PLANEX VENTURES LTD.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001
AND PERIOD FROM JANUARY 11, 2000 (Date of Incorporation)
TO DECEMBER 31, 2000

D&H group Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Planex Ventures Ltd.

We have audited the balance sheets of Planex Ventures Ltd. as at December 31, 2001 and 2000 and the statements of loss and deficit and cash flows for the year ended December 31, 2001 and for the period from incorporation on January 11, 2000 to December 31, 2000. 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 December 31, 2001 and 2000 and the results of its operations and cash flows for the year ended December 31, 2001 and for the period from incorporation on January 11, 2000 to December 31, 2000 in accordance with Canadian generally accepted accounting principles.

"D&H Group"

Vancouver, B.C.
January 25, 2002, except for Note 7
which is as of February 28, 2002

Chartered Accountants

PLANEX VENTURES LTD.

BALANCE SHEETS

AS AT DECEMBER 31

	2001 $	2000 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	298,161	293,329
Amounts receivable and prepaids	9,736	13,076
	307,897	306,405
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,100	2,659
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 3)	315,583	304,333
DEFICIT	(10,786)	(587)
	304,797	303,746
	307,897	306,405

OPERATIONS (Notes 1 and 7)

APPROVED BY THE DIRECTORS

"Nick DeMare" , Director

"Harvey Lim" , Director

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

PLANEX VENTURES LTD.

STATEMENTS OF LOSS AND DEFICIT

	Year ended December 31, 2001 $	Period from January 11, 2000 to December 31, 2000 $
INCOME		
Interest income	12,676	10,126
EXPENSES		
Office	2,166	1,024
Professional fees	10,635	7,233
Regulatory fees	3,780	509
Transfer agent fees	3,345	1,947
Travel	2,949	-
	22,875	10,713
NET LOSS FOR THE PERIOD	(10,199)	(587)
DEFICIT - BEGINNING OF PERIOD	(587)	-
DEFICIT - END OF PERIOD	(10,786)	(587)
LOSS PER COMMON SHARE	$(0.01)	$(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	1,702,055	908,219

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

PLANEX VENTURES LTD.

STATEMENTS OF CASH FLOWS

	Year ended December 31, 2001 $	Period from January 11, 2000 to December 31, 2000 $
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the period	(10,199)	(587)
Decrease (increase) in amounts receivable and prepaids	3,340	(13,076)
Increase in accounts payable and accrued liabilities	441	2,659
	(6,418)	(11,004)
FINANCING ACTIVITIES		
Issuance of common shares	11,250	381,300
Share issue costs	-	(76,967)
	11,250	304,333
INCREASE IN CASH DURING THE PERIOD	4,832	293,329
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	293,329	-
CASH AND CASH EQUIVALENTS - END OF PERIOD	298,161	293,329
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash	48,161	3,329
Short-term deposits	250,000	290,000
	298,161	293,329
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid in cash	-	-
Income taxes paid in cash	-	-

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

PLANEX VENTURES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2001

AND PERIOD FROM JANUARY 11, 2000 (Date of Incorporation)

TO DECEMBER 31, 2000

1. OPERATIONS

The Company was incorporated under the corporate laws of British Columbia on January 11, 2000 and has listed its common shares on the Canadian Venture Exchange ("CDNX") as a capital pool company. The CDNX may suspend from trading or delist the Company's common shares if the Company fails to enter into a qualifying business acquisition by June 22, 2002.

The Company is in the process of identifying and evaluating potential business acquisitions. When a favourable opportunity becomes available, the Company will negotiate acquisition or participation agreements subject to regulatory and shareholder approval.

Subsequent to December 31, 2001, the Company entered into an option agreement to earn an interest in mineral resource prospects in Peru. See Note 7.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those reported.

Cash Equivalents

Cash includes cash and short-term deposits maturing within 90 days of the original date of acquisition.

Income Taxes

Income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements and their respective tax bases, using enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

PLANEX VENTURES LTD.

NOTES TO FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (Loss) Per Share

Earnings (loss) per common share amounts have been calculated and presented in accordance with the new recommendations of the Canadian Institute of Chartered Accountants.

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

The new standard has been applied on a retroactive basis and had no impact on the amounts previously presented.

Share Option Plan

The Company grants share options in accordance with the policies of CDNX as described in Note 3(c). No compensation expense is recognized for this plan when shares or share options are issued pursuant to the plan. Consideration paid for shares on exercise of the share options is credited to share capital.

