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**INTERNATIONAL PBX VENTURES LTD.  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED  
MARCH 31, 2008 AND 2007**

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### **NOTICE TO READER**

Management has prepared the consolidated balance sheet of International PBX Ventures Ltd. as at March 31, 2008 and the consolidated statements of operations and deficit, of comprehensive loss, and of cash flows for the three months then ended. They have not been audited, or reviewed. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, B.C.  
May 28, 2008

International PBX Ventures Ltd.

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**INTERNATIONAL PBX VENTURES LTD.****CONSOLIDATED BALANCE SHEETS****AS AT MARCH 31, 2008 AND 2007**

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	March 31, 2008 \$	December 31, 2007 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,975,117	8,016,183
Marketable securities [Note 2[c]]	136,156	226,432
Amounts receivable	128,940	218,260
Amounts receivable from related parties [Note 10[d]]	4,448	3,689
Prepaid expenses and deposits	21,734	28,360
	<hr/>	<hr/>
	5,266,396	8,492,924
EQUIPMENT [Note 3]	68,561	67,103
MINERAL PROPERTIES [Note 4]	17,921,781	16,250,319
	<hr/>	<hr/>
	23,256,737	24,810,346
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<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	380,841	1,245,488
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<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL [Note 6]	32,722,400	32,722,400
CONTRIBUTED SURPLUS [Note 9]	2,121,103	2,121,103
ACCUMULATED OTHER COMPREHENSIVE INCOME [Note 6[c]]	(80,844)	9,432
DEFICIT	(11,886,762)	(11,288,077)
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	22,875,896	23,564,858
	<hr/>	<hr/>
	23,256,737	24,810,346
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Nature of Operations and Continuance of Business (Note 1)

Commitments (Note 11)

Subsequent Events (Note 14)

Approved on behalf of the Board:

"George Sookochoff"  
George Sookochoff, Director"Gary Medford"  
Gary Medford, Director

(See accompanying notes to these consolidated financial statements)

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**INTERNATIONAL PBX VENTURES LTD.****CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****FOR THE PERIOD ENDED MARCH 31, 2008 AND 2007**

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	Three Months Ended March 31,	
	2008	2007
	\$	\$
REVENUE	-	-
ADMINISTRATIVE EXPENSES		
Administration fees	152,055	59,115
Amortization	5,655	2,769
Bank charges	1,986	1,272
Foreign exchange (gain) loss	77,866	27,742
Investor relations	54,504	226,520
Office and miscellaneous	72,373	73,886
Other operating expenses (Note 5)	96,510	-
Professional fees	83,709	14,567
Stock-based compensation	-	175,720
Transfer agent and regulatory	9,287	48,509
Travel, promotion and mining shows	46,525	57,162
	600,469	687,264
Net operating loss before other items	(600,469)	(687,264)
OTHER ITEMS		
Interest income	(1,784)	(1,145)
	(1,784)	(1,145)
NET LOSS FOR THE YEAR	(598,685)	(686,119)
DEFICIT - BEGINNING OF YEAR	(11,288,077)	(9,216,533)
DEFICIT - END OF YEAR	(11,886,762)	(9,902,652)
Net Loss Per Share – Basic and Diluted	\$ (0.01)	\$ (0.01)
Weighted Average Shares Outstanding	77,109,815	52,183,530

(See accompanying notes to these consolidated financial statements)

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**INTERNATIONAL PBX VENTURES LTD.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008**

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Net loss	\$	(598,685)
Unrealized loss on available for sale investments		(90,276)
Comprehensive loss	\$	(688,961)

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(See accompanying notes to these consolidated financial statements)

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**INTERNATIONAL PBX VENTURES LTD.****CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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	Three Months Ended March 31,	
	2008	2007
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(598,685)	(686,119)
Less items not affecting cash		
Amortization	5,655	2,769
Stock-based compensation	–	175,720
Change in non-cash components of working capital		
Amounts receivable from related parties	(759)	–
Amounts receivable	89,320	41,731
Prepaid expenses and deposits	6,626	(16,453)
Accounts payable and accrued liabilities	(864,647)	(484,376)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(1,362,491)</b>	<b>(966,728)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of and expenditures on mineral properties	(1,671,462)	(386,627)
Acquisition of equipment	(7,113)	(11,961)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,678,575)</b>	<b>(398,588)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from share capital issued	–	1,748,250
Share issuance costs	–	(135,000)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>–</b>	<b>1,613,250</b>
<b>INCREASE IN CASH</b>	<b>(3,041,066)</b>	<b>247,934</b>
<b>CASH – BEGINNING OF YEAR</b>	<b>8,016,183</b>	<b>2,866,177</b>
<b>CASH – END OF YEAR</b>	<b>4,975,117</b>	<b>3,114,111</b>
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES</b>		
Mineral property option proceeds	–	–
Share issuance costs	–	–
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	–	–
Income tax paid	–	–

