013 (As at July 31<sup>st</sup>, 2009, \$354,427 had been incurred) with a first year work commitment of \$250,000. In addition, Levon will provide an initial \$20,000 payment (paid) and will pay 50% of the underlying option payments due on certain portions of the property. Valley High will be the operator until Levon earns 51%, however Levon will provide technical input and geologic services to complete data synthesis and integration, targeting and drill testing. A finders fee of \$20,000 was payable with respect to this transaction.

### **Flume Property, Yukon, Canada:**

In June 2009, the Company entered into an option agreement with Phelps Dodge Corporation of Canada, Limited ("PDC"), a wholly owned subsidiary of Freeport-McMoRan Copper & Gold Inc. to acquire a 100% interest in the Flume property located in Yukon Territory Canada. The Flume property is located 60 km southwest of Dawson City, Yukon and 30 kilometres northwest of Underworld Resources Ltd. ("Underworld") White Gold discovery and comprises 191 mineral claims totaling approximately 3,900 hectares.

Valley High may earn a 100% interest in the Flume property from PDC by making cash payments totaling \$225,000 and by completing \$500,000 worth of work over 4 years. The initial payment of \$10,000 is due on the six month anniversary of the option and Valley High commits to completing a \$200,000 work program by the second anniversary. PDC retains a 2% NSR royalty of which one half can be repurchased by Valley High for a sum of \$1,000,000. PDC also retains the right to share in the proceeds derived from the sale or option of the property to a third party in the amount of 50% of proceeds received during the first year and 25% of the proceeds in any subsequent year.

No expenditure has been incurred on the Flume property as at July 31, 2009.

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

## 5 Exploration expenditures (continued)

### Summary of property option acquisition payments – July 31, 2009

Fiscal Year	Flume CAD\$	Cordero US\$
2009 (paid)	-	US\$80,000
2009	\$10,000	20,000
2010	10,000	100,000
2011	25,000	300,000
2012	30,000	600,000
2013	150,000	2,100,000
	\$225,000	US\$3,200,000

## 6 Mineral property interests

	October 31, 2008	Additional Expenditures			July 31, 2009
	\$	Q1\$	Q2\$	Q3\$	\$
<b>Mount Polley Properties, Canada</b>					
Administration	\$20,920	\$-	\$-	\$-	\$20,920
Consulting, labor & professional fees	270,379	40,401	611	-	311,391
Drilling and trenching	680,680	-	-	-	680,680
Exploration tax credit	-	-	(150,348)	-	(150,348)
Property investigations	484,306	-	-	15,765	500,071
Property acquisition costs	801,526	3,562	7,800	-	812,888
Property payments received	-	-	(90,000)	(90,000)	(180,000)
Travel and accommodation	50,624	-	-	1,766	52,390
<b>Total</b>	<b>\$2,308,436</b>	<b>\$43,963</b>	<b>\$(231,937)</b>	<b>(72,469)</b>	<b>\$2,047,992</b>

### Mount Polley Properties, Canada

The Mount Polley properties in British Columbia are made up of a number of claims blocks, which include the Lloyd, Nordik/Buc, Calm, October/Dome and Morehead claim blocks. The properties comprise approximately 10,000 hectares and are located adjacent to the Imperial Metals' producing Mount Polley open-pit copper gold mine, which is 100 km northeast of Williams Lake, British Columbia.

Lloyd Claims - The Company acquired a 90% interest in a portion of Lloyd claims and a 100% interest in the remaining claims, subject to a 1.5% Net Smelter Return ("NSR"). The Lloyd claims include the Boundary zone.

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

## 6 Mineral property interests (continued)

In April 2009, the Company entered into an option agreement with Imperial Metals Corporation ("Imperial") whereby Imperial has been granted the right to acquire a 100% in one complete mineral cell and four partial cells that are adjacent to Imperial's Boundary Zone. Imperial may exercise its option by paying a total of \$300,000 (\$200,000 paid) in cash on or before January 1, 2010. The claims will be subject to a two stage royalty for material from the claims that is milled at the Mount Polley mine concentrator. The stage I royalty is \$2.50 per tonne for the first 400,000 tonnes of material milled. The stage II royalty is \$1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The stage II royalty can be reduced to \$0.62 per tonne by Imperial making a payment of \$1,000,000 to Valley High.

