

METALEX VENTURES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2010

(Unaudited – Prepared by Management)

METALEX VENTURES LTD.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTH PERIODS ENDED JANUARY 31, 2010

NOTICE TO READER

Management has compiled the unaudited consolidated financial statements of Metalex Ventures Ltd. for the three and nine month periods ended January 31, 2010 (along with the comparative interim periods in 2009).

The Company's external auditors have not reviewed these statements.

METALEX VENTURES LTD.
CONSOLIDATED BALANCE SHEETS
(Unaudited – Prepared by Management)

	January 31, 2010	April 30, 2009
ASSETS		
Current		
Cash	\$ 16,194,348	\$ 866,414
Receivables	202,523	243,664
Prepaid expenses (Note 11)	<u>1,386,942</u>	<u>19,357</u>
	17,783,813	1,129,435
Mineral properties (Note 3)	369,750	369,750
Equipment (Note 5)	<u>42,030</u>	<u>321,061</u>
	<u>\$ 18,195,593</u>	<u>\$ 1,820,246</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 3,592,848	\$ 6,308,075
Exploration advance deposit	250,000	250,000
Current portion of capital lease obligations (Note 7)	<u>-</u>	<u>190,685</u>
	3,842,848	6,748,760
Shareholders' equity (deficiency)		
Capital stock (Note 6)	71,041,657	46,377,500
Contributed surplus (Note 6)	12,068,418	7,832,795
Deficit	<u>(68,757,330)</u>	<u>(59,138,809)</u>
	<u>14,352,745</u>	<u>(4,928,514)</u>
	<u>\$ 18,195,593</u>	<u>\$ 1,820,246</u>

Nature and continuance of operations (Note 1)

Contingencies (Note 11)

Subsequent events (Note 12)

On behalf of the Board:

"Lorie Waisberg" Director *"Chad Ulansky"* Director

See accompanying notes to consolidated financial statements.

METALEX VENTURES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended January 31, 2010	Three Month Period Ended January 31, 2009 <small>(re-stated Note 2)</small>	Nine Month Period Ended January 31, 2010	Nine Month Period Ended January 31, 2009 <small>(re-stated Note 2)</small>
Expenses				
Amortization	\$ 5,241	\$ 14,179	\$ 28,006	\$ 43,051
Exploration expenditures (Note 4)	5,022,890	1,569,740	8,342,116	4,985,487
Management fees	15,000	15,792	45,000	65,292
Office and administrative	63,775	55,927	221,814	241,864
Professional fees	33,316	21,258	115,497	91,187
Property investigation	-	-	-	31,556
Stock-based compensation (Note 6)	-	95,601	803,956	114,932
Transfer agent and filing fees	11,477	15,007	27,621	27,391
Travel and promotion	3,636	10,911	100,305	63,524
Loss before other items	<u>(5,155,335)</u>	<u>(1,798,415)</u>	<u>(9,684,315)</u>	<u>(5,664,284)</u>
Other items				
Administration fees earned	1,685	52,530	13,258	835,542
Interest income	22,496	10,354	24,236	36,995
Foreign exchange gain (loss)	5,492	(8,891)	28,300	36,150
	<u>29,673</u>	<u>53,993</u>	<u>65,794</u>	<u>908,687</u>
Loss and comprehensive loss for the period	(5,125,662)	(1,744,422)	(9,618,521)	(4,755,597)
Deficit, beginning of period	<u>(63,631,668)</u>	<u>(55,735,458)</u>	<u>(59,138,809)</u>	<u>(52,724,283)</u>
Deficit, end of period	<u>\$ (68,757,330)</u>	<u>\$ (57,479,880)</u>	<u>\$ (68,757,300)</u>	<u>\$ (57,479,880)</u>
Basic and diluted loss per share	<u>\$ (0.11)</u>	<u>\$ (0.19)</u>	<u>\$ (0.46)</u>	<u>\$ (0.51)</u>
Weighted average number of shares outstanding	<u>45,754,160</u>	<u>9,359,133</u>	<u>21,039,092</u>	<u>9,344,155</u>

See accompanying notes to consolidated financial statements.