(See accompanying notes to these consolidated financial statements)

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS**

The Company is an exploration stage company and is in the business of acquiring and exploring mineral properties in Chile. There has been no determination whether properties held contain ore reserves, which are economically recoverable.

The recoverability of carrying amounts for mineral properties and options is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development and achieve profitable production or alternatively, dispose of the properties. It is reasonably possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties could be written-off.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. As at March 31, 2008, the Company has working capital of \$4,885,555 but has incurred significant losses since inception totalling \$11,886,762. The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

**2. SIGNIFICANT ACCOUNTING POLICIES****[a] Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned Chilean subsidiary, Minera IPBX Ltda., and its wholly-owned Canadian subsidiaries, Tierra de Oro Resources Ltd., Copa Holdings Inc., and Copacquire Mining Inc. All material inter-company balances and transactions have been eliminated on consolidation.

**[b] Cash and cash equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

**[c] Marketable securities**

The Company has classified its marketable securities as available-for-sale and therefore carries them at fair market value with the unrealized gain or loss recorded in accumulated other comprehensive income. Fair values were determined by reference to published price quotations in an active market as at March 31, 2008.

**[d] Equipment**

Equipment is recorded at cost less accumulated amortization. Amortization is recognized on the declining balance basis at the following rates per annum:

Automobile	30%
Office equipment	30%
Field equipment	30%

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****[e] Mineral properties**

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized to income using the unit of production method over estimated recoverable ore reserves. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that have lapsed, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the development of such ore reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contains economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

**[f] Long-lived assets**

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying value of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying value of the asset exceeds the fair value of the asset.

**[g] Asset retirement obligations**

The Company follows CICA Handbook Section 3110, "Asset Retirement Obligations", which establishes standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at March 31, 2008, the Company has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

**[h] Foreign currency translation**

Transactions and balances in currencies other than the Canadian dollar are translated using the temporal method. Accordingly revenues, expenses and non-monetary balances are translated at the rates of exchange prevailing at the transaction dates and monetary balances are translated at the rate prevailing at the balance sheet date with the resulting exchange gains and losses being included in the determination of net loss.

**[i] Income taxes**

The Company utilizes the asset and liability method of accounting for income taxes. Under the liability method, future income taxes are recognized to reflect the expected future tax consequences arising from temporary differences between the carrying value and the tax bases of the Company's assets and liabilities. The amount of future income tax assets is not recognized until realization is more likely than not.

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

## [j] Financial instruments

Financial instruments included in the balance sheet are comprised of cash, marketable securities, amounts receivable, amounts receivable from related parties, and accounts payable. The fair values of these balance sheet items are approximate their carrying value due to the short-term maturity of those instruments. The Company is not exposed to any derivative instruments. The Company is exposed to currency exchange rate risk as certain transactions are denominated in US dollars and Chilean pesos. The Company does not have foreign exchange hedges in place at this time. It is management's opinion that the Company is not exposed to significant interest rate or credit risks.

## [k] Stock-based Compensation

The Company has a stock option plan, which is described in Note 7. The Company applies the fair value method to all stock-based payments and to all grants that are direct awards of stock, that call for settlement in cash or other assets. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, share capital is credited for the consideration received and the related contributed surplus is decreased. The Company uses the Black Scholes option pricing model to estimate the fair value of stock based compensation.

## [l] 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 losses available to common shareholders by the weighted average number of common shares outstanding during the year. For the periods ended March 31, 2007 and 2008, the existence of warrants and options causes the calculation of fully diluted loss per share to be antidilutive. Accordingly, fully diluted loss per share information has not been shown.

## [m] Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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. Significant areas requiring the use of management estimates are the determination of impairment of mineral resource properties, stock-based compensation, amortization of property and equipment, and estimation of future income tax assets and liabilities. Actual results may differ from those estimates.

## [n] Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year's presentation. Such reclassifications are for presentation purposes only and has no effect on previously reported results.

