

METALEX VENTURES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 2007

(Unaudited – Prepared by Management)

METALEX VENTURES LTD.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTH PERIOD ENDED OCTOBER 31, 2007

NOTICE TO READER

Management has compiled the unaudited consolidated financial statements of Metalex Ventures Ltd. for the six month period ended October 31, 2007 (along with the comparative interim period in 2006). The Company's external auditors have not reviewed these statements.

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

| | October 31, 2007 | April 30, 2007 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 4,807,702 | \$ 1,712,144 |
| Receivables | 581,927 | 515,716 |
| Prepaid expenses | <u>23,015</u> | <u>4,140</u> |
| | 5,412,644 | 2,232,000 |
| Mineral properties (Note 3) | 46,908,475 | 41,997,441 |
| Equipment (Note 4) | 342,696 | 439,846 |
| Exploration advances (Note 6) | <u>348,121</u> | <u>679,438</u> |
| | <u>\$ 53,011,936</u> | <u>\$ 45,348,725</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 2,354,919 | \$ 1,714,084 |
| Current portion of capital lease obligation | 149,537 | 149,537 |
| Loan payable to related parties (Note 6) | <u>1,019,052</u> | <u>1,019,052</u> |
| | 3,523,508 | 2,882,673 |
| Capital lease obligation due to related party (Note 6) | 74,765 | 149,532 |
| Future income taxes | <u>6,810,980</u> | <u>7,297,749</u> |
| Shareholders' equity | | |
| Capital stock (Note 5) | 45,531,333 | 38,070,429 |
| Contributed surplus (Note 5) | 7,337,374 | 7,037,076 |
| Deficit | <u>(10,266,024)</u> | <u>(10,088,734)</u> |
| | <u>42,602,683</u> | <u>35,018,771</u> |
| | <u>\$ 53,011,936</u> | <u>\$ 45,348,725</u> |

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Chad Ulansky" Director *"Michael Hitch"* 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 October 31, 2007 | Three Month Period Ended October 31, 2006 | Six Month Period Ended October 31, 2007 | Six Month Period Ended October 31, 2006 |
|--|--|--|--|--|
| Expenses | | | | |
| Amortization | \$ 17,572 | \$ 19,011 | \$ 35,164 | \$ 19,141 |
| Consulting fees | 45,145 | 147,307 | 45,145 | 227,960 |
| Management fees | 60,875 | 9,598 | 150,275 | 151,973 |
| Office and administrative | 50,600 | 115,750 | 157,576 | 197,068 |
| Professional fees | 8,966 | 102,043 | 81,019 | 117,511 |
| Property investigation | 55 | 10,000 | 22,191 | 10,000 |
| Stock based compensation | 17,306 | - | 17,306 | - |
| Transfer agent and filing fees | 9,181 | 13,600 | 15,414 | 22,249 |
| Travel and promotion | <u>60,813</u> | <u>17,633</u> | <u>178,111</u> | <u>33,000</u> |
| Loss before other item | (270,513) | (434,942) | (702,201) | (778,902) |
| Other item | | | | |
| Interest income and foreign exchange | <u>24,373</u> | <u>115,329</u> | <u>38,142</u> | <u>180,854</u> |
| Loss before income taxes | (246,140) | (319,613) | (664,059) | (598,048) |
| Future income tax recovery | <u>386,727</u> | <u>344,029</u> | <u>486,769</u> | <u>257,506</u> |
| Earnings (loss) for the period | 140,587 | 24,416 | (177,290) | (340,542) |
| Deficit, beginning of period | <u>(10,406,611)</u> | <u>(9,609,376)</u> | <u>(10,088,734)</u> | <u>(9,244,418)</u> |
| Deficit, end of period | <u>\$(10,266,024)</u> | <u>\$ (9,584,960)</u> | <u>\$(10,266,024)</u> | <u>\$ (9,584,960)</u> |
| Basic and diluted earnings (loss) per share | \$ 0.00 | \$ 0.00 | \$ (0.00) | \$ (0.01) |
| Weighted average number of shares outstanding | 85,282,558 | 68,743,373 | 72,949,551 | 67,069,087 |

See accompanying notes to consolidated financial statements.