METALEX VENTURES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended January 31, 2010	Three Month Period Ended January 31, 2009 (re-stated Note 2)	Nine Month Period Ended January 31, 2010	Nine Month Period Ended January 31, 2009 (re-stated Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (5,125,662)	\$ (1,744,422)	\$ (9,618,521)	\$ (4,755,597)
Items not affecting cash:				
Amortization	68,785	109,736	280,569	326,722
Stock-based compensation	-	95,601	803,956	114,932
Change in non-cash working capital items:				
(Increase) decrease in receivables	(83,203)	2,721,090	41,141	1,029,379
(Increase) decrease in prepaid expenses	(919,444)	104,210	(1,367,585)	80,309
Increase (decrease) in accounts payable and accrued liabilities	<u>(500,823)</u>	<u>(1,807,392)</u>	<u>(1,011,427)</u>	<u>1,944,862</u>
Net cash used in operating activities	<u>(6,560,347)</u>	<u>(522,177)</u>	<u>(10,871,867)</u>	<u>(1,259,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of equipment	<u>(832)</u>	<u>-</u>	<u>(1,538)</u>	<u>(476)</u>
Net cash used in investing activities	<u>(832)</u>	<u>-</u>	<u>(1,538)</u>	<u>(476)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of capital stock (Note 6)	-	-	30,000,000	-
Share issuance costs	(358)	-	(1,904,176)	-
Advances from related party	-	948,527	786,300	1,182,669
Repayment of advances from related party	-	-	(2,490,100)	-
Payments on capital lease	<u>(63,562)</u>	<u>(100,945)</u>	<u>(190,685)</u>	<u>(302,836)</u>
Net cash (used in) provided by financing activities	<u>(63,920)</u>	<u>847,582</u>	<u>26,201,339</u>	<u>879,833</u>
Increase (decrease) in cash during the period	(6,625,099)	325,405	15,327,934	(380,036)
Cash, beginning of period	<u>22,818,447</u>	<u>772,193</u>	<u>866,414</u>	<u>1,477,634</u>
Cash, end of period	<u>\$ 16,194,348</u>	<u>\$ 1,097,598</u>	<u>\$ 16,194,348</u>	<u>\$ 1,097,598</u>
Cash paid for interest during the period	<u>\$ 3,178</u>	<u>\$ 3,178</u>	<u>\$ 9,534</u>	<u>\$ 9,534</u>
Cash paid for income taxes during the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements..

METALEX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
JANUARY 31, 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company's principal business activity is the acquisition and exploration of mineral properties. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts is 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 its ability to develop its mineral properties, receive continued financial support, complete equity financings, 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.

2. BASIS OF PRESENTATION

The interim period financial statements of Metalex Ventures Ltd., (the “Company” or “Metalex”), have been prepared by the Company in accordance with Canadian generally accepted accounting principles (“GAAP”). All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

During fiscal 2009, the Company consolidated its outstanding common shares on the basis of ten existing shares to one new share. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

During the final quarter of fiscal 2009, the Company changed its accounting policy regarding mineral properties. Previously the Company capitalized all acquisition costs and exploration expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, property exploration costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. All direct costs related to the acquisition of mineral property interests will continue to be capitalized.

As provided by Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 1506, the Company accounted for this change in accounting policy on a retrospective basis with prior period restatement. As such, certain comparative figures in these financial statements have been reclassified to reflect the change in accounting policy.

METALEX VENTURES LTD.
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2. BASIS OF PRESENTATION (con't...)

Effective May 1, 2009, the Company adopted the following new standards and accounting policies issued by the CICA on a prospective basis with no restatement of prior period financial statements:

Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064 “Goodwill and intangible assets”, replacing Section 3062, “Goodwill and other intangible assets and Section 3450, “Research and development costs”. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this standard did not have any material effect on the Company’s financial statements.

Recent accounting pronouncements

Business combinations

In January 2009, the CICA issued the new Handbook Section 1582 “Business Combinations”, effective for fiscal years beginning on or after January 1, 2011. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, and non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company’s financial statements to evaluate the nature and financial effects of its business combinations. This standard is not expected to have any effect on the Company’s financial statements unless and until one or more business combination transactions occur.

