

VALLEY HIGH VENTURES LTD.

FINANCIAL STATEMENTS

JANUARY 31, 2007 and 2006

The accompanying unaudited interim financial statements of Valley High Ventures Ltd., for the period ended January 31, 2007 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's independent auditors.

VALLEY HIGH VENTURES LTD.**BALANCE SHEETS**

AS AT

(Unaudited)

	January 31, 2007	October 31, 2006
ASSETS		
Current		
Cash	\$ 15,737	\$ 115,459
Receivables	102,762	61,516
	118,499	176,975
Capital Assets	18,833	20,165
Mineral property interests (Note 3)	2,389,315	1,863,416
	\$ 2,526,647	\$ 2,060,556

LIABILITIES AND SHAREHOLDERS' EQUITY**Current**

Accounts payable and accrued liabilities	\$ 289,701	\$ 46,654
Due to related parties (Note 4)	397,148	36,215
	686,849	82,869

Shareholders' equity

Capital stock	4,972,654	4,972,654
Contributed surplus	275,640	275,640
Deficit	(3,408,496)	(3,270,607)

1,839,798 1,977,687

\$ 2,526,647 \$ 2,060,556

On behalf of the Board:

“Kathrine MacDonald”

Director

“Patrice Nazareno”

Director

VALLEY HIGH VENTURES LTD.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited)

	Three Months Period Ended January 31,	
	2007	2006
EXPENSES		
Accounting and Administrative	\$ -	\$ 4,500
Consulting	21,693	13,500
Interest	4,650	222
Management fees	22,500	22,500
Professional fees	15,500	12,084
Regulatory, transfer agent and filing fees	1,015	3,594
Rent and office	9,073	6,089
Travel and promotion	63,687	-
Interest Income	(229)	(601)
Loss for the period	(137,889)	(61,888)
Deficit, beginning of period	(3,270,607)	(2,859,940)
Deficit, end of period	\$ (3,408,496)	\$ (2,921,828)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	13,460,868	9,402,842

VALLEY HIGH VENTURES LTD.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Period Ended January 31,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (137,889)	\$ (61,888)
Items not affecting cash:		
Accrued management fees to a related party	22,500	22,500
Accrued administrative expenses to a related party	-	4,500
Accrued rent and office expenses to a related party	7,500	6,000
Change in non-cash working capital items:		
(Increase) decrease in receivables	(41,246)	(108,582)
Increase subscription receivable	-	(94,250)
Increase (decrease) in accounts payable and accrued liabilities	213,047	(105,717)
Net cash used in operating activities	63,912	(337,437)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property expenditures	(524,567)	(120,098)
Net cash used in investing activities	(524,567)	(120,098)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	-	1,124,674
Subscriptions received in advance	-	(42,750)
Share issue costs	-	(65,528)
Amounts due to related parties	360,933	(77,725)
Net cash provided by financing activities	360,933	938,671
Change in cash during the period	(99,722)	481,136
Cash, beginning of period	115,459	24,144
Cash, end of period	\$ 15,737	\$ 505,280

VALLEY HIGH VENTURES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2007

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in the Province of British Columbia. The Company is pursuing opportunities in the exploration of mineral and natural resource properties and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its mineral property interests and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral property interests and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	January 31, 2007	October 31, 2006
Deficit	\$ (3,408,496)	\$ (3,270,607)
Working capital (deficiency)	(568,350)	94,106

2. INTERIM FINANCIAL STATEMENTS

The accompanying unaudited financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements as at and for the year ended October 31, 2006. All materials adjustments which, in the opinion of management, are necessary for fair presentation of the results for the interim period have been reflected. The results for the three months ended January 31, 2007 are stated utilizing the same accounting policies and methods of application as the most recent annual financial statements, but are not necessarily indicate of the results to be expected for the full year.

VALLEY HIGH VENTURES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2007

3. MINERAL PROPERTY INTERESTS

	October 31,2006	Additional Expenditures	October 31,2006
	\$	\$	\$
Yemen Property			
Acquisition costs	48,001	-	48,001
Deferred exploration costs			
Personnel and labour	18,196	-	18,196
Prospecting permit	57,941	-	57,941
Samples	12,094	-	12,094
Travel and transportation	4,385	-	4,385
	<u>140,617</u>	<u>-</u>	<u>140,617</u>
British Columbia Property			
Acquisition costs	754,116	-	754,116
Deferred exploration costs			
Amortization	2,663	1,332	3,995
Accommodation and travel	46,001	3,256	49,257
Geological consulting	200,538	49,092	249,630
Field and exploration costs	182,490	39,904	222,394
Prospecting permits	5,147	6,958	12,105
Survey	121,069	50,977	172,046
Exploration salaries and wages	29,865	8,594	38,459
Equipment	5,188	-	5,188
Drilling	329,980	350,700	680,680
Assay	32,009	12,144	44,153
Fuel	3,679	200	3,879
Vehicles	2,318	1,814	4,132
Office and sundry	7,736	928	8,664
	<u>1,722,799</u>	<u>525,899</u>	<u>2,248,698</u>
Total	<u>1,863,416</u>	<u>525,899</u>	<u>2,389,315</u>

VALLEY HIGH VENTURES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2007

4. DUE TO RELATED PARTIES

	January 31, 2007	October 31, 2006
Due to a company controlled by a director, unsecured, bearing interest at 12% per annum with no fixed date of repayment. The amount includes accrued interest of \$4,162 (October 31, 2006)\$Nil.	\$ 392,986	\$ 36,215

5. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Accrued management fees of \$22,500 (2006 - \$22,500) to a company controlled by a director.
- b) Accrued administrative expenses of \$Nil (2006 - \$4,500) to a relative of a director.
- c) Accrued rent and office expenses of \$7,500 (2005 - \$6,000) to a company controlled by a director.
- d) Accrued interest expense of \$4,162 (2005 - \$2,975) to a company controlled by a director.

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