## 3. EQUIPMENT

	Cost	Accumulated Amortization	2008 Net Book Value	2007 Net Book Value
	\$	\$	\$	\$
Automotive	57,746	45,369	12,377	13,722
Field equipment	16,972	4,574	12,398	13,412
Furniture and office equipment	91,242	47,457	43,785	39,969
	165,960	97,400	68,561	67,103

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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**4. MINERAL PROPERTIES**

	Copaquire	Sierra Pintada	Tabaco	Tierra de Oro	Others	Total
Balance December 31, 2006	2,839,348	261,654	3,276,949	2,429,108	86,542	8,893,601
Acquisition and staking	821,278	22,963	648,871	38,127	10,550	1,541,789
Exploration						
Drilling	3,792,197	-	1,761	324,788	-	4,118,746
Field costs	814,104	263,747	26,780	260,783	26,332	1,391,746
Project management	187,010	-	50,056	-	869	237,935
Other	100,711	555	83,385	6,144	-	190,795
Exploration and related costs 2007	5,715,300	287,265	810,853	629,842	37,751	7,481,011
Option payments received	-	-	-	-	(185,000)	(185,000)
Gain on option payment transferred to income	-	-	-	-	158,341	158,341
Impairment of mineral property costs	-	-	-	-	(97,634)	(97,634)
	-	-	-	-	(124,293)	(124,293)
Balance December 31, 2007	8,554,648	548,919	4,087,802	3,058,950	-	16,250,319
Acquisition and staking	226,127	27,748	7,836	33,175	-	68,759
Exploration						
Drilling	217,057	-	-	590,681	-	590,681
Field costs	199,398	85,849	(13,192)	201,145	-	273,802
Project management	-	-	67,156	-	-	67,156
Other	-	11,099	13,231	4,152	-	28,482
Exploration and related costs 2007	642,581	124,697	75,031	829,153	-	1,671,462
Balance March 31, 2008	9,197,229	673,616	4,162,833	3,888,103	-	17,921,781

**[a] Copaquire Property, Chile**

In 2004, the Company entered into an Option Purchase Agreement with Compania Minera Huatacondo S.C.M. and Sociedad Legal Minera Macate Primera de Huatacondo of Chile to acquire the Copaquire copper-molybdenum porphyry, Region II in Chile. Pursuant to this agreement, the Company can purchase a 100% interest, subject to a 2% Net Smelter Royalty (NSR) for US\$2,100,000 in cash and US\$2,000,000 in work commitments over a four year period.

As at March 31, 2008, the Company has paid US\$1,350,000 in accordance with the Option Purchase Agreement.

The following option payments have been made or are payable as follows:

- Fiscal 2004 US\$25,000 (paid)
- On January 16, 2005 US\$25,000 (paid)
- On July 16, 2005 US\$25,000 (paid)
- On January 16, 2006 US\$25,000 (paid)
- On July 16, 2006 US\$500,000 (paid)
- On July 16, 2007 US\$750,000 (paid)
- On July 16, 2008 US\$750,000

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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**4. MINERAL PROPERTIES (continued)****[b] Sierra Pintada, Chile**

The Company staked fourteen exploration claims covering 3,300 hectares. During the three months ended March 31, 2008, the Company staked nine additional exploration claims covering 2,400 hectares.

**[c] Tabaco, Chile**

[i] The Company has staked three exploitation concessions which are 100% owned by the Company.

[ii] The Company entered into an agreement, which replaces previous agreements to acquire a 100% interest (393 hectares) in the Tabaco Prospect in Chile over the following four years for US\$2,000,000 as follows:

- On July 15, 2005 US\$ 100,000 (paid)
- On Jan. 15, 2006 US\$ 100,000 (paid)
- On July 15, 2006 US\$ 600,000 (paid)
- On July 15, 2007 US\$ 600,000 (paid)
- On July 15, 2008 US\$ 600,000

[iii] The Company has staked an additional ten 100% owned gold and copper exploration concessions in this region.

[iv] During the three months ended March 31, 2008, the Company staked eighteen additional exploration claims in preparation of a potential road access to the property.

**[d] Tierra de Oro, Chile**

The Company owns a 100% interest in exploitation and exploration concessions including the San claims covering 6,256 hectares in Region III, Chile.

