

**VALLEY HIGH VENTURES LTD.**

**FINANCIAL STATEMENTS**

**APRIL 30, 2007 and 2006**

The accompanying unaudited interim financial statements of Valley High Ventures Ltd., for the period ended April 30, 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)

	April 30, 2007	October 31, 2006
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 19,949	\$ 115,459
Receivables	34,059	61,516
	54,008	176,975
<b>Capital Assets</b>	17,502	20,165
<b>Mineral property interests</b> (Note 3)	2,435,826	1,863,416
	\$ 2,507,336	\$ 2,060,556
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 124,246	\$ 46,654
Due to related parties (Note 4)	89,000	36,215
Loan payable (Note 5)	545,388	-
	758,634	82,869
<b>Shareholders' equity</b>		
Capital stock	4,971,101	4,972,654
Contributed surplus	275,640	275,640
Deficit	(3,498,039)	(3,270,607)
	1,748,702	1,977,687
	\$ 2,507,336	\$ 2,060,556

**On behalf of the Board:**

\_\_\_\_\_  
"Kathrine MacDonald" Director

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"Patrice Nazareno" Director

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

	Six Months Period Ended,		Six Months Period Ended,	
	April 30,		April 30,	
	2007	2006	2007	2006
<b>EXPENSES</b>				
Administrative	\$ -	\$ 4,500	\$ -	\$ 9,000
Consulting	5,000	20,000	26,693	33,500
Interest and bank charges	323	137	323	359
Interest expenses	12,626	-	17,276	-
Management fees	22,500	22,500	45,000	45,000
Professional fees	13,034	23,952	28,534	36,036
Regulatory, transfer agent and filing fees	9,039	9,185	10,054	12,779
Rent and office	9,187	11,804	18,260	17,893
Travel and promotion	18,453	-	82,140	-
Interest Income	(619)	(2,263)	(848)	(2,864)
<b>Loss for the period</b>	(89,543)	(89,815)	(227,432)	(151,703)
<b>Deficit, beginning of period</b>	(3,408,496)	(2,921,828)	(3,270,607)	(2,859,940)
<b>Deficit, end of period</b>	\$ (3,498,039)	\$ (3,011,643)	\$ (3,498,039)	\$ (3,011,643)
<b>Basic and diluted loss per share</b>	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)
<b>Weighted average number of shares outstanding</b>	13,300,047	13,460,868	13,312,411	14,483,368

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

	Six Months Period Ended,		Six Months Period Ended,	
	April 30,		April 30,	
	2007	2006	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	\$ (89,543)	\$ (89,815)	\$ (227,432)	\$ (151,703)
Items not affecting cash:				
Accrues interest on loan payable	17,276	-	17,276	-
Accrued management fees to a related party	22,500	(22,500)	45,000	-
Accrued administrative expenses to a related party	-	(4,500)	-	-
Accrued rent and office expenses to a related party	4,500	(6,000)	12,000	-
Change in non-cash working capital items:				
(Increase) decrease in receivables	68,703	88,676	27,457	(19,906)
Increase subscription receivable	-	94,250	-	-
Increase in deposits	-	(10,000)	-	(10,000)
Increase (decrease) in accounts payable and accrued liabilities	(135,455)	39,769	77,592	( 65,948)
Net cash used in operating activities	(112,019)	89,880	(48,107)	(247,557)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of equipment	-	(22,828)	-	(22,828)
Mineral property expenditures	(45,180)	(201,193)	(569,747)	(321,291)
Net cash used in investing activities	(45,180)	(224,021)	(569,747)	(344,119)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Share capital	-	(65,528)	-	1,059,146
Subscriptions received in advance	-	-	-	(42,750)
Share issue costs	(1,553)	65,528	(1,553)	-
Loan payable	528,112	-	528,112	-
Amounts due to related parties	(365,148)	23,417	(4,215)	(54,308)
Net cash provided by financing activities	161,411	23,417	522,344	962,088
<b>Change in cash during the period</b>	<b>4,212</b>	<b>(110,724)</b>	<b>(95,510)</b>	<b>370,412</b>
<b>Cash, beginning of period</b>	<b>15,737</b>	<b>505,280</b>	<b>115,459</b>	<b>24,144</b>
<b>Cash, end of period</b>	<b>\$ 19,949</b>	<b>\$ 394,556</b>	<b>\$ 19,949</b>	<b>\$ 394,556</b>

**VALLEY HIGH VENTURES LTD.**  
NOTES TO THE FINANCIAL STATEMENTS  
APRIL 30, 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.

	April 30, 2007	October 31, 2006
Deficit	\$ (3,498,039)	\$ (3,270,607)
Working capital (deficiency)	(159,238)	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 six months ended April 30, 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**  
**APRIL 30, 2007**

**3. MINERAL PROPERTY INTERESTS**

	October 31, 2006	Additional Expenditures	April 30, 2007
	\$	\$	\$
<b>Yemen Property</b>			
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>
<b>British Columbia Property</b>			
Acquisition costs	754,116	-	754,116
Deferred exploration costs			
Amortization	2,663	2,664	5,327
Accommodation and travel	46,001	4,623	50,624
Geological consulting	200,538	69,588	270,126
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	24,554	56,563
Fuel	3,679	2,076	5,755
Vehicles	2,318	6,441	8,759
Office and sundry	7,736	5,331	13,067
	<u>1,722,799</u>	<u>572,410</u>	<u>2,295,209</u>
<b>Total</b>	<b><u>1,863,416</u></b>	<b><u>572,410</u></b>	<b><u>2,435,826</u></b>

**VALLEY HIGH VENTURES LTD.**  
NOTES TO THE FINANCIAL STATEMENTS  
APRIL 30, 2007

**4. DUE TO RELATED PARTIES**

	April 30, 2007	October 31, 2006
Due to a company controlled by a director	\$ 80,000	\$ 36,215

**5. LOAN PAYABLE**

The loan payable represents expenses paid by, and advances from, a director. The loan bears interest at 12% per annum, is payable on demand, and is unsecured. Accrued interest payable of \$17,276 (2006: \$Nil) is included in the loan payable to the director.

**5. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- a) Accrued management fees of \$45,000 (2006 - \$45,000) to a company controlled by a director.
- b) Accrued administrative expenses of \$Nil (2006 - \$9,000) to a relative of a director.
- c) Accrued rent and office expenses of \$15,000 (2006 - \$15,000) to a company controlled by a director.
- d) Accrued interest expense of \$17,276 (2006 - \$Nil) 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.