International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. MINERAL PROPERTIES

The carrying values of the Company’s mineral properties are as follows:

	January 31, 2010	April 30, 2009
Property acquisition costs:		
Attawapiskat, Ontario	\$ 225,000	\$ 225,000
James Bay, Quebec	80,000	80,000
Wawa, Ontario	<u>64,750</u>	<u>64,750</u>
Total acquisition costs	\$ 369,750	\$ 369,750

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4. EXPLORATION EXPENDITURES

	Attawapiskat, Ontario	James Bay, Quebec	Kyle Lake, Ontario	James Bay, Ontario	Wawa, Ontario	Mali	Angola	Morocco	Greenland	Total
Cumulative expenditures, April 30, 2008	\$ 8,665,960	\$ 1,028,962	\$ 22,813,132	\$ -	\$ 1,202,622	\$ 82,540	\$ 9,620,832	\$ 2,551,890	\$ 3,225,582	\$ 49,191,520
Additions										
Aircraft field transport	-	257,916	186,233	2,918,978	-	-	118,177	-	-	3,481,304
Camp and field supplies	-	9,430	71,861	440,737	-	-	608,202	-	-	1,130,230
Drill supplies and repairs	-	-	61,665	384,970	39,612	-	40,016	-	-	526,263
Equipment rental and amortization	-	16,813	555,713	206,902	-	-	307,879	-	-	1,087,307
Fuel	-	27,560	10,147	1,022,943	-	-	142,719	-	-	1,203,369
Licenses, Rent and other	31,052	58,673	6,814	2,000	50,000	3,986	120,451	-	1,062	274,038
Labour	7,885	176,604	59,465	2,950,844	3,377	6,268	1,425,894	13,698	4,749	4,648,784
Sample laboratory analysis	-	259,741	16,290	148,186	150,210	-	557,622	6,257	-	1,138,306
Shipping and freight	-	18,278	46,286	31,113	2,302	-	392,534	-	-	490,513
Telephone and communications	-	676	34,028	68,468	-	-	38,980	-	-	142,152
Travel and accommodation	296	46,334	217,015	159,308	133	266	131,265	1,806	-	556,423
Total additions	39,233	872,025	1,265,517	8,334,449	245,634	10,520	3,883,739	21,761	5,811	14,678,689
Cost recoveries	(6,600)	-	(29,668)	(8,334,449)	-	-	-	-	-	(8,370,717)
Net exploration expenditures during year	32,633	872,025	1,235,849	-	245,634	10,520	3,883,739	21,761	5,811	6,307,972
Cumulative expenditures, April 30, 2009	8,698,593	1,900,987	24,048,981	-	1,448,256	93,060	13,504,571	2,573,651	3,231,393	55,499,492
Additions										
Aircraft field transport	-	-	1,200,428	24,745	-	-	10,459	-	30,335	1,265,967
Camp and field supplies	-	3,070	484,141	55,623	-	7,818	357,327	39	3,988	912,006
Drill supplies and repairs	-	63,120	259,181	-	-	-	53,775	-	-	376,076
Equipment rental and amortization	-	-	190,374	-	-	-	190,672	-	-	381,046
Fuel	-	-	142,780	-	-	-	29,737	-	-	172,517
Licenses, Rent and other	1,116	-	10,803	-	50,000	-	121,713	-	14,423	198,055
Labour	1,501	37,823	1,659,717	38,961	148,990	22,115	1,026,723	914	26,304	2,963,049
Sample laboratory analysis	32,560	261,780	341,711	13,010	-	-	912,303	-	-	1,561,364
Shipping and freight	-	-	54,990	-	2,648	1,847	294,580	-	10,171	364,236
Telephone and communications	-	-	21,609	242	-	2,082	35,497	-	145	59,575
Travel and accommodation	-	1,058	93,866	-	-	6,276	105,228	591	13,787	220,806
Total additions	35,177	366,851	4,459,600	132,581	201,638	40,138	3,138,015	1,544	99,153	8,474,697
Cost recoveries	-	-	-	(132,581)	-	-	-	-	-	(132,581)
Net exploration expenditures during period	35,177	366,851	4,459,600	-	201,638	40,138	3,138,015	1,544	99,153	8,342,116
Cumulative expenditures, January 31, 2010	\$ 8,733,770	\$ 2,267,838	\$ 28,508,581	\$ -	\$ 1,649,894	\$ 133,198	\$ 16,642,586	\$ 2,575,195	\$ 3,330,546	\$ 63,841,608

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 is in good standing.

