CAP-EX VENTURES LTD.

FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of
Cap-Ex Ventures Ltd.

We have audited the balance sheets of Cap-Ex Ventures Ltd. as at August 31, 2008 and 2007 and the statements of operations, comprehensive loss, and deficit, and cash flows for the year ended August 31, 2008 and for the period from incorporation on February 27, 2007 to August 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2008 and 2007, and the results of its operations and its cash flows for the year ended August 31, 2008 and for the period from incorporation on February 27, 2007 to August 31, 2007 in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

December 15, 2008

CAP-EX VENTURES LTD.
BALANCE SHEETS
As at August 31, 2008

	2008	2007
ASSETS		
Current		
Cash	$ 101,428	$ 80,627
GST recoverable	-	647
Prepaid expenses	-	1,140
	101,428	82,414
Deferred financing costs (Note 4)	-	23,765
	$ 101,428	$ 106,179
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 19,264	$ 15,019
Shareholders' equity		
Capital stock (Note 6)	227,495	100,000
Contributed surplus (Note 6)	29,327	-
Deficit	(174,658)	(8,840)
	82,164	91,160
	$ 101,428	$ 106,179

Nature and continuance of operations (Note 1)

On behalf of the Board:

/s/ "Andrew Bowering"
Andrew Bowering, Director

/s/ "Jeffrey French"
Jeffrey French, Director

The accompanying notes are an integral part of these financial statements.

CAP-EX VENTURES LTD.
STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

	Year ended August 31, 2008	Period from incorporation on February 27, 2007 to August 31, 2007
EXPENSES		
Office	$ 1,675	$ 40
Professional fees	18,442	8,500
Project investigation costs (Note 5)	67,113	-
Rent	30,000	-
Stock-based compensation (Note 7)	21,465	-
Transfer agent and filing fees	7,043	300
Travel and related costs	20,080	-
Loss and comprehensive loss for the year	(165,818)	(8,840)
Deficit, beginning of year	(8,840)	-
Deficit, end of year	$ (174,658)	$ (8,840)
Basic and diluted loss per common share	$ (0.05)	$ -
Weighted average number of common shares outstanding	3,287,671	1,991,892

The accompanying notes are an integral part of these financial statements.

CAP-EX VENTURES LTD.
STATEMENTS OF CASH FLOWS

	Year ended August 31, 2008	Period from incorporation on February 27, 2007 to August 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (165,818)	$ (8,840)
Item not effecting cash:		
Stock-based compensation	21,465	-
Change in non-cash working capital items:		
GST recoverable	647	(647)
Prepaid expenses	1,140	(1,140)
Accounts payable and accrued liabilities	4,245	9,019
Net cash used in operating activities	(138,321)	(1,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred financing costs	-	(17,765)
Net proceeds from share subscriptions	159,122	100,000
Net cash provided by financing activities	159,122	82,235
Change in cash during the year	20,801	80,627
Cash, beginning of year	80,627	-
Cash, end of year	$ 101,428	$ 80,627
Supplemental Disclosure		
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income tax	$ -	$ -

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) on February 27, 2007 and classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company is in the process of identifying and evaluating business opportunities with the objective of completing a "qualifying transaction" under TSX rules. Under these rules, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange.

Future operations are dependent upon the Company's ability to acquire and finance future business ventures.

There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company's shares are listed on the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading

These financial statements have been prepared 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.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval.

These 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. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are presented in Canadian dollars.

Use of estimates and assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates and assumptions relate to the expected tax rates for future income tax recoveries and determining the fair value of stock-based payments. Where estimates have been used, financial results, as determined by actual events, could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents, when applicable, consist of cash and highly liquid short-term investments with a maturity of less than 90 days from the date of acquisition that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock-based compensation

The Company follows the CICA 3870 “Stock-Based Compensation and Other Stock-Based Payments”, which establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services.

