

VALLEY HIGH VENTURES LTD.

FINANCIAL STATEMENTS

JANUARY 31, 2008

The accompanying unaudited interim financial statements of Valley High Ventures Ltd., for the period ended January 31, 2008 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, 2008 | October 31, 2007 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 8,004 | \$ 9,441 |
| Receivables | 35,434 | 35,935 |
| | 43,438 | 45,376 |
| Mineral property interests (Note 3) | 2,252,417 | 2,248,161 |
| | \$ 2,295,855 | \$ 2,293,537 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 59,693 | \$ 60,175 |
| Due to related parties (Note 4) | 895,564 | 847,994 |
| | 955,257 | 908,169 |
| Shareholders' equity | | |
| Capital stock | 4,992,301 | 4,992,301 |
| Contributed surplus | 275,640 | 275,640 |
| Deficit | (3,927,343) | (3,882,573) |
| | 1,340,598 | 1,385,368 |
| | \$ 2,295,855 | \$ 2,293,537 |

On behalf of the Board:

"Kathrine MacDonald"

Director

"Ray Strafehl"

Director

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

| | Three Months Period Ended January 31, | |
|--|--|-----------------------|
| | 2008 | 2007 |
| EXPENSES | | |
| Consulting | \$ - | \$ 21,693 |
| Bank charges and interest | 30 | - |
| Interest - loan | 22,206 | 4,650 |
| Management fees | 22,500 | 22,500 |
| Professional fees | 4,500 | 15,500 |
| Regulatory, transfer agent and filing fees | 747 | 1,015 |
| Rent and office | 8,591 | 9,073 |
| Travel and promotion | 3,237 | 63,687 |
| Write down on mineral properties | 1,623 | - |
| Bad Debts | (18,644) | - |
| Interest Income | (20) | (229) |
| Loss for the period | (44,770) | (137,889) |
| Deficit, beginning of period | (3,882,573) | (3,270,607) |
| Deficit, end of period | <u>\$ (3,927,343)</u> | <u>\$ (3,408,496)</u> |
| Basic and diluted loss per share | <u>\$ (0.00)</u> | <u>\$ (0.01)</u> |
| Weighted average number of shares outstanding | <u>14,175,868</u> | <u>13,460,868</u> |

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

| | Three Months Period Ended January 31, | |
|---|--|------------------|
| | 2008 | 2007 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the period | \$ (44,770) | \$ (137,889) |
| Items not affecting cash: | | |
| Accrued management fees to a related party | - | 22,500 |
| Accrued rent and office expenses to a related party | - | 7,500 |
| Accrued interest on amounts due to a related parties | 22,206 | - |
| Change in non-cash working capital items: | | |
| (Increase) decrease in receivables | 501 | (41,246) |
| Increase (decrease) in accounts payable and accrued liabilities | (482) | 213,047 |
| Net cash used in operating activities | <u>(22,545)</u> | <u>63,912</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Mineral property expenditures | <u>(4,256)</u> | <u>(524,567)</u> |
| Net cash used in investing activities | <u>(4,256)</u> | <u>(524,567)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amounts due to related parties | <u>25,364</u> | <u>360,933</u> |
| Net cash provided by financing activities | <u>25,364</u> | <u>360,933</u> |
| Change in cash during the period | (1,437) | (99,722) |
| Cash, beginning of period | <u>9,441</u> | <u>115,459</u> |
| Cash, end of period | <u>\$ 8,004</u> | <u>\$ 15,737</u> |

VALLEY HIGH VENTURES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2008

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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 the classification of liabilities that might be necessary should the Company be unable to continue in existence.

| | January 31, 2007 | October 31, 2007 |
|------------------------------|---------------------|---------------------|
| Deficit | \$ (3,940,521) | \$ (3,882,573) |
| Working capital (deficiency) | (911,819) | (862,793) |

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, 2007. 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, 2008 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, 2008

