

AFRICA WEST MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2008

(Updated – See Note 1 to the Consolidated Financial Statements)

AUDITORS' REPORT

To the Shareholders of
Africa West Minerals Corp.

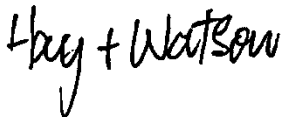
We have audited the consolidated balance sheets of Africa West Minerals Corp. as at May 31, 2008 and December 31, 2007 and the consolidated statements of operations and deficit, of cash flows, of mineral property interests, and of deferred exploration expenditures for the periods then ended. These financial 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 consolidated financial statements present fairly, in all material respects, the financial positions of the Company as at May 31, 2008 and December 31, 2007 and the results of its operations and its cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

On September 26, 2008 we reported on the consolidated financial statements as at May 31, 2008 and for the seventeen months then ended.

The comparative figures were obtained from financial statements reported on by other auditors without reservation in their report dated January 11, 2008.



Chartered Accountants
Vancouver, British Columbia
September 26, 2008, except for Note I which is as of December 17, 2008

**AFRICA WEST MINERALS CORP.
CONSOLIDATED BALANCE SHEETS**

	<u>May 31, 2008</u>	<u>December 31 2007</u>	<u>2006</u>
ASSETS			
Current Assets			
Cash and cash equivalents (Note 2)	\$ 731,909	\$ 1,939	\$ 52,098
Accounts receivable	14,592	29	-
Prepaid expenses	4,536	60	234
Deferred costs	29,830	-	18,025
	<u>780,867</u>	<u>2,028</u>	<u>70,357</u>
Loan to Gold Rim Exploration Inc. (Note 12 (c))	250,000	-	-
Equipment (Note 4)	97,771	23,577	33,630
Mineral Property Interests (Statement) (Note 5)	351,920	351,920	247,979
Deferred Exploration Expenditures (Statement)	1,058,884	706,450	501,135
	<u>\$ 2,539,442</u>	<u>\$ 1,083,975</u>	<u>\$ 853,101</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals (Note 8 (b))	\$ 121,335	\$ 95,889	\$ 30,553
Deposit and loan payable – Villanova Capital Corp (Note 1)	-	75,000	-
Loans payable (Note 8 (c))	2,000	2,000	43,278
	<u>123,335</u>	<u>172,889</u>	<u>73,811</u>
SHAREHOLDERS' EQUITY			
Share capital (Note 6)	2,819,533	1,228,310	913,310
Contributed Surplus (Note 6)	51,515	-	-
Deficit	(454,941)	(317,224)	(134,020)
	<u>2,416,107</u>	<u>911,086</u>	<u>779,290</u>
	<u>\$ 2,539,442</u>	<u>\$ 1,083,975</u>	<u>\$ 853,101</u>

Approved By The Directors:

James T. Gillis Director

Christopher J. Wild Director

AFRICA WEST MINERALS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	For the five months ended May 31, 2008	For the twelve months ended December 31, 2007	2006
Administrative Expenses			
Advertising and promotion	\$ 14,782	\$ 4,147	\$ -
Amortization of equipment	8,076	10,052	14,348
Consulting fees	4,215	3,600	-
Dues, conferences and subscriptions	9,486	1,345	-
Financing costs	-	74,861	-
Interest, bank charges and foreign exchange loss (Note 7 (a))	879	11,115	5,193
Management fees (Note 7(a))	22,725	-	-
Office, clerical and sundry	4,548	2,933	8,479
Professional fees (Note 7 (a))	33,707	36,744	40,729
Rent and telephone (Note 7(a))	3,827	9,242	8,123
Wages and benefits	10,048	-	-
Transfer agent and filing fees	10,788	23,834	-
Travel	17,289	6,900	-
Net loss before other item	(140,370)	(184,773)	(76,872)
Other item			
Interest	2,653	1,569	1,371
Net loss for the period	(137,717)	(183,204)	(75,501)
Deficit, beginning of period	(317,224)	(134,020)	(58,519)
Deficit, end of period	\$ (454,941)	\$ (317,224)	\$(134,020)
Basic and dilutes loss per share	(0.01)	(0.02)	(0.03)
Weighted average number of common shares outstanding	20,546,988	10,885,245	2,522,740