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

| | Three Month Period Ended October 31, 2007 | Three Month Period Ended October 31, 2006 | Six Month Period Ended October 31, 2007 | Six Month Period Ended October 31, 2006 |
|--|--|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Earnings (loss) for the period | \$ 140,587 | \$ 24,416 | \$ (177,290) | \$ (340,542) |
| Items not affecting cash: | | | | |
| Amortization | 17,572 | 19,011 | 35,164 | 19,141 |
| Stock based compensation | 17,306 | - | 17,306 | - |
| Future income tax recovery | (386,727) | (344,029) | (486,769) | (257,506) |
| Change in non-cash working capital items: | | | | |
| Decrease in receivables | 31,059 | 852,526 | 111,060 | 756,148 |
| Decrease (increase) in prepaid expenses | 1,135 | 8,970 | (18,875) | (15,700) |
| Increase (decrease) in accounts payable and accrued liabilities | <u>(76,527)</u> | <u>228,732</u> | <u>211,446</u> | <u>194,824</u> |
| Net cash provided by (used in) operating activities | <u>(255,595)</u> | <u>789,626</u> | <u>(307,958)</u> | <u>356,365</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Mineral property expenditures | (2,471,706) | (2,305,000) | (4,522,335) | (7,258,657) |
| Mineral property cost recoveries | - | 26,713 | 256,722 | 26,713 |
| Acquisition of equipment | - | (9,879) | - | (286,756) |
| Payments on capital lease | (74,767) | - | (74,767) | - |
| Exploration advances | <u>-</u> | <u>335,533</u> | <u>-</u> | <u>(180,851)</u> |
| Net cash used in investing activities | <u>(2,546,473)</u> | <u>(1,952,633)</u> | <u>(4,340,380)</u> | <u>(7,699,551)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issuance of capital stock | 2,791,250 | - | 8,432,250 | 4,164,510 |
| Share issue costs paid | (687,805) | (32,655) | (688,354) | (1,251,692) |
| Due to related party | - | (157,994) | - | (157,994) |
| Loan payable to related parties | <u>-</u> | <u>(887,431)</u> | <u>-</u> | <u>(887,431)</u> |
| Net cash provided by (used in) financing activities | <u>2,103,445</u> | <u>(1,078,080)</u> | <u>7,743,896</u> | <u>1,867,393</u> |
| Increase (decrease) in cash during the period | (698,623) | (2,241,087) | 3,095,558 | (5,475,793) |
| Cash, beginning of period | <u>5,506,325</u> | <u>11,157,857</u> | <u>1,712,144</u> | <u>14,392,563</u> |
| Cash, end of period | <u>\$ 4,807,702</u> | <u>\$ 8,916,770</u> | <u>\$ 4,807,702</u> | <u>\$ 8,916,770</u> |

Supplemental disclosure with respect to cash flows (Note 8)

See accompanying notes to consolidated financial statements.

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 shown for mineral properties, including acquisition costs and related 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 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. 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.

Effective May 1, 2007, the Company adopted two new accounting standards related to comprehensive income and financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”). These policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

2. BASIS OF PRESENTATION (con't...)

a) Comprehensive income (Section 1530)

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the statement of operations such as unrealized gains or losses from available for sale securities which are not included in computing net income (loss) until realized. The Company does not currently have any assets or liabilities that are subject to this accounting treatment.

b) Financial instruments – recognition and measurement (Section 3855)

This section requires that all financial assets, except those classified as held to maturity and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. The Company's financial statements have not been impacted by this policy to date.