3. MINERAL PROPERTY INTERESTS

| | October 31, 2007 | Additional Expenditures | January 31, 2008 |
|----------------------------------|-------------------------|----------------------------|-------------------------|
| | \$ | \$ | \$ |
| Yemen Property | | | |
| Acquisition costs | 48,001 | - | - |
| Deferred exploration costs | | | |
| Personnel and labour | 18,196 | - | - |
| Prospecting permit | 57,941 | - | - |
| Samples | 12,094 | - | - |
| Travel and transportation | 4,385 | - | - |
| Write off of Yemen property | (140,617) | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| British Columbia Property | | | |
| Acquisition costs | 775,316 | - | 775,316 |
| Deferred exploration costs | | | |
| Amortization | 7,229 | - | 7,229 |
| Write down amortization | (7,229) | - | (7,229) |
| Accommodation and travel | 50,624 | - | 50,624 |
| Geological consulting | 270,126 | 2,675 | 272,801 |
| Write down geological consulting | (64,392) | - | (64,392) |
| Field and exploration costs | 222,394 | 1,050 | 223,444 |
| Prospecting permits | 12,105 | 446 | 12,551 |
| Survey | 172,046 | - | 172,046 |
| Exploration salaries and wages | 38,459 | - | 38,459 |
| Equipment | 5,188 | - | 5,188 |
| Drilling | 680,680 | - | 680,680 |
| Assay | 56,563 | - | 56,563 |
| Fuel | 5,755 | - | 5,755 |
| Vehicles | 8,759 | - | 8,759 |
| Office and sundry | 14,538 | 85 | 14,623 |
| | <u>2,248,161</u> | <u>4,256</u> | <u>2,252,417</u> |
| Total | <u>2,248,161</u> | <u>4,256</u> | <u>2,252,417</u> |

Title to mineral properties

Title to mineral properties involves 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 conveyancing 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.

3. MINERAL PROPERTY INTERESTS (cont'd...)

Yemen Property

During fiscal 2004, pursuant to the acquisition of an exploration license that provided the Company with the rights to prospect for all minerals other than hydrocarbons in an area located in west central Yemen, the Company issued 200,000 common shares valued at \$48,000. The Company had agreed to pay a finder's fee of 20,000 common shares.

At October 31, 2007 the Company has elected to drop this property and all related deferred costs have been written off.

British Columbia Properties

The Company entered into purchase agreements for the following mining claims which are located in the Mount Polley area of the Cariboo Mining division of central British Columbia:

Nordik claims

The Company acquired a 100% interest in the Nordik mineral claims in consideration for the issuance of 666,666 common shares valued at \$153,333. The vendors retained a 2% net smelter returns ("NSR") royalty on the claims, with a buyout of \$500,000 for each one-half percent.

Calm claims

The Company acquired a 100% interest in the Calm mineral claims in consideration for the issuance of 333,333 common shares valued at \$76,667 and a cash payment of \$25,000. The vendors retained a 2% NSR on the claims, with a buyout of \$500,000 for each one-half percent.

Pay, A and OCT claims

The Company acquired a 100% interest in the Pay, A and OCT mineral claims in consideration for the issuance of 733,334 common shares valued at \$168,666. The vendors retained a 2% NSR on the claims, with a buyout of 500,000 for each one-half percent.

Lloyd claims

The Company acquired a 90% interest in the Lloyd mineral claims in consideration for the issuance of 1,020,000 common shares valued at \$234,600. The Company also acquired 1.5% NSR on 100% of certain of the Lloyd claims in consideration for the issuance of 180,000 common shares valued at \$41,400.

Buc claims

The Company acquired a 100% interest, subject to a 2.0% NSR, in the Buc mineral claims in consideration for the issuance of 25,000 shares and \$10,000 in cash.

Dome Claim

The Company has acquired the right to earn a 100% interest subject to a 1.5% NSR in the three mineral claims. To earn its interest the Company must pay \$10,000 and issue 270,000 shares over four year period.

VALLEY HIGH VENTURES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2008

4. DUE TO RELATED PARTIES

| | January 31, 2007 | October 31, 2007 |
|--|---------------------|---------------------|
| 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 \$22,206 (October 31, 2007 \$55,987). | \$ 761,564 | \$ 837,874 |
| Due to a company controlled by a director. | 134,000 | - |
| Due to a former company director | - | 10,120 |
| | <u>\$ 895,564</u> | <u>\$ 847,994</u> |

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.
- c) Accrued rent and office expenses of \$7,500 (2006 - \$7,500) to a company controlled by a director.
- d) Accrued interest expense of \$22,906 (2006 - \$4,162) 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.