Nordik/Buc Claims - The Company acquired a 100% interest in the Nordik mineral claims subject to 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. The Company acquired a 100% interest subject to a 2% NSR, in the Buc claims for the issuance of 25,000 shares (valued at \$13,250) and a cash payment of \$10,000. The Nordik/Buc claims border the Mount Polley Mine property on the east side and extended to the opposite side of Polley Lake.

Calm Claims - The Company acquired a 100% interest in the Calm mineral claims subject to a 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. The Calm claims are located several kilometers west of the Mount Polley Mine and south of Morehead Lake.

October/Dome Claims - The Company acquired a 100% interest in certain mineral claims subject to a (collectively the "October/Dome Claims") 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. These claims are located north of the Lloyd claims. On June 13, 2008, the Company acquired the Morehead claim block for \$8,000.

On March 10, 2006, the Company has acquired the right to earn a 100% interest, subject to a 1.5% NSR, in an additional claim block (the "Dome" Claims) adjacent to the existing claims for a cash payment of \$10,000 (paid) and the issuance of 270,000 shares over a four year period (190,000 issued valued at \$68,200).

## 7 Property, plant and equipment

	July 31, 2009			October 31, 2008		
	Cost \$	Accumulated amortization	Net \$	Cost \$	Accumulated amortization	Net \$
Vehicles and equipment	16,649	(10,088)	6,561	15,685	(1,126)	14,559

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

## 8 Common shares and contributed surplus

The Company has an unlimited amount of authorized common shares without par value.

	Number of shares	Common Shares \$	Contributed Surplus \$
Opening balance - November 1, 2007	14,175,868	4,992,301	275,640
Share issuances			
Cash	1,000,000	238,718	-
Non-cash	10,523,686	2,636,420	-
Compensation expense	-	-	122,467
Closing balance - October 31, 2008	25,699,554	7,867,439	398,107
Share issuances			
Cash	4,250,000	624,115	-
Non-cash	121,000	17,358	-
Warrant issuances			
Cash	-	-	100,885
Non-cash	-	-	3,322
Share issuance costs			
Cash	-	(51,984)	-
Non-cash	-	(16,018)	-
Compensation expense			244,540
Future income tax recovery	-	(127,500)	-
Closing Balance – July 31, 2009	30,070,554	8,313,410	746,854

### Share issuances

In September 2008, the Company issued 8,140,353 common shares at a deemed price of \$0.25 per share for the Mexican Properties (note 5), \$700,000 of existing debt by the issuance of common shares of the Company at a deemed price of \$0.30 per share for a total of 2,333,333 shares (note 5), 50,000 for property option payments associated with Mount Polley (note 6) and 1,000,000 common shares at a deemed price of \$0.25 per share for a private placement with Coro.

In November 2008, the Company closed a non-brokered private placement of 2,000,000 flow-through shares at a price of \$0.25 for gross proceeds of \$500,000. In connection with the offering the company paid a finder's fee of \$25,000 cash and issued 40,000 non-flow-through units, with each unit comprised of one common share and one transferable warrant. Each warrant will entitle the holder to purchase one common share for a period of two years from the closing of the private placement at a price of \$0.35 per warrant.

The aforementioned flow-through shares are required to be spent on certain Qualifying Canadian Exploration Expenditures. Because the Company no longer has the ability to use the expenditures for tax purposes, the Company is required to record a future tax liability which is equal to the renunciation, times the corporation tax

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

**For the three and nine months ended July 31, 2009 and 2008**

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

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## **8 Common shares and contributed surplus (continued)**

rate when expenditures are renounced (January 2009). This amounted to \$127,500. However, the Company can utilize previously unrecognized future income tax assets to offset the liability; the Company applied \$127,500 in future income tax assets to this liability, this amount is recognized in the statement of loss and deficit as a future income tax recovery. The Company had initially recognized \$152,500 in the first quarter using current tax rates but adjusted this to substantially enacted tax rates in the second quarter.