**5. OTHER MINERAL PROPERTIES**

During the period ended March 31, 2008, the Company incurred a total of \$96,510 (2007 - \$Nil) in other operating expenses as follows:

**Hornitos Property, Chile**

The Company has staked eleven claims, covering 3,200 hectares located 35 kilometres south of Copiapo, Chile. During 2007, the Company analysed the property and its future potential for the Company and concluded not to actively pursue the property, but to maintain it in good standing. The Company charged maintenance costs of \$24,711 (2007 - \$Nil) to other operating expenses.

**Palo Negro Property, Chile**

The Company acquired 100% of the rights to an exploration concession and staked an area of 6,500 hectares in Chile. During 2007, the Company analysed the property and its future potential for the Company and concluded not to actively pursue the property, but to maintain it in good standing. The Company charged maintenance costs of \$53,915 (2007 - \$Nil) to other operating expenses.

On March 7, 2008, Aldershot Resources Ltd. advised the Company that it would no longer pursue the option agreement to acquire the 80% interest of the Hornitos and the Palo Negro claims. As a result, the 100% interest in these claims reverted back to the Company.

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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## 5. OTHER MINERAL PROPERTIES (Continued)

Zulema aka. Chicharra Property, Chile

The Company acquired 100% of the rights to an exploitation concession and staked an area of 721 hectares in Chile. During 2006, the Company analysed the property and its future potential for the Company and concluded not to actively pursue the property, but to maintain it in good standing. The Company charged maintenance costs of \$17,884 (2007 - \$Nil) to other operating expenses.

## 6. SHARE CAPITAL

## [a] Authorized

Unlimited number of common shares without par value

## [b] Issued and Outstanding

	Number of Common Shares	Total \$
Balance as at December 31, 2005	36,404,439	12,196,816
Issued for cash pursuant to:		
Options exercised	10,000	5,500
Warrants exercised	182,367	98,640
Private placements	13,968,084	7,340,218
Issued pursuant to payment of finder's fees	32,000	17,600
Fair value of stock options exercised	–	1,743
Share issuance costs	–	(420,460)
Balance as at December 31, 2006	50,596,890	19,240,057
Issued for cash pursuant to:		
Options exercised	70,000	32,500
Warrants exercised	4,083,927	2,483,741
Private placements	22,358,998	11,368,550
Fair value of stock options exercised	–	13,377
Share issuance costs	–	(415,825)
Balance as at December 31, 2007 and March 31, 2008	77,109,815	32,722,400

## [c]

Accumulated other comprehensive income, beginning of year	\$	9,432
Other comprehensive loss		(90,276)
Accumulated other comprehensive income, as at March 31, 2008	\$	(80,844)

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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**7. STOCK OPTIONS**

The Company has implemented a stock option plan ("the Plan") to be administered by the Board of Directors. Pursuant to the Plan the Board of Director's has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than five years after the grant date. Options granted to directors, employees and consultants, other than consultants engaged in investor relations activities, will vest fully upon the expiry of a four-month hold period, unless otherwise approved by the relevant regulatory authorities. Options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

The continuity of options is as follows:

	Number of shares	Weighted average exercise price \$
Outstanding, December 31, 2006	4,927,500	0.60
Granted	3,350,000	0.64
Exercised	(70,000)	0.46
Cancelled	(400,000)	0.60
Expired	(1,957,500)	0.57
Outstanding, December 31, 2007	5,850,000	0.63
Cancelled	(125,000)	0.70
Expired	(700,000)	0.56
Outstanding, March 31, 2008	5,025,000	0.64

As at March 31, 2008, the following options were outstanding and exercisable:

Outstanding and Exercisable			
Exercise Price \$	Number of options	Weighted average Remaining Contractual life (years)	Weighted average exercise price \$
0.50	1,100,000	1.40	
0.60	500,000	1.45	
0.65	1,700,000	1.82	
0.70	825,000	2.09	
0.75	900,000	1.05	
	5,025,000	1.60	0.64

Stock options outstanding as at March 31, 2008 expire between July 4, 2008 and September 20, 2010.