AFRICA WEST MINERALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the five months ended May 31, 2008	For the twelve months ended December 31, 2007	2006
Cash Provided By (Used For):			
Operating Activities			
Net loss	\$ (137,717)	\$ (183,204)	\$ (75,501)
Items not requiring cash:			
Amortization	8,076	10,053	14,348
Net change in non-cash working capital items:	(40,090)	83,526	(29,894)
Cash provided by (used for) operating activities	(169,731)	(89,625)	(91,047)
Investing Activities			
Acquisition of mineral property interests for cash	-	(103,941)	(110,177)
Advance to Gold Rim Exploration Inc	(250,000)	-	-
Cash received on acquisition of subsidiary company, net of amount paid for reverse takeover cost (Note 1)	666,553	-	-
Deferred exploration expenditures paid	(305,938)	(205,315)	(143,611)
Payments for equipment	(82,269)	-	-
Cash used for investing activities	28,346	(309,256)	(253,788)
Financing Activities			
Payments for deferred costs	(29,830)	-	(18,025)
Proceeds from loans payable and deposit	-	77,000	43,000
Repayment of loans payable and deposit	(75,000)	(43,278)	(52,408)
Shares issued for cash	302,100	-	3,000
Share subscriptions received	674,085	-	-
Special warrants issued for cash	-	315,000	412,310
Cash provided by financing activities	871,355	348,722	387,877
Increase (decrease) in cash	729,970	(50,159)	43,042
Cash and equivalents, beginning of period	1,939	52,098	9,056
Cash and equivalents, end of period	\$ 731,909	\$ 1,939	\$ 52,098

Supplemental cash flow information (Note 10)

AFRICA WEST MINERALS CORP.
CONSOLIDATED STATEMENTS OF MINERAL PROPERTY INTERESTS

	<u>December 31, 2007</u>	<u>Additions</u>	<u>May 31, 2008</u>
Gedabo Property	\$ 174,007	\$ -	\$ 174,007
Kanweaken Property	177,913	-	177,913
	<u>\$ 351,920</u>	<u>\$ -</u>	<u>\$ 351,920</u>

	<u>December 31, 2006</u>	<u>Additions</u>	<u>December 31, 2007</u>
Gedabo Property	\$ 122,988	\$ 51,019	\$ 174,007
Kanweaken Property	124,991	52,922	177,913
	<u>\$ 247,979</u>	<u>\$ 103,941</u>	<u>\$ 351,920</u>

	<u>December 31, 2005</u>	<u>Additions</u>	<u>December 31, 2006</u>
Gedabo Property	\$ 68,901	\$ 54,087	\$ 122,988
Kanweaken Property	68,901	56,090	124,991
	<u>\$ 137,802</u>	<u>\$ 110,177</u>	<u>\$ 247,979</u>

AFRICA WEST MINERALS CORP.
CONSOLIDATED STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES

	For the five months ended May 31, 2008	For the twelve months ended December 31, 2007	For the twelve months ended December 31, 2006
Gedabo Property			
Opening balance	\$ 353,225	\$ 249,980	\$ 178,767
Administration	5,444	5,787	5,550
Camp	32,497	31,079	7,432
Communication	6,269	1,557	1,341
Field supplies	1,947	4,083	995
Geochemical	24,501	7,741	14,188
Rent	-	345	1,026
Travel	15,832	18,623	11,375
Wages and consultants	39,312	34,030	29,306
Ending balance	479,027	353,225	249,980
Kanweaken Property			
Opening balance	353,225	251,155	178,757
Administration	5,444	5,714	5,710
Camp	32,901	32,008	7,671
Communication	3,412	1,557	1,341
Field supplies	1,946	3,993	1,090
Geochemical	24,501	7,741	14,188
Rent	-	598	774
Travel	15,831	17,371	11,375
Wages and consultants	39,312	33,088	30,249
Ending balance	476,572	353,225	251,155
Kenya and Tanzania Mining Licences (Note 12(c))			
Opening balance	-	-	-
Geological Consulting	103,285	-	-
Ending balance	103,285	-	-
Totals	\$ 1,058,884	\$ 706,450	\$ 501,135