METALEX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
OCTOBER 31, 2007

3. MINERAL PROPERTIES

| Six Months Ended October 31, 2007 | Attawapiskat | Wemindji James Bay | Kyle Lake | Wawa | Mali | Angola | Morocco | Greenland | Total |
|--|---------------------|-----------------------|----------------------|-------------------|------------------|---------------------|---------------------|---------------------|----------------------|
| Acquisition costs: | | | | | | | | | |
| Balance, beginning of period | \$ 395,335 | \$ 80,000 | \$ 117,220 | \$ 172,698 | \$ 8,916 | \$ 911,000 | \$ - | \$ 22,729 | \$ 1,707,898 |
| Additions | - | - | 3,264 | 1,642 | - | - | - | - | 4,906 |
| Cost Recoveries | - | - | (277) | - | - | - | - | - | (277) |
| Balance, end of period | <u>395,335</u> | <u>80,000</u> | <u>120,207</u> | <u>174,340</u> | <u>8,916</u> | <u>911,000</u> | <u>-</u> | <u>22,729</u> | <u>1,712,527</u> |
| Exploration costs: | | | | | | | | | |
| Balance, beginning of period | 8,494,962 | 809,212 | 18,677,367 | 581,153 | 72,023 | 6,107,839 | 2,344,512 | 3,202,475 | 40,289,543 |
| Additions | | | | | | | | | |
| Airborne geophysical survey | - | - | - | - | - | 384,419 | - | - | 384,419 |
| Aircraft field transport | - | (5,323) | 997,453 | - | - | 11,190 | - | - | 1,003,320 |
| Camp and field supplies | - | - | 264,904 | 5,096 | - | 327,756 | - | - | 597,756 |
| Consulting fees | 182 | - | 37,165 | 9,285 | - | 38,692 | 7,571 | - | 92,895 |
| Drilling | - | - | 721,085 | - | - | 20,207 | - | - | 741,292 |
| Equipment rental and amortization | - | - | 119,301 | - | - | 20,557 | - | - | 139,858 |
| Fuel | - | - | 263,485 | - | - | 85,622 | - | - | 349,107 |
| Ground geophysical survey | - | - | - | 2,882 | - | - | - | - | 2,882 |
| Insurance, legal and licenses | - | 1,293 | 163 | - | - | 35,702 | 4,115 | - | 41,273 |
| Labour | - | - | 788,243 | 1,511 | - | 301,863 | - | - | 1,091,617 |
| Mapping | 14 | - | 4,761 | 8,595 | - | 2,401 | 637 | 104 | 16,512 |
| Rent | - | - | - | - | - | 28,963 | - | - | 28,963 |
| Sample laboratory analysis | - | 129,752 | 73,438 | 158,911 | - | 19,984 | 65,373 | - | 447,458 |
| Shipping and freight | - | - | 57,587 | 1,188 | - | 12,749 | - | - | 71,524 |
| Telephone and communications | - | - | 29,023 | 2,538 | - | 27,445 | - | - | 59,006 |
| Travel and accommodation | - | - | 118,718 | 4,859 | - | 10,003 | - | - | 133,580 |
| Total additions | 196 | 125,722 | 3,475,326 | 194,863 | - | 1,327,553 | 77,696 | 104 | 5,201,460 |
| Cost recoveries | - | - | (295,055) | - | - | - | - | - | (295,055) |
| Balance, end of period | <u>8,495,158</u> | <u>934,934</u> | <u>21,857,638</u> | <u>776,016</u> | <u>72,023</u> | <u>7,435,392</u> | <u>2,422,208</u> | <u>3,202,579</u> | <u>45,195,948</u> |
| Total costs, end of period | \$ 8,890,493 | \$ 1,014,934 | \$ 21,977,845 | \$ 950,356 | \$ 80,939 | \$ 8,346,392 | \$ 2,422,208 | \$ 3,225,308 | \$ 46,908,475 |

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.

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

| | Expected useful life | October 31, 2007 | | | April 30, 2007 |
|------------------------|-------------------------|------------------|-----------------------------|-------------------|-------------------|
| | | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Field equipment | 3 years | \$ 371,816 | \$ 123,967 | \$ 247,849 | \$ 309,835 |
| Automobile | 3 years | 196,178 | 108,901 | 87,277 | 119,968 |
| Computer equipment | 3 years | 30,799 | 26,587 | 4,212 | 6,157 |
| Furniture and fixtures | 5 years | <u>5,194</u> | <u>1,836</u> | <u>3,358</u> | <u>3,886</u> |
| | | \$ 603,987 | \$ 261,291 | \$ 342,696 | \$ 439,846 |

Field equipment at October 31, 2007 with a cost of \$371,816 (April 30, 2007 - \$371,816) and net book value of \$247,849 (April 30, 2007 - \$309,835) is held under capital lease. Amortization on this field equipment of \$61,986 (2006 - \$Nil) has been charged to mineral properties.