3. SHARE CAPITAL

	2001		2000	
	Number of Shares	$	Number of Shares	$
Balance, beginning of period	3,384,000	304,333	-	-
Issued during the period				
Private placement	-	-	1,684,000	126,300
Initial public offering	-	-	1,700,000	255,000
Exercise of warrants	75,000	11,250	-	-
	75,000	11,250	3,384,000	381,300
Share issue costs	-	-	-	(76,967)
	3,459,000	315,583	3,384,000	304,333
Balance, end of period	3,459,000	315,583	3,384,000	304,333

PLANEX VENTURES LTD.

NOTES TO FINANCIAL STATEMENTS

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3. SHARE CAPITAL (continued)

(a) During the period ended December 31, 2000, the Company: (i) completed a private offering of 1,684,000 common shares at $0.075 per share; and (ii) completed an initial public offering of 1,700,000 common shares at $0.15 per share. Pursuant to the terms of the agency agreement, the agent received a commission of $25,500 and was granted a non-transferable option to purchase up to 170,000 common shares of the Company at $0.15 per share on or before December 22, 2001. The agent was also paid $7,500 to act as the Company's sponsor for listing on the Canadian Venture Exchange (CDNX).

During the year ended December 31, 2001, the Company issued 75,000 shares for $11,250 on the partial exercise of the option. The remaining which were unexercised portion of the option expired without exercise.

(b) Under the requirements of the CDNX, 1,684,000 common shares are held in escrow and will be released over a period of three years commencing after completion of a qualifying transaction, as determined by the CDNX.

(c) The Company grants share options in accordance with the policies of the CDNX. Under the general guidelines of the CDNX, the Company may reserve up to 10% of its issued and outstanding shares to its employees, directors or consultants to purchase shares of the Company. The maximum term of any option will be five years. The exercise price of an option is not less than the greater of: i) closing price on the CDNX on the last day of trading preceding the grant date less a specified discount; and ii) $0.10.

A summary of the Company's options at December 2001 and 2000 and the changes for the years ending on those dates is presented below:

	2001		2000	
	Options Outstanding and Exercisable	Weighted Average Exercise Price $	Options Outstanding and Exercisable	Weighted Average Exercise Price $
Balance, beginning of period	318,000	0.15	-	-
Granted	90,000	0.10	318,000	0.15
Cancelled	(70,000)	0.15	-	-
Balance, end of period	338,000	0.14	318,000	0.15

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NOTES TO FINANCIAL STATEMENTS

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3. SHARE CAPITAL (continued)

The following table summarizes information about the options outstanding at December 31, 2001:

Exercise Price $	Options Outstanding and Exercisable	Expiry Date
0.15	248,000	2005
0.10	90,000	2004
	338,000	

4. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2001, the Company paid $4,405 (2,000-$2,050) for accounting and administrative services provided by a private corporation owned by a director of the Company.

5. INCOME TAXES

The Company has incurred approximately $41,000 of operating losses which, if not utilized, will expire in future years. Future income tax benefits which may arise as a result of these losses have not been recognized in these financial statements as their realization is unlikely.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consists of cash, short-term deposits, amounts receivable and accounts payable and accrued liabilities. The fair value of the Company's financial instruments approximate their carrying amounts due to their short term to maturity.

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NOTES TO FINANCIAL STATEMENTS

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7. SUBSEQUENT EVENT

By agreement dated February 28, 2002, the Company entered into an option agreement whereby the Company could earn a 70% interest in 15 mineral concessions (the "Los Lomas Properties"), covering 15,100 hectares, in Peru, in consideration of spending US$1 million and the issuance of a total of 250,000 common shares over a four year period.

Upon having earned the 70% interest in the Los Lomas Properties, the Company will give the optionor the right to back in for a 70% project interest by funding all subsequent expenditures on the Los Lomas Properties until the commencement of commercial production. The optionor also has the right to convert its 30% project interest into a 1.5% net smelter return interest.

The Company intends this transaction to be its qualifying business acquisition. This transaction must be approved by the Company's shareholders and by the CDNX.

PLANEX VENTURES LTD.

QUARTERLY REPORT

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1.(a) GENERAL AND ADMINISTRATIVE

	$
Accounting and administration	4,555
Audit and legal expenses	6,080
Office	2,166
Regulatory fees	3,780
Transfer agent fees	3,345
Travel	2,949
	22,875

2.(a) RELATED PARTY TRANSACTION

During the year ended December 31, 2001, the Company paid $4,405 for accounting and administrative services provided by a private corporation owned by a director of the Company.