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

1. Nature of Operations and Basis of Presentation

On September 26, 2008 the Company filed consolidated financial statements for the seventeen months ended May 31, 2008 with regulatory authorities. These consolidated financial statements include additional disclosure which is required to conform to the requirement of the regulatory authorities that the length of a Company's fiscal period cannot exceed fifteen months. These consolidated financial statements therefore include a consolidated balance sheet as at December 31, 2007 and consolidated statements of operations and deficit, cash flows, mineral property interests and deferred exploration expenditures for the five months ended May 31, 2008 and the year ended December 31, 2007, in addition to the previously filed consolidated balance sheets as at May 31, 2008 and December 31, 2006, and the consolidated statements of operations and deficit, cash flows, mineral property interests and deferred exploration expenditures for the year ended December 31, 2006.

Africa West Minerals Corp. ("AWMC (Old)") was incorporated in the Province of British on September 28, 2004 as Liberian Gold Corporation and changed its name to Africa West Minerals Corp. on June 28, 2006.

The Company has investigated mineral prospects in Liberia since inception and, to date, has not determined whether these properties contain economically recoverable reserves of ore. The Company has not earned any revenues from its mineral properties and is considered to be in the exploration stage.

- (a) AWMC (Old) incorporated two subsidiary companies, Liberian Gold Corporation Ltd (a British Virgin Islands corporation) ("LGC-BVI") and Liberian Gold Corporation Inc. (a Liberian corporation 100% owned by LGC-BVI). Liberian Gold Corporation Inc. holds the rights to the Company's interest in the Gedabo and Kanweaken exploration permits. AWMC (Old) entered into an agreement with Villanova Capital Corp. ("Villanova") dated October 5, 2007 and completed on January 28, 2008 pursuant to which the shareholders of AWMC (Old) would acquire control of Villanova, a company listed on the TSX Venture Exchange, through a reverse takeover ("RTO") pursuant to which: Each issued and outstanding common share of AWMC (Old) was exchanged for one common share of Villanova, resulting in the issue of 11,282,067 common shares of Villanova to the shareholders of AWMC (Old)
- (b) Villanova was renamed Africa West Minerals Corp. (AWMC (New)) and the original Africa West Minerals Corp. was renamed Liberian Gold Corporation.
- (c) The outstanding 10,250,000 common shares of Villanova and options to acquire up to 1,200,000 remained unchanged.
- (d) A finder's fee of 100,000 common shares was issued to an arms' length party for introducing Villanova to AWMC (Old).
- (e) AWMC (Old) and Villanova obtained the approval of the transactions described in (a) through (c) above from its shareholders and the appropriate regulatory authorities, including approval of the transaction as a "qualifying transaction" of Villanova by the TSX Venture Exchange.

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

On completion of the RTO, APMC (New) has a total of 21,632,067 common shares issued and options to purchase 1,200,000 common shares (Note 6(d)). 50.1% are held by previous holders of APMC's (Old) shares and Subscription Receipts and 49.9% are held by previous Villanova shareholders. 100% of the options are held by previous holders of Villanova options.

In accordance with Canadian generally accepted accounting principles, APMC (Old) was identified as the acquirer at the completion of the RTO since the previous shareholders of APMC (Old) acquired control of APMC (New), the legal parent company. Accordingly, the authorized share capital and capital structure presented in these consolidated financial statements is that of APMC (New), the legal parent, the issued share capital is that of APMC (Old), the legal subsidiary, and the operations for the current period and the comparative figures are those of APMC (Old) as that company is considered to be the continuing company.

The fair values of the net assets of Villanova deemed to have been acquired by APMC (Old) on the RTO were:

Cash	\$ 791,330
Accounts receivable	8,099
Accounts payable	(44,575)
	<hr/>
	\$ 754,854

These restated consolidated financial statements have been prepared on the going concerns basis, which presumes that APMC (New) will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These restated financial statements do not reflect the adjustments or reclassifications which would be necessary if APMC (New) was unable to continue as a going concern.