Stock options are recorded at their fair value on the date of grant over their vesting period as compensation cost. Agent warrants issued in connection with common share issuances are recorded at their fair value on the date of issue as share issuance costs with a corresponding credit to contributed surplus. On the exercise of stock options and agent warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized.

Loss per share

The Company uses the treasury stock method in computing loss per share. Under this method, basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year.

For the period ended August 31, 2008 and 2007, the existence of agent warrants and options affect the calculation of loss per share on a fully diluted basis. As the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

Financial instruments

On September 1, 2007, the Company adopted CICA Handbook Sections 3855 and 3861, financial instruments and Section 3856, hedges. Sections 3855 and 3861 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost. The adoption of these policies had no significant impact on the financial statement presentation or disclosures.

The Company’s financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company does not have derivatives or embedded derivatives.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive income

The Company adopted CICA Handbook Section 1530, “Comprehensive Income”. Section 1530 establishes standards for the reporting and presenting of comprehensive income which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. At August 31, 2008 and 2007 the Company had no significant items that caused other comprehensive loss to be different than net loss.

Comparative figures

Certain figures presented for comparative purposes have been reclassified to conform with the presentation adopted for the current year.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The CICA accounting standards board amended Handbook Section 1400, “General standards of financial statement presentations”, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The Company does not expect the adoption of this amendment to have a significant impact on its financial statements.

CICA Handbook Section 1535, “Capital Disclosures”, is effective for annual and interim periods beginning on or after October 1, 2007 and requires disclosure of the Company’s objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and will have no effect on the financial results of the Company.

CICA Handbook Section 3862, “Financial Instruments – Disclosures and 3863 Financial Instruments – Presentation”. This new standard replaces accounting standard 3861, “Financial Instruments – Disclosure and Presentation” and is effective for annual and interim periods beginning on or after October 1, 2007. Presentation requirements have not changed. Enhanced disclosure is required to assist users of financial statements in evaluating the significance of financial instruments on the Company’s financial position and performance, including qualitative and quantitative information about the Company’s exposure to risks arising from financial instruments. The new accounting standards cover disclosure only and will have no effect on the financial position or results of the Company.

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with International Financial Reporting Standards (“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 generally accepted accounting principles. 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 ended June 30, 2010. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

4. DEFERRED FINANCING COSTS

Deferred financing costs of $Nil (August 31, 2007 - $23,765) are costs related to the Initial Public Offering (“IPO”) of 2,000,000 common shares at $0.10 per share which was completed during the year ended August 31, 2008 and were applied as share issuance costs.

5. PROJECT INVESTIGATION COSTS

During the year ended August 31, 2008, the Company entered into a Letter of Intent with Swazi Gold Ventures (Pty) Ltd. ("Swazi"), to acquire a 74% beneficial interest in the CAPE-X Gold Project in South Africa. Under the terms of the Letter of Intent, the Company would acquire its interest in the CAPE-X Gold Project by acquiring 74% of the shares of Amatikulu Gold (Proprietary) Limited (registration no 2005/023325/07) ("Amatikulu"), the owner of the CAPE-X Gold Project, from Swazi for consideration of $250,000 and the issuance of 2,000,000 common shares of the Company. A finder's fee of $25,000 and 200,000 common shares of the Company was payable on closing. Closing of the acquisition, intended as the Company's Qualifying Transaction, was subject to satisfactory due diligence, the Company raising an additional $2,000,000 in equity capital, completion of the formal agreements, and regulatory approval.

During the year, the Company determined its due diligence requirements for the CAPE-X Gold Project were not satisfied and determined not to proceed with the transaction and the incidental transactions that accompanied it. As a result, acquisition costs totalling $38,588 were written-off to operations during the current year.