3.(a) SECURITIES ISSUED DURING THE YEAR ENDED DECEMBER 31, 2001

Date of Issue	Type Security	Type of Issue	Number	Price	Total Proceeds	Type of Consideration	Commission
Dec.21/01	Common	Exercise of warrant	75,000	$0.15	$11,250	Cash	N/A

3.(b) OPTIONS GRANTED DURING THE YEAR ENDED DECEMBER 31, 2001

Date granted	Number of shares	Type of option	Name	Exercise price	Expiry date
Nov.20/01	35,000	Director	D. Henstridge	0.10	Nov.20/04
Nov.20/01	30,000	Director	N. DeMare	0.10	Nov.20/04
Nov.20/01	25,000	Director	H. Lim	0.10	Nov.20/04
	90,000				

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QUARTERLY REPORT

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4.(a) AUTHORIZED AND ISSUED SHARE CAPITAL AS AT DECEMBER 31, 2001

			Issued	
Class	Par Value	Authorized Number	Number	Amount
Common	WPV	100,000,000	3,459,000	$315,583

4.(b) OPTIONS AND WARRANTS OUTSTANDING AS AT DECEMBER 31, 2001

Security	Number	Exercise Price Per Share	Expiry Date
Options	248,000	$0.15	June 21, 2005
Options	90,000	$0.10	November 20, 2004

There are no warrants outstanding as at December 31, 2001.

4.(c) SHARES IN ESCROW OR SUBJECT TO POOLING AS AT DECEMBER 31, 2001

As of December 31, 2001, 1,684,000 common shares are subject to escrow restrictions.

5.(a) LIST OF DIRECTORS AS AT DECEMBER 31, 2001

Directors:
- David Henstridge
- Nick DeMare
- Harvey Lim

Officers:
- David Henstridge, President, Chairman and Chief Executive Officer
- Mariana Bermudez, Corporate Secretary

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QUARTERLY REPORT

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MANAGEMENT DISCUSSION AND ANALYSIS

The Company is currently listed on the Canadian Venture Exchange (the "CDNX") as a capital pool company. On February 28, 2002, the Company signed an option agreement with Cia. Minera Urumalqui S.A. ("MUSA") to acquire and develop a resource property of merit located in Peru, South America. Over the last eighteen months the Board of Directors of the Company have reviewed numerous traditional opportunities for its Qualifying Transaction ("QT"), none of which developed or were considered to be in the best interests of shareholders. It has been the Board's assessment that the selected QT is a good choice particularly in light of the fact that the current directors are experienced in the resource sector and will continue to manage the Company.

The option agreement covers the 13,100 hectare Los Lomas properties located in northern Peru. The property is owned by MUSA, a private Peruvian company jointly owned by BHP Billiton Mining and Exploration Peru B.V. and Compañia Minera San Ignacio de Moroacocha S.A. The Company has the option to earn a 70% interest in the Los Lomas properties by spending US$1 million over a four year period on the following basis:

Expenditures	Work Period
US$ 100,000	Prior to February 1, 2003
US$ 200,000	Prior to February 1, 2004
US$ 200,000	Prior to February 1, 2005
US$ 500,000	Prior to February 1, 2006
US$1,000,000	

At MUSA’s election, the Company may also be required to issue to MUSA up to 250,000 common shares: 75,000 shares on receipt of CDNX and shareholder approval, a further 50,000 shares on each of the first two anniversaries and 75,000 on the third anniversary, provided that the Company has not withdrawn from the option agreement. Upon having earned this interest, the Company will give to MUSA the right to back-in for a 70% project interest by funding all subsequent expenditure on the Los Lomas properties until the commencement of commercial production. Alternatively, MUSA can elect to convert its 30% project interest into a 1.5% net smelter return.

The Los Lomas properties are located between 10 km and 15 km northeast of the Tambo Grande deposit where Manhattan Minerals Corp. ("Manhattan") has reported probable mineral resources in the TG1 deposit for gold as 8.056Mt @ 3.5 g/t Au and 67 g/t Ag and, in the sulphide zone, 49.2Mt @ 1.6% Cu, 1% Zn, 0.5 g/t Au and 26 g/t Ag. Historically, MUSA has conducted within the properties regional soil sampling, mapping, structural interpretation, gravity, magnetic and transient electro-magnetic ("TEM") ground surveys and reconnaissance drilling. A number of significant volcanic massive sulphide indications have been identified by MUSA and others within the Los Lomas properties and include exhalative chert horizons, disseminated sulphides, stockwork mineralization, barite, gossans, and altered volcanics.