2. Significant Accounting Policies

Use of Estimates

The preparation of restated consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the restated interim consolidated financial statements, as well as the reported amounts of revenues earned and expenses incurred during the period. Actual results could differ from those estimates.

Items involving substantial measurement uncertainty are the estimated fair values of accounts receivable and payable, the loans receivable and payable, the carrying costs of mineral property interests and their related deferred exploration expenditures, the provision for future site restoration and abandonment costs and the determination of stock-based compensation. By their nature, these estimates are subject to measurement uncertainty, and the impact on the restated consolidated financial statements of future changes in such estimates could be material.

Cash and Cash Equivalents

Cash equivalents consist of temporary investments that are highly liquid and readily convertible to known amounts of cash and generally have maturities of ninety days or less at the time of acquisition. Cash equivalents are carried at their estimated fair values. As at May 31, 2008 cash and cash equivalents of \$46,597 (December 31, 2006 \$8,432) are held in US dollars and are reported in these restated consolidated financial statements at their Canadian dollar equivalent.

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

	May 31, 2008	December 31, 2007	December 31, 2006
Cash	\$ 101,506	\$ 1,939	\$ 52,098
Money market funds	630,403	-	-
	\$ 731,909	\$ 1,939	\$ 52,098

Financial Assets and Financial Liabilities

The Company adopted the new accounting recommendations of the Canadian Institute of Chartered Accountants for the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income during the year ended December 31, 2007 (Note 3).

The Company's financial assets and financial liabilities are classified as follows:

- Cash equivalents are classified as "held to maturity". They are measured at amortized cost. At December 31, 2007 and May 31, 2008 the recorded amount approximates fair value.
- Accounts receivable are classified as "loans and receivables". They are measured at amortized cost. At December 31, 2007 and May 31, 2008 the recorded amount approximates fair value.
- Accounts payable and accrued liabilities and payable to directors are classified as "other financial liabilities" and are measured at amortized cost. At December 31, 2007 and May 31, 2008 the recorded amounts approximate fair value.

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability are added to the carrying amount of the financial asset or financial liability, and are amortized to operations using the effective interest rate method.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company considers this risk to be limited as cash and cash equivalents are on deposit at major financial institutions and accounts receivable consists primarily of tax credits to be received from the Canadian government.

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties, the values of which are derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine their values.

Mineral Property Interests and Deferred Exploration Expenditures

The cost of mineral property interests and their related direct exploration expenditures are deferred until the properties are placed into production, sold or abandoned. These deferred expenditures will be amortized on a unit-of-production basis over the estimated production from the properties following the commencement of production, or written-off if the properties are allowed to lapse or abandoned. Mineral property interest sale and option proceeds received are first credited against the costs of the related property, with any excess credited to operations. No gains or losses are recognized on the partial sale or dispositions of properties except in circumstances which result in significant dispositions of reserves.

Cost includes the cash consideration and the fair market value of common shares issued on the acquisition of mineral property interests. The recorded costs of mineral property interests and their related deferred exploration expenditures represent costs incurred, and are not intended to reflect

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

present or future values. The Company does not accrue the estimated future costs of maintaining its mineral property interests in good standing.

The Company reviews capitalized costs on its mineral property interests on a periodic basis and will recognize an impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the interests or from sale of the interests. Management's assessment of the interests' estimated current fair market value is also based upon its review of other property transactions in the same geographic area.

Environmental Expenditures

The Company applies the standard of accounting for asset retirement obligations whereby the Company estimates the fair value of site restoration and clean-up costs on acquisition of mineral property interests and reflects this amount in the cost of the mineral property interest acquired. The standard requires the recognition of a liability for obligations associated with the retirement of assets when the liability is incurred. A liability is recognized initially at fair value if a reasonable estimate of the fair value can be made, and the resulting amount would be capitalized as part of the asset. The liability is accreted over time through periodic charges to operations or mineral property interest costs. In subsequent years, the Company adjusts the carrying amounts of the assets and the liability for changes in estimates of the amount or timing of underlying future cash flows.

It is reasonably possible that the Company's estimates of its ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis.