5. 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, 2007 | 68,793,373 | \$ 38,070,429 | \$ 7,037,076 |
| Private placement | 17,045,000 | 8,432,250 | - |
| Share issue costs | - | (971,346) | 282,992 |
| Stock-based compensation | - | - | <u>17,306</u> |
| Balance as at October 31, 2007 | 85,838,373 | \$ 45,531,333 | \$ 7,337,374 |

Private placement

During the current period, the Company completed a private placement consisting of 7,620,000 flow-through units at \$0.55 per unit for gross proceeds of \$4,191,000 and 9,425,000 non-flow-through units at \$0.45 per unit for gross proceeds of \$4,241,250. 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 \$0.75 per share for a period of two years from the date of issuance. Finder's fees in the amount of \$656,580 were paid in connection with this private placement. In addition, 1,604,500 agent's warrants were issued as finder's fees in connection with this placement, 762,000 agent's warrants are exercisable for the purchase of common shares of the Company at a price of \$0.55 per share and 842,500 agent's warrants are exercisable at a price of \$0.45 per share for a period of two years from the date of issuance. The agents' warrants were valued at \$282,992 using the Black-Scholes option pricing model with an expected volatility of 76%, a risk free interest rate of 4.53%, an expected life of 2 years and an expected dividend yield of 0%.

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5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

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. The directors, at their discretion, can elect to receive either cash or shares for the deferred compensation. As of October 31, 2007, \$134,708 (April 30, 2007 - \$89,333) of deferred compensation has been accrued.

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. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Board of Directors.

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, 2007 | 3,910,000 | \$ 0.72 | 711,550 | \$ 0.88 |
| Granted | 100,000 | 0.70 | 10,127,000 | 0.71 |
| Exercised | - | - | - | - |
| Expired/cancelled | (110,000) | (0.70) | (711,550) | (0.88) |
| Outstanding, October 31, 2007 | 3,900,000 | \$ 0.72 | 10,127,000 | \$ 0.71 |
| Number currently exercisable | 3,566,667 | \$ 0.72 | 10,127,000 | \$ 0.71 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

The following incentive stock options were outstanding at October 31, 2007:

| | Number | Exercise Price | Expiry Date |
|-----------------|----------------|----------------|--------------------|
| Options | 1,700,000 | \$ 0.70 | February 24, 2010 |
| | 500,000 | 0.88 | July 13, 2011 |
| | 1,600,000 | 0.70 | November 1, 2011 |
| | <u>100,000</u> | 0.70 | September 17, 2012 |
| | 3,900,000 | | |
| Warrants | 3,810,000 | 0.75 | August 3, 2009 |
| | 4,712,500 | 0.75 | August 3, 2009 |
| | 762,000 | 0.55 | August 3, 2009 |
| | <u>842,500</u> | 0.45 | August 3, 2009 |
| | 10,127,000 | | |

Stock-based compensation

During the period, the Company recognized stock-based compensation of \$17,306 (2006 - \$Nil) in the statement of operations as a result of the issuance of incentive stock options granted and vested. The weighted average fair value of options granted was valued at \$0.17 per option (2006 - \$Nil) using the Black-Scholes option pricing model with an expected volatility of 80%, a risk free interest rate of 4.27%, an expected life of 5 years and an expected dividend yield of 0%.

6. 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 \$181,800 (2006 - \$329,636) to a company controlled by a director; and a 10% administration fee of \$69,265 (2006 - \$72,739), consulting fees of \$72,963 (2006 - \$20,723) and drilling and equipment rental charges of \$81,701 (2006 - \$150,777) to another company controlled by a director.
- b) Paid or accrued management fees of \$104,900 (2006 - \$139,473) to two companies controlled by directors.
- c) Paid or accrued office expenses of \$500 (2006 - \$3,000) to a company controlled by a director.
- d) Paid or accrued a 10% administration fee of \$3,060 (2006 - \$3,127) and shared office and administrative costs of \$7,269 (2006 - \$8,075) to a company controlled by a director and to a company with common directors and management.
- e) Recorded recoveries, which were netted against various expenses, for shared office and administrative costs of \$12,227 (2006 - \$23,240) and for shared field expenditures of \$253 (2006 - \$10,230) from a company controlled by a director and from a company with common directors and management.

Included in exploration advances is \$108,665 (April 30, 2007 - \$285,530) which represent funds advanced to Kel-Ex Development Ltd (“Kel-Ex”), a company controlled by a director of the Company, towards the exploration of certain mineral properties. Kel-Ex is the operator of these properties and is holding these funds on behalf of the Company towards future exploration work.