In December 2008, the Company closed a non-brokered private placement of 2,250,000 units at a price of \$0.10 per Unit for gross proceeds of \$225,000. Each Unit is comprised of one common share and one transferable warrant. Each Warrant entitles the holder to purchase one common share for a period of two years from the closing of the Private Placement at a price of \$0.25 per warrant. In connection with the Private Placement, the Company paid to a finder's fee of \$10,500 in cash and issued 21,000 units at a deemed price of \$0.10 per Finder's Unit. Each Finder Unit consists of one common share and one non-transferable warrant. Each Finder's Warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the Private Placement at a price of \$0.25 per share.

In March 2009, The Company issued 60,000 shares in conjunction with the March 2006 Dome agreement (note 6) for a fair value of \$7,800.

### **Capital disclosure**

The Company considers its common shares and options as capital. As the Company is in the exploration stage its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders.

## **9 Share stock options**

The Company has a stock option plan that permits the Company to grant this incentive to directors, officers, key employees and consultants of the Company. Terms and pricing of options are determined in accordance with plan.

A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

## 9 Share stock options (continued)

	Number of shares	Weighted average exercise price \$
Outstanding - November 1, 2008	2,499,000	\$0.30
Granted	550,000	0.15
Forfeited	(12,000)	0.30
Cancelled	(12,000)	0.15
Exercised	-	-
<b>Outstanding – July 31, 2009</b>	<b>3,025,000</b>	<b>\$0.27</b>

At July 31, 2008, the following stock options were outstanding.

	Number of Options Outstanding	Exercise price \$	Expiry Date
	2,475,000	\$0.30	2013
	538,000	\$0.15	2014
<b>Total</b>	<b>3,025,000</b>		

Stock options vest over a three year period. At July 31, 2009, 783,333 stock options were vested and exercisable.

Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense:

Risk-free interest rate	0.8% to 3.25%
Options expected life	2.75 to 4.5 years
Expected volatility	90% to 94%
Expected dividend	0%

For the three and nine months ended July 31, 2009, total stock-based compensation expense was \$75,825 (2008:\$40,782) and \$244,540 (2008: \$40,782) respectively.

## 10 Warrants

	Number of shares	Weighted average exercise price CA\$
Outstanding - November 1, 2008	-	-
Granted	2,311,000	\$0.25
Expired	-	-
<b>Outstanding – July 31, 2009</b>	<b>2,311,000</b>	<b>\$0.25</b>

# Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three and nine months ended July 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

## 10 Warrants (continued)

At July 31, 2009, the following warrants were outstanding:

	Number of Shares Outstanding	Exercise price CA\$	Expiry Date
Total	2,311,000	\$0.25	2010

In November 2008 (note 7), 40,000 transferable warrants were issued to purchase one common share for a period of two years from the closing of the private placement at a price of \$0.35.

In December 2008 (note 7), 2,250,000 transferable warrants were issued to purchase one common share for a period of two years from the closing of the Private Placement at a price of \$0.25. An additional, 21,000 non-transferable warrants were issued to purchase one common share of the Company for a period of two years from the closing of the Private Placement at a price of \$0.25.

## 11 Due to related parties

	July 31, 2009 \$	October 31, 2008 \$
Coro Mining Corp.	2,886	15,333

Effective April 31, 2008, as a result of the agreement with Coro, the management group of the Company changed, and the management fees, rent and other expenses were discontinued. During the three and nine months ended July 31, 2009 rent and administrative charges of \$6,770 and \$26,542 respectively were charged by Coro.

## 12 Geographic segmented information

The following table illustrates the geographic location of the Company's assets.

	Canada \$	Mexico \$	Total \$
<b>July 31, 2009</b>			
Capital assets	2,051,176	3,376	2,054,553
Total assets	2,606,921	187,562	2,794,483
<b>October 31, 2008</b>			
Capital assets	2,308,436	14,559	2,322,955
Total assets	2,378,299	183,949	2,562,248