Equipment

Equipment is recorded at cost and is amortized using the declining balance method at the rates disclosed in Note 4. In the period of acquisition, one half of the normal rate is applied, and in the period of disposal no amortization is claimed.

Flow-Through Common Shares

The Company has adopted the new accounting pronouncement relating to flow-through shares effective for all flow-through share agreements dated after March 19, 2004. Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the related resource expenditures. When resource expenditures are renounced to the investors, and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized as a share issue cost (renounced expenditures multiplied by the effective corporate tax rate) thereby reducing share capital. The Company records the initial share issuances by crediting share capital for the full value of the cash consideration received.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the restated consolidated financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially enacted. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

Foreign Currency Translation

Monetary assets and liabilities expressed in foreign currency are translated at the year end rates of exchange. All other assets and liabilities are translated at the rate prevailing on the dates the assets were acquired, or the liabilities were incurred. Revenues and expenses are translated at the exchange rate in effect on the dates they occur. Translation gains and losses for the period are included in the restated consolidated statements of operations.

Stock-Based Compensation

The Company applies the fair value based method of accounting for stock-based compensation awards made to employees and non-employees. Under the fair value method, compensation costs, equal to the fair value of share purchase options on the date of grant, are recorded with an offsetting credit to contributed surplus. Consideration received upon exercise of the options is recorded as share capital and the contributed surplus related to the recognized fair value of the options which have been exercised is transferred to share capital.

Impairment of Long-Lived Assets

Long-lived assets are assessed for impairment when events and circumstances warrant, when carrying amounts of the assets exceed their estimated fair values, calculated on an undiscounted net cash flow basis, at which time the impairment is charged to earnings.

Deferred Costs

Deferred costs at May 31, 2008 are recorded at cost and include costs of \$15,128 relating to the purchase of Gold Rim Exploration Inc, which was completed subsequent to May 31, 2008. Also included are direct costs of \$14,702 relating to the private placement which was completed subsequent to May 31, 2008 (Note 12). There were no deferred costs at December 31, 2007 and the deferred costs at December 31, 2006 relate to a proposed initial public offering which was not completed.

Loss Per Share

The basic loss per share is calculated using the weighted average number of common shares of the Company that were outstanding in each reporting period. The diluted loss per share, which is disclosed only if dilutive, includes the potential dilution from outstanding options and share purchase warrants, calculated using the treasury stock method, in the weighted average number of shares outstanding.

Comparative Figures

The comparative figures have been reclassified to conform to the presentation adopted at May 31, 2008.

3. New Accounting Pronouncements

New accounting pronouncements issued by the Canadian Institute of Chartered Accountants ("CICA") and which the Company has adopted in this financial statements or, if required, will adopt in the preparation of its future financial statements are:

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

(a) Comprehensive Income

The Company has adopted new CICA Handbook Section 1530, which introduces new standards for reporting and disclosure of comprehensive income. Comprehensive income is the change in equity (net assets) of an enterprise during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Commencing with the current fiscal year, a statement of other comprehensive income will be included with the consolidated financial statements, which will include unrealized gains and losses of financial instruments that are not required to be included in operations. There is currently no impact on these financial statements of this standard.

(b) Financial Instruments

The Company has also adopted the new accounting recommendations of the Canadian Institute of Chartered Accountants for the recognition, measurement and disclosure of financial instruments and hedges (Note 2).

(c) Capital disclosures

In December 2006, the CICA issued Section 1535 of the CICA Handbook, Capital Disclosures, which applies to fiscal years beginning on or after October 1, 2007. This section establishes standards for disclosing information about an entity's capital and how it is managed.

The Company will implement these disclosures in the first quarter of the 2009 fiscal year.

(d) Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. The new pronouncement 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 section is not currently expected to affect the Company.

(e) Business combinations

The proposed amended recommendations of the CICA for accounting for business combinations will apply to the Company's business combinations, if any, with an acquisition date subsequent to the effective date. Whether the Company would be materially affected by the proposed amended recommendations would depend upon the specific facts of the business combinations, if any. Generally, the proposed recommendations will shift from a parent company conceptual view of consolidation theory (which results in the parent company recording the book values attributable to non-controlling interests) to an entity conceptual view (which results in the parent company recording the fair values attributable to non-controlling interests).