METALEX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. EQUIPMENT

	Expected useful life	January 31, 2010			April 30, 2009		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Field equipment	2-3 years	\$ 880,309	\$ 880,309	\$ -	\$ 880,309	\$ 627,745	\$ 252,564
Automotive	3 years	241,176	207,427	33,749	241,176	183,727	57,449
Computer equipment	3 years	18,712	11,413	7,299	17,174	7,900	9,274
Furniture and fixtures	5 years	<u>5,194</u>	<u>4,212</u>	<u>982</u>	<u>5,194</u>	<u>3,420</u>	<u>1,774</u>
		\$ 1,145,391	\$ 1,103,361	\$ 42,030	\$ 1,143,853	\$ 822,792	\$ 321,061

Field equipment at January 31, 2010 with a cost of \$880,309 (April 30, 2009 - \$880,309) and net book value of \$Nil (April 30, 2009 - \$252,564) was held under two capital leases (Note 7). Amortization on this field equipment has been charged to exploration expenditures.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited number of common shares without par value			
Issued			
Balance as at April 30, 2009	9,379,160	\$ 46,377,500	\$ 7,832,795
Private placement	36,375,000	30,000,000	-
Share issue costs	-	(5,335,843)	3,431,667
Stock-based compensation – options granted	-	-	<u>803,956</u>
Balance as at January 31, 2010	45,754,160	\$ 71,041,657	\$ 12,068,418

Private placement

In October 2009, the Company completed a private placement consisting of 18,000,000 flow-through shares at \$0.85 per share for gross proceeds of \$15,300,000 and 18,375,000 non-flow-through units at \$0.80 per unit for gross proceeds of \$14,700,000. Each unit consists of one common share and one half of one share purchase warrant, each whole warrant exercisable for the purchase of one common share of the Company at a price of \$1.30 per share for a period of two years from the date of issuance. Finders' fees in the amount of \$1,904,176 were paid in connection with this private placement. In addition, 3,637,500 agents' options were issued as finder's fees in connection with this placement. The agents' options are exercisable for the purchase of non-flow-through units of the Company at a price of \$0.80 per unit for a period of two years from the date of issuance. Each unit will consist of one common share and one half of one share purchase warrant, each whole warrant exercisable for the purchase of one common share of the Company at a price of \$1.30 per share until October 6, 2011. The agents' options were valued at \$3,431,667 using the Black-Scholes option pricing model with an expected volatility of 135%, a risk free interest rate of 1.3%, an expected life of 2 years and an expected dividend yield of 0%.

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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (con't...)

Deferred share unit plan

The Company has a deferred share unit plan whereby directors can receive compensation in the form of a deferred share unit. Under the plan, directors will earn compensation quarterly at which time the number of deferred share units will be determined based on the Company's share price at the end of the quarter. Upon leaving the Board, directors, at their discretion, can elect to receive either cash or shares for the deferred compensation. As of January 31, 2010, \$244,167 of deferred compensation (April 30, 2009 - \$199,167) has been accrued in accounts payable which equates to 175,452 shares (April 30, 2009 – 128,680 shares) if the directors elected to receive shares under the plan.

Stock options and warrants

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. On October 23, 2009, shareholders approved and the Company implemented a new stock option plan. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, unless otherwise determined by the Board of Directors, and are exercisable for up to a period of up to ten years from the date of grant.