During the year, the Company incurred travel costs totalling $28,525 relating to a potential Qualifying Transaction.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Issued			
Opening balance, February 27, 2007	-	$ -	$ -
Shares issued for cash	2,000,000	100,000	-
As at August 31, 2007	2,000,000	100,000	-
Shares issued for cash	2,000,000	200,000	-
Share issue costs	-	(72,505)	7,862
Stock-based compensation	-	-	21,465
As at August 31, 2008	4,000,000	$ 227,495	$ 29,327

During the period ended August 31, 2007, the Company issued 2,000,000 common shares pursuant to a private placement, at a price of $0.05 per common share, for total proceeds of $100,000. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

If the Company does not complete a Qualifying Transaction, the shares will not be released from escrow and if the Company is de-listed, the shares will be cancelled.

During the year ended August 31, 2008, the Company completed its IPO of 2,000,000 common shares at a price of $0.10 per share for gross proceeds of $200,000. The Company paid Union Securities Ltd. (the "Agent") a commission of 10% of the gross proceeds, a corporate finance fee of $10,000 and granted 200,000 Agent's options at a price of $0.10 per option exercisable for a period of 12 months from the date that the common shares of the Company were listed on the TSX-V. In connection with the IPO, the Company incurred share issuance costs totalling $72,505.

7. STOCK OPTIONS

The Company adopted a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company prior to completion of a qualifying transaction. Vesting will be determined by the board of directors.

During the year, the Company issued the following options which are outstanding and exercisable as at August 31, 2008:

Number of Shares	Exercise Price	Expiry Date
400,000	$0.10	January 9, 2013

The weighted average contract life remaining is 4.36 years.

Stock-based compensation

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair value. For purposes of the calculation the following weighted average assumptions were used:

Risk-free interest rate	3.40%
Expected life of options	2 Years
Annualized volatility	100%
Dividend rate	0%

The weighted average fair value of options granted during the period was $0.05.

Total stock-based compensation recognized for stock options granted during the period was $21,465.

Agent's Options

As at August 31, 2008, the Company issued the following agent's options which are outstanding and exercisable as at August 31, 2008:

Number of Shares	Exercise Price	Expiry Date
200,000	$0.10	January 14, 2009

During the year ended August 31, 2008, the Company issued 200,000 agent's options with a fair value of $0.04 per option using the Black-Scholes option pricing model. A total of $7,862 has been recognized as share issue costs and contributed surplus.

The fair value of agent's options has been estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.31%
Expected life of options	1 Year
Annualized volatility	100%
Dividend rate	0%

As at August 31, 2008, the Company had no outstanding share purchase warrants.

8. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal income tax rates to earnings before income taxes. The Company has a non-capital loss carry forward of approximately $207,000 available to offset taxable income in future years which expires in fiscal 2028. The potential benefit of the non-capital loss carry forward has not been recognized in the financial statements since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years.

In assessing the realization of the Company's future income tax asses, management considers whether it is more likely that not that some portion of all of the future tax asset will not be realized. The ultimate realization of future tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax assets considered realizable could change materially in the near term based on future taxable income during the carry-forward period.

a) Reconciliation of Tax Rates

The Company is subject to Canadian federal and provincial taxes at an approximate rate of 31.00% (2007 – 34.12%). The reconciliation of the provision for income taxes at the statutory rate compared to the Company's income tax expense as reported is as follows:

	August 31, 2008 $	August 31, 2007 $
Net loss before income taxes per financial statements	166,000	9,000
Income tax rate	31.00%	34.12%
Income tax recovery	51,000	3,000
Permanent difference	10,000	-
Temporary difference	4,000	-
Changes In Tax Rates	(10,000)	-
Valuation allowance change	(55,000)	(3,000)
Provision for income taxes	-	-

The Company has recognized a valuation allowance for the income tax asset since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The valuation allowance is reviewed annually. When circumstances change and which cause a change in management's judgment about the realizability of deferred income tax assets, the impact of the change on the valuation allowance is generally reflected in current income.

b) Future Income Tax Assets and Liabilities

The significant components of the Company future income tax assets and liabilities are as follows:

	August 31, 2008 $	August 31, 2007 $
Future income tax assets:		
Non capital tax losses carried forward	54,000	2,000
Share issuance costs	4,000	-
Valuation allowance	(58,000)	(2,000)
Net deferred income tax asset	-	-