Adoption of this section is not expected to affect the Company.

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

(f) Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, evolving and being converged with International Financial Reporting Standards (IFRS) over a transitional period currently expected to be complete by 2011. The International Accounting Standards Board currently has projects underway that should result in new pronouncements.

This Canadian convergence initiative is very much in its infancy as of the date of these statements. Consequently the Company has not yet assessed the impact of the ultimate adoption of IFRS on the Company.

4. Equipment

May 31, 2008				
	Rate	Cost	Accumulated Amortization	Net Book Value
Automotive equipment	30%	\$ 138,183	\$ 40,677	\$ 97,506
Furniture and equipment	20%	501	236	265
		\$ 138,684	\$ 40,913	\$ 97,771
December 31, 2007				
	Rate	Cost	Accumulated Amortization	Net Book Value
Automotive equipment	30%	\$ 55,913	\$ 32,645	\$ 23,288
Furniture and equipment	20%	502	213	289
		\$ 56,415	\$ 32,838	\$ 23,577
December 31, 2006				
	Rate	Cost	Accumulated Amortization	Net Book Value
Automotive equipment	30%	\$ 55,913	\$ 22,645	\$ 33,268
Furniture and equipment	20%	502	140	362
		\$ 56,415	\$ 22,785	\$ 33,630

5. Mineral Property Interests

(a) Gedabo Property:

The Government of the Republic of Liberia has granted to the Company's indirectly owned subsidiary, Liberian Gold Corporation Inc., mineral exploration rights over approximately 960 square kilometers on the eastern side of the Gedabo area, situated in the Maryland and River Gee Counties, Republic of Liberia.

(b) Kanweaken Property:

The Government of the Republic of Liberia has granted to the Company's indirectly owned subsidiary, Liberian Gold Corporation Inc., mineral exploration rights over approximately 1,000 square kilometers in the Grand Kru, Maryland and River Gee Counties, Republic of Liberia.

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

The exploration licenses for the above two properties are under the terms of Mineral Exploration Agreements (MEA) issued by the Government of the Republic of Liberia issued to Liberian Gold Corporation Inc. The licenses include rights to all mineral commodities. The MEAs are effective March 5, 2005 and have a term of three years (Exploration Period) from March 22, 2005. An extension of two years may be applied at the option of the Company plus any period of renewal the Government of Liberia may agree to. As required by the terms of the Licences, the Company reduced the size of the Licenses by 50% at the end of the Exploration Period. If the Company wishes to retain all of, or a part of the exploration area defined by the license, then the Company shall have the right to do so by applying for a Mineral Development Agreement in accordance with the Minerals and Mining Laws and regulations of the Republic of Liberia. During the Exploration Period the Company shall expend not less than \$US 2 per acre during each calendar year (\$US 494,200 per year in the case of Kanweaken License and \$US 471,961 for Gedabo License.) Although the Company has not met the expenditure requirements under the terms of the Agreements, the Government of the Republic of Liberia has issued a letter of attestation confirming that the claims are in good standing as of the date of these financial statements.

The Company shall pay an annual renewal fee of \$US 5,000 per Exploration License and annual rental fees of \$US 0.18 per acre which is equal to approximately \$US 53,588 per year in total. The Company is also obligated to pay \$US 3.00 per acre for all areas operated under pilot mining. As of the date of these financial statements, the Company has not conducted any pilot mining on either the Gedabo or the Kanweaken properties.

The Company shall pay a royalty of 3% on any gold or diamonds sold. Royalties on other commodities are to be negotiated.