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, April 30, 2009	516,800	\$ 1.08	1,012,700	\$ 7.10
Granted				
Compensatory	1,133,000	1.00	-	-
Agents'	3,637,500	0.80	9,187,500	1.30
Exercised	-	-	-	-
Expired/cancelled	(8,000)	6.06	(1,012,700)	7.10
Outstanding, January 31, 2010	5,279,300	\$ 0.86	9,187,500	\$ 1.30
Number currently exercisable	5,279,300	\$ 0.86	9,187,500	\$ 1.30

The following stock options and warrants were outstanding at January 31, 2010:

	Number	Exercise Price	Expiry Date
Options	508,800	\$ 1.00	November 18, 2013
	<u>1,133,000</u>	1.00	October 23, 2014
	1,641,800		
Agents' Options	3,637,500	\$ 0.80	October 6, 2011
Warrants	9,187,500	\$ 1.30	October 6, 2011

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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (con't...)

Stock-based compensation

In October 2009, the Company granted an aggregate of 1,133,000 options to certain officers, directors, employees and consultants. Each of these options vested immediately and allow the holder to purchase one common share in the Company at a price of \$1.00 until October 23, 2014.

During the nine month period ended January 31, 2010, the Company recognized stock-based compensation of \$803,956 (2009 - \$114,932) in the statement of operations as a result of the granting and vesting of incentive stock options. The weighted average fair value of options granted was \$0.71 per option (2009 - \$0.22).

The fair value of compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The assumptions used in calculating fair value are as follows:

	2010	2009
Risk-free interest rate	2.0%	2.7%
Expected option life	3 years	3 years
Expected stock price volatility	119.9%	94.2%
Expected dividend yield	0%	0%

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements:

- a) Paid or accrued either, directly or indirectly, sampling, laboratory and mineralogical costs of \$1,289,953 (2009 - \$579,233) to a company controlled by a director; and a 10% administration fee of \$56,184 (2009 - \$111,007), geological consulting fees of \$229,828 (2009 - \$178,351), drilling and equipment rental charges of \$125,510 (2009 - \$115,586), interest on equipment leases of \$9,534 (2009 - \$9,534) and shared office and administrative costs of \$11,372 (2009 - \$15,417) to two companies controlled by directors.
- b) Recorded recoveries, which were netted against various expenses, for shared office and administrative costs of \$46,263 (2009 - \$59,787) and for shared field expenditures of \$1,190 (2009 - \$168,843) from a company controlled by a director and from a company with common directors and management.

Included in accounts payable is \$1,230,384 (April 30, 2009 - \$1,063,329) for laboratory and mineralogical costs, \$204,207 (April 30, 2009 - \$1,517,271) for project payroll and camp supplies costs, \$4,043 (April 30, 2009 - \$88,446) for consulting fees, \$13,102 (April 30, 2009 - \$159,164) for shared office and administrative costs and \$118,471 (April 30, 2009 - \$507,860) for exploration work completed on certain properties owing to companies controlled by directors and a company with common directors and management. In addition, \$Nil (April 30, 2009 - \$1,703,800) of cash advances received from a company controlled by a director are included in accounts payable. During the period ended October 31, 2009, cash advances received during the first two quarters of fiscal 2010 totaling \$786,300 were repaid in full together with previously received advances totaling \$1,703,800.

Included in receivables is \$16,334 (April 30, 2009 - \$13,713) for shared office and administrative costs due from a company controlled by a director and from a company with common directors and management.

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

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7. RELATED PARTY TRANSACTIONS (Con't...)

Leases payable to related party

Effective November 2006, the Company completed a sale-leaseback transaction with a company controlled by a director involving field equipment with an original cost of \$448,604. As of April 30, 2009 this lease obligation had been fully repaid.

Effective February 2008, the Company entered into a capital lease with a company controlled by a director involving field equipment with a cost of \$508,492. The lease obligation carried an imputed interest rate of 5% and a term of 24 months. As of January 31, 2010, this lease obligation has been fully repaid.

Minimum lease payments under the capital lease are as follows:

	January 31, 2010	April 30, 2009
Total minimum lease payments	\$ 533,917	\$ 533,917
Less: imputed interest	(25,425)	(25,425)
Less: payments made	(508,492)	(317,807)
Balance of obligation	-	190,685
Less: current portion	-	(190,685)
Non-current portion	\$ -	\$ -

8. CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued common shares, contributed surplus and deficit, in the definition of capital.