Included in accounts payable is \$792,873 (April 30, 2007 - \$600,164) for laboratory and mineralogical costs, \$565,886 (April 30, 2007 - \$44,435) for project payroll and camp supplies costs, \$79,579 (April 30, 2007 - \$6,492) for management fees and \$36,772 (April 30, 2007 - \$11,713) for shared office and administrative costs owing to companies controlled by directors and a company with common directors and management.

Included in receivables is \$76,674 (April 30, 2007 - \$90,133) for shared equipment and camp supplies costs incurred in a joint exploration program in Greenland and \$14,692 (April 30, 2007 - \$17,483) for shared office and administrative costs due from a company controlled by a director and 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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6. RELATED PARTY TRANSACTIONS (cont'd...)

Loan payable to related parties

A forbearance of indebtedness agreement was completed effective July 31, 2006 whereby accounts payable and advances of \$2,536,707 due to a director and companies controlled by a director were exchanged for the loan payable. The loan is non-interest bearing, matures on April 1, 2008, and is secured by a general security agreement on the Company's assets.

As at October 31, 2007, the loan has a balance remaining of \$1,019,052 (April 30, 2007 - \$1,019,052).

Lease 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 and net book value of \$371,816. The field equipment was sold for proceeds of \$448,604 and then leased back under a capital lease obligation of \$448,604. The lease obligation is non-interest bearing and for a term of 30 months.

Future minimum lease payments under the capital lease are as follows:

| | October 31, 2007 | April 30, 2007 |
|---------------------------------------|---------------------|-------------------|
| Total minimum lease payments | \$ 448,604 | \$ 448,604 |
| Less: payments to October 31, 2007 | <u>(224,302)</u> | <u>(149,535)</u> |
| Balance of obligation | 224,302 | 299,069 |
| Less: current portion | <u>(149,537)</u> | <u>(149,537)</u> |
| Non-current portion - due Fiscal 2009 | <u>\$ 74,765</u> | <u>\$ 149,532</u> |

Since this transaction was a related party transaction, the resulting gain of \$76,788 (being the difference between the sales proceeds and net book value of the assets) has been credited to contributed surplus. On the subsequent leaseback, the difference between the lease obligation and original carrying value of the equipment of \$76,788 has been charged against contributed surplus. The net effect to contributed surplus is \$Nil.

METALEX VENTURES LTD.
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7. SEGMENTED INFORMATION

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

| | October 31, 2007 | April 30, 2007 |
|-----------------------------------|----------------------|----------------------|
| Mineral properties and equipment: | | |
| Canada | \$ 33,089,047 | \$ 29,655,573 |
| Angola | 8,433,669 | 7,131,058 |
| Greenland | 3,225,308 | 3,225,205 |
| Morocco | 2,422,208 | 2,344,512 |
| Mali | <u>80,939</u> | <u>80,939</u> |
| | <u>\$ 47,251,171</u> | <u>\$ 42,437,287</u> |

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the six month period ended October 31, 2007 included the Company:

- a) Incurring mineral property expenditures through exploration advances paid previously of \$331,317.
- b) Incurring mineral property expenditures of \$61,986 with respect to amortization of field equipment.
- c) Recognizing mineral property recoveries of \$177,271 through receivables.
- d) Incurring mineral property expenditures of \$429,389 through accounts payable.
- e) Issuing 1,604,500 agent's warrants with a total value of \$282,992 as finder's fees for a private placement.

Significant non-cash transactions for the six month period ended October 31, 2006 included the Company:

- a) Incurring mineral property expenditures through exploration advances paid previously of \$509,583.
- b) Issuing 22,400 agent's warrants with a total value of \$4,605 as finder's fees for a private placement.
- c) Recording share capital of \$17,500 for subscriptions received in advance.
- d) Incurring mineral property expenditures of \$76,788 with respect to amortization of field equipment.
- e) Recognizing mineral property recoveries of \$163,917 through receivables.
- f) Incurring mineral property expenditures and recoveries of \$1,790,812 through accounts payable.
- g) Exchanging a portion of loan payable to related parties for exploration advances to related parties of \$412,824.