6. Share Capital

(a) Authorized:

Unlimited number of common shares at no par value

(b) The Company's share capital and contributed surplus is:

Common Shares	Issued		Special Warrants	Obligation to Issue Shares	Total
	Quantity	Amount			
Balance, December 31, 2005	2,300,000	\$ 23,000	\$ 475,000	\$ -	\$ 498,000
Special warrants issued for cash	-	-	412,310	-	412,310
Shares issued for cash	300,000	3,000	-	-	3,000
Balance, December 31, 2006	2,600,000	26,000	887,310	-	913,310
Special warrants issued for cash	-	-	315,000	-	315,000
Conversion of special warrants	8,682,067	1,202,310	(1,202,310)	-	-
Balance, December 31, 2007	11,282,067	1,228,310	-	-	1,228,310
Shares issued pursuant to "reverse takeover", net of issue costs of \$113,185	10,350,000	666,553	-	-	666,553
Issued for cash					
Private placement, net of \$51,515 allocated to the issue of warrants	1,007,000	250,585			250,585
Obligation to issue shares (Note 6(c))	-	-	-	674,085	674,085
Balance, May 31, 2008	22,639,067	\$2,145,448	\$ -	\$ 674,085	\$2,819,533

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

Contributed Surplus

Balance, December 31, 2005, 2006 and 2007	\$ -
Allocated to warrants on the issue of shares for cash	51,515
Balance, May 31, 2008	\$ 55,515

(c) Obligation to Issue Shares:

The Company received \$674,085 prior to the year end as subscriptions for the issue of shares on a private placement which was completed on June 9, 2008 (Note 12(a)).

(d) Stock Options:

Under the Company's stock option plan, the Company may grant options to directors, officers and employees to purchase common shares up to a maximum number permitted by the TSX Venture Exchange. Options will be granted at the market price on the date of the grant, less permitted discounts, will vest according to the timetable set at the time of the grant and will expire no later than five years from the date of grant.

	Number of Options	Weighted Average Exercisable Price	Weighted Average Remaining Life (Years)
Options outstanding and exercisable December 31, 2006 and 2007	-	-	-
Granted by Villanova Capital Corp	1,000,000	\$0.10	0.66
Options outstanding, May 31, 2008	1,000,000	\$0.10	0.66
Options exercisable, May 31, 2008	1,000,000	\$0.10	0.66

As at May 31, 2008, the following stock options are outstanding:

Options Outstanding And Exercisable	Exercise Price	Expiry Date
1,000,000	\$0.10	January 28, 2009

(e) Share Purchase Warrants

As at May 31, 2008, the following warrants are outstanding:

Exercise Price Per Share	Expiry Date	Balance, December 31,		Granted	Balance, May 31,
		2006	2007		2008
\$0.55	January 28, 2009	-	-	503,500	503,500
\$0.10	September 25, 2009	-	-	200,000	200,000
		-	-	703,500	703,500

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

7. Related Party Transactions

Related party transactions not otherwise separately disclosed in these financial statements are:

	For the five months ended May 31, 2008	For the twelve months ended December 31,	
		2007	2006
Management fees paid to a company controlled by a director of the Company	\$ 22,725	\$ -	\$ -
Interest paid to a director of the Company	\$ -	\$ 551	\$ 1,083
Rent paid to a company with common management	\$ 3,261	\$ 8,219	\$ 8,123
Professional services paid to a company controlled by a director of the Company	\$ 2,797	\$ -	\$ -
Professional services paid to a legal firm of which a partner was a director of the Company	\$ 17,259	\$ 47,836	\$ -

The loan of \$ 2,000 payable at May 31, 2008 and December 31, 2007 is payable to a private company controlled by a director of the Company and is unsecured. The loan of \$43,278 payable at December 31, 2006 was payable to a director of the Company and was unsecured. The loan bears interest at 4% per annum. Accrued interest of \$278 at December 31, 2006 has been included in the loan payable balance outstanding.

Accounts payable at May 31, 2008 includes \$351 payable to a company with a common director and represents unpaid expense reimbursements.

8. Commitments

- (a) The Company has a management services agreement with a company controlled by a director of the Company requiring payments of \$4,500 per month plus taxes. The agreement is in effect until December 31, 2012 unless terminated earlier in accordance with the provisions of the agreement.
- (b) The Company shares its premises with other companies controlled by a director of the Company and is allocated its proportion of the annual rent, which is approximately \$7,500.