The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company expects its current capital resources will be sufficient to complete its currently budgeted exploration programs and operations through its current operating period. Until its equity financing was recently completed, the Company had relied on extended credit terms and/or advances from a related party to fund its operations. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, exploration advance deposit and capital lease obligations. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk

While the Company's capital is raised in Canadian dollars, the Company is conducting business in Angola, Mali and Greenland whose currencies are the Rand, Franc and Krone, respectively. As such, the Company is subject to risk due to fluctuations in the exchange rates for those currencies as well as the United States and Canadian dollar. The Company does not use derivative financial instruments to reduce its exposure to foreign currency risk.

b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is in large Canadian financial institutions and it does not have any asset-backed commercial paper. The Company's receivables consist mainly of mineral property recoveries due from joint venture partners and GST receivable due from the Federal Government of Canada. The Company is subject to the risk that its joint venture partners will default on amounts owing for their portion of exploration expenditures (January 31, 2010 - \$30,412). Any such amounts defaulted would dilute that partners' interest in the exploration joint venture and would require the Company to pick up the proportionate share of future exploration expenditures.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations or assets.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 8.

e) Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of diamonds and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors diamond, precious metal and fuel prices to determine the appropriate course of action to be taken by the Company.

METALEX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
JANUARY 31, 2010

10. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

	January 31, 2010	April 30, 2009
Capital Assets (Mineral properties and equipment):		
Canada	\$ 378,031	\$ 442,690
Angola	33,749	248,121
	<u>\$ 411,780</u>	<u>\$ 690,811</u>

11. CONTINGENCIES

In June 2009, a legal action was commenced against the Company by a vendor that provided drilling rig equipment to the Company. In November 2009, the Company negotiated a new agreement with the vendor concerning the drilling rig equipment and, pursuant thereto, the vendor has released the Company from any and all actions. The Company is not required to pay any of the damages initially being sought by the vendor. The Company has responsibility for certain de-mobilization costs associated with the drilling rig and, as a condition of the new agreement, has paid a deposit of \$500,000 towards future de-mobilization costs which is included in prepaid expenses.

12. SUBSEQUENT EVENTS

Subsequent to January 31, 2010, the Company announced that it has:

- a) entered into a renegotiated to acquire certain mineral claims in the state of Mato Grosso, Brazil from Kel-ex Development Ltd. ("Kel-Ex") in consideration for \$2,000,000 worth of Metalex shares to be valued on the trading date prior to receiving regulatory approval (the "Effective Date") and Metalex will also assume an obligation to reimburse Kel-Ex for certain prior exploration expenditures of \$1,211,835 ("Prior Expenditures") incurred on the claims since January 2007. The mineral claims are subject to a 10% Net Profits Interest ("NPI") retained by Kel-Ex and two 5% NPI's held by two individuals. The Company also entered into agreements with each of the two individuals to acquire their 5% NPI's in consideration for the issuance of 50,000 common shares of the Company to each individual.
- b) entered into an amended option agreement with Icienza Ventures Inc. ("Icienza") whereby Icienza can earn an interest in the above mentioned claims by funding exploration expenditures. Icienza can earn a 15% working interest in the claims by funding a total of \$2,000,000 in exploration expenditures over a two year period (\$1,250,000 due on the Effective Date and \$750,000 due twelve months following the Effective Date). In order to secure the option agreement, Icienza advanced \$250,000 to Metalex as a deposit. Pursuant to the terms of the amended agreement, this deposit will be deducted from the exploration expenditures Icienza is required to incur in order to earn the 15% Interest. Icienza will also assume Metalex's obligation to reimburse Kel-Ex for Prior Expenditures incurred on the mineral claims in the amount of \$1,211,835. Icienza can earn a further 34% working interest in the mineral claims, for a total working interest of 49%, by incurring an additional \$3,000,000 in exploration expenditures on the claims during the period beginning on the second anniversary of the Effective Date and ending on or before the fourth anniversary of the Effective Date.

Both property agreements with Kel-Ex and Icienza and the NPI agreements are subject to acceptance by the TSX Venture Exchange. Furthermore, the closing of all agreements is contingent upon Icienza funding the initial \$1,000,000 in expenditures and issuing a convertible debenture to Kel-Ex to satisfy the obligation to reimburse the Prior Expenditures.