Recently, significant new geophysical data, from a Falcon™ airborne gravity survey (BHP Billiton have the worldwide rights to the system) flown over the Los Lomas properties indicates the presence of three large linear and bull's-eye gravity anomalies within the properties. As Manhattan has reported that gravity is an effective exploration tool at Tambo Grande, the Company believes that each of the target areas justifies exploratory drilling.

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QUARTERLY REPORT

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MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Marigol Zone

This area is underlain by silica- and iron-rich boulders similar to the gossanous outcroppings found at Tambo Grande. The boulders appear to have been transported by rivers that no longer exist. Musa collected enzyme leach soil samples and performed limited TEM and ground gravity surveys over a 4 square kilometer area in the proximity of the gossanous boulders. Two geochemical anomalies were drilled near the western margin of a ground gravity anomaly, but no significant results were obtained. The ground gravity survey produced a long linear, NNW-SSE trending, anomaly in the western part of the zone and is supported by the results of the airborne survey; the airborne anomaly is about 0.5 km wide, 2 km long and becomes stronger to the south. In addition, the airborne survey discovered a strong semi-circular anomaly about 2 km southeast of the drill holes, measuring about 1 to 1.5 km in diameter. A geological consultant to the Company noted that both airborne gravity anomalies lie off the existing surface grid.

Tejedores Zone

Ground magnetics induced polarization, ("IP") and gravity surveys were conducted by Val d'Or in 1995-1996. Numerous hand trenches were located on gossanous showings, and a TEM survey was performed subsequently. One drill hole tested a weak IP anomaly which produced weak stringer style mineralization believed to possibly be the roots of an eroded VMS deposit. Another hole tested a zinc-copper anomaly over a barite/chert exhalite occurrence; only weak disseminated sulphides were encountered. The third hole tested a >1000 ppm barium anomaly with coincident, but weaker, copper and zinc values in rhyolitic volcanics. This hole yielded 7.55 m of 0.43% Zn, 903 ppm Cu, and 30.35 m of 0.2% Zn, 176 ppm Cu. The ground gravity survey shows strong anomalies lying 1 to 2 km north and west of the areas drilled, but the TEM survey was not run over them. The westernmost anomaly lies stratigraphically down-dip from a gossanous area containing oxidized vein structures over an area 750 metres by 1000 metres; this suggests that a VMS target could exist here at depth.

The airborne gravity here, like at the Marigol zone, coincides remarkably well with the ground gravity results. Again, the Falcon survey produced another strong, semi-circular anomaly lying from 1 km to 2 km west of the ground survey area and has dimensions of roughly 1.5 km by 1 km. No other surface information is documented in this area that may largely be covered by alluvium.

Malingas Zone

This area is underlain by massive and porphyritic volcanics and previously, BRGM, of France, found a barite occurrence. Limited rock chip sampling yielded weakly anomalous results in lead and barium. The Falcon™ system produced a very strong gravity anomaly near the western margin of the concession that is a minimum of two kms in length. This area is near the intersection of two major conjugate fault structures, similar to that interpreted to occur at Tambo Grande, 8 km to the northwest. The area of the anomaly is largely covered by overburden.

The Company intends this transaction to be its qualifying business acquisition and intends to undertake a program of follow-up ground gravity on the targets defined by the Falcon™ airborne system, as a prerequisite to a

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MANAGEMENT DISCUSSION AND ANALYSIS (continued)

reconnaissance drilling campaign, to explore these exciting new target areas. As part of the option agreement with MUSA, the Company has committed to drill at least two of these large untested targets in 2002.

Completion of the transaction is subject to a number of conditions, including but not limited to CDNX acceptance and majority of the minority shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Operations and Liquidity

During the year ended December 31, 2001, the Company reported a net loss of $10,199, compared to a loss of $587 for the comparable period in 2000. The loss in 2001 was comprised of general and administrative expenses totaling $22,875 and interest income of $12,676.

Interest income reported for 2001 was $12,676, an increase of $2,550 from the $10,126 reported in 2000. The increase was due to increased levels of cash and cash equivalents held throughout 2001 from the initial public offering proceeds.

General and administrative expenses of $22,875 were incurred for general corporate administration of the Company, its public reporting requirements and costs incurred in reviewing business opportunities during the year ended December 31, 2001.

During the year ended December 31, 2001, the Company granted stock options to the directors of the Company to purchase 90,000 common shares of the Company at $0.10 per share, expiring November 20, 2004.

At December 31, 2001, the Company had a working capital of $304,797. Management believes that it has sufficient financial resources to meet its current obligations, ongoing overhead and complete the 2002 exploration drilling program planned for the Los Lomas properties.

Investor Relations

No investor relations activities were conducted during the year ended December 31, 2001.