9. Segmented Information

	May 31, 2008	December 31,	
		2007	2006
Assets by geographic segment:			
Canada	\$ 1,018,154	\$ 1,158	\$ 61,925
Liberia, West Africa	1,418,003	1,082,817	791,176
Kenya and Tanzania, East Africa	103,285	-	-
	<u>\$ 2,539,442</u>	<u>\$ 1,083,975</u>	<u>\$ 853,101</u>

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

10. Supplemental Cash Flow Information

	For the five months ended May 31, 2008	For the twelve months ended December 31, 2007 2006	
Net change in non-cash working capital items:			
Accounts receivable	\$ (14,563)	\$ (29)	\$ -
Accounts payable	(22,253)	65,356	(28,077)
Loans payable	-	-	(1,583)
Prepaid expenses	(3,274)	174	(234)
Deferred costs	-	18,025	-
	<u>\$ (40,090)</u>	<u>\$ 83,526</u>	<u>\$ 29,894</u>
Cash paid for:			
Interest	551	-	805
Non-cash share issue costs	24,884	-	-

11. Income Taxes

No provision for recovery of income taxes was made because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for tax purposes of approximately \$ 428,924 (December 31, 2007 - \$283,797) (December 31, 2006 - \$ 111,169) which expire in various years to 2028 as follows:

2014	\$ 3,476
2015	46,606
2026	61,087
2027	172,628
2028	145,127

As at May 31, 2008, the Company has undeducted resource related expenses of approximately \$1,410,804 (December 31, 2007 - \$1,058,370) (December 31, 2006 \$735,549) available for deduction against future Canadian taxable income. These expenses have no expiration date. In addition, the Company has undeducted share issuance costs totaling \$ 70,641 (December 31, 2007- Nil) (December 31, 2006 – Nil) which are also available for deduction against future Canadian taxable income. Future income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

	For the five months ended May 31, 2008	For the twelve months ended December 31, 2007 2006	
Net loss before income taxes	\$(137,717)	\$(183,204)	\$(75,501)
Tax rate	31.00%	34.12%	34.12%
Calculated income tax recovery	(42,692)	(62,509)	(25,761)
Net adjustment for deductible and non-deductible amounts	1,583	(2,823)	4,918
Unrecognized benefit of non-capital losses	41,409	65,332	20,843
Income tax expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AFRICA WEST MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2008 AND DECEMBER 31, 2007 AND 2006

Significant components of the Company's future tax assets and liabilities, after applying enacted or substantially enacted corporate income tax rates, are:

	<u>May 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>	<u>2006</u>
Future income tax assets			
Temporary differences in assets	\$ 30,377	\$ 6,576	\$ 7,774
Non-capital loss carry forwards	132,966	97,617	37,931
	163,343	104,193	45,705
Valuation allowance for future income tax assets	(163,343)	(104,193)	(45,705)
	\$ -	\$ -	\$ -

12. Subsequent Events

- (a) On June 9, 2008 the Company completed a non-brokered private placement of 6,344,167 units of the Company at a price per unit of \$0.15, for gross proceeds of \$921,625. Each unit consists of one common share of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of \$0.25 per share until June 8, 2010. The Company paid share issue costs of \$16,590 in cash, 192,570 Units and 49,000 warrants to purchase common shares at \$0.15 per share expiring on June 8, 2010.
- (b) On June 9, 2008 the Company granted 2,990,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.15 per share and expiring on June 8, 2013.
- (c) The Company entered into an agreement on February 21, 2008 with Gold Rim Exploration Inc. ("Gold Rim"), a company with mineral properties in Kenya and Tanzania, to acquire all of the outstanding shares of Gold Rim in exchange for 4,200,000 of its common shares of the Company. On that date the Company also loaned Gold Rim \$250,000 to enable it to satisfy its mineral property obligations. The Company incurred geological consulting and other costs of \$103,285 on Gold Rim's mineral properties between February 21 and May 31, 2008, which have been recorded at May 31, 2008 as deferred exploration expenditures.

The purchase of Gold Rim was completed on June 9, 2008 and the 4,200,000 common shares of the Company issued for the purchase were assigned a fair value of \$840,000, based on the average trading price of the shares for the period covering four days before and after the announcement of the acquisition. The fair values of the assets and liabilities acquired on the purchase are:

Cash	\$ 19,211
Mineral properties	1,551,000
	1,570,211
Liabilities	(333,511)
Future income tax liability	(396,700)
	\$ 840,000