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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## 7. STOCK OPTIONS (continued)

The fair value of each option previously granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2008	2007
Expected volatility	-	61%
Expected life of options (in years)	-	2.4 yrs
Risk free interest rate	-	4.02%
Expected dividend yield	-	0%

## 8. WARRANTS

The continuity of warrants is as follows:

	Number of shares	Weighted Average Exercise Price \$
Balance, December 31, 2005	2,566,717	0.60
Granted	14,409,084	0.66
Exercised	(182,367)	0.54
Balance, December 31, 2006	16,793,434	0.65
Granted	20,442,501	0.72
Exercised	(4,083,927)	0.61
Expired	(11,839,507)	0.64
Balance, December 31, 2007 and March 31, 2008	21,312,501	0.73

As at March 31, 2008 the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
870,000	1.00	June 29, 2008
3,885,000	0.55	March 28, 2009
1,916,501	0.80	May 2, 2009
13,500,000	0.75	April 3, 2009
1,141,000	0.75	April 18, 2009

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**INTERNATIONAL PBX VENTURES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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9. CONTRIBUTED SURPLUS

The following table summarizes the continuity of the Company's contributed surplus:

	Amount \$
Balance, December 31, 2005	198,818
Fair value of stock options granted	1,076,577
Fair value of agent's warrants	73,625
Fair value of stock options exercised transferred to share capital	(1,743)
Balance, December 31, 2006	1,347,277
Fair value of stock options granted	637,756
Fair value of stock options exercised transferred to share capital	(13,377)
Fair value of stock options vested	149,449
<b>Balance, December 31, 2007 and March 31, 2008</b>	<b>2,121,103</b>

10. RELATED PARTY TRANSACTIONS/BALANCES

During the period ended March 31, 2008 and 2007, the Company incurred in the following related party transactions:

- [a] The Company incurred administration fees from directors or companies controlled by directors of \$127,573 (2007 - \$99,179).
- [b] The Company incurred investor relations services from directors or companies controlled by directors of \$24,000 (2007 - \$Nil).
- [c] The Company incurred accounting fees from officers or companies controlled by officers of \$27,000 (2007 - \$5,700).
- [d] The Company paid legal fees of \$759 (2007 - \$Nil) on behalf of companies related by a common director. Accounts receivable from related parties total \$4,448 (2007 - \$3,689) of such fees.

All of the above transactions have been in the normal course of operations, and in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

11. COMMITMENTS

The Company has a lease commitment for office space that expires June, 2010. Future minimum lease payments over the next three years are as follows:

Year	Commitment \$
2008	46,624
2009	65,574
2010	32,787

In addition, the Company is committed to payments of US\$600,000 and US\$750,000 during 2008 as part of its acquisition agreements for the Tabaco, Chile and Copaquirie, Chile mineral properties (see Note 4).

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**INTERNATIONAL PBX VENTURES LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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## 12. SEGMENTED INFORMATION

The Company operates in one industry segment, namely exploration of mineral resources in one geographic region, Chile.

## 13. INCOME TAXES

**Reconciliation to statutory rates** - The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates of 34.12% (2006: 34.12%):

	<b>2007</b>	<b>2006</b>
Expected income tax benefit computed at statutory rates	\$ 706,811	\$ 760,185
Effect of:		
Amortization	(7,669)	(2,830)
Non-deductible stock based compensation	(240,454)	(367,328)
Miscellaneous	21,895	(35,709)
Share issuance costs	57,068	23,668
Valuation allowance	(537,651)	(377,986)
	<u>\$ -</u>	<u>\$ -</u>

**Non-capital losses** - The Company has non-capital losses of \$4,171,000 available to offset future taxable income, expiring from 2008 to 2027. As well, the Company has \$287,000 of non-capital losses that do not expire. The losses expire as follows:

2008	\$ 92,000
2009	87,000
2010	518,000
2014	596,000
2015	712,000
2026	974,000
2027	1,192,000
Indefinite	287,000
	<u>\$ 4,458,000</u>

**Future tax assets** - The tax effects of temporary differences that give rise to significant portions of the future tax assets at December 31, 2007 and 2006 are presented below:

	<b>2007</b>	<b>2006</b>
Combined statutory tax rate	31.00%	34.12%
Future income tax assets		
Non-capital loss carry forwards	\$ 1,382,000	\$ 1,028,000
Capital loss carry forwards	23,000	27,000
Property and equipment	15,000	9,000
Resource pools	464,000	480,000
Share issuance costs	181,000	95,000
Valuation allowance	(2,065,000)	(1,639,000)
Net future income tax asset	<u>\$ -</u>	<u>\$ -</u>

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**INTERNATIONAL PBX VENTURES LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008 AND 2007**

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13. INCOME TAXES (continued)

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

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2008,

- [a] 125,000 incentive stock options were cancelled,
- [b] The company commenced a drill program of approx. 1,500 meter on its Tabaco copper property to test for a recently discovered copper mineralization.