
**INTERNATIONAL PBX VENTURES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2009 AND 2008**

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NOTICE TO READER

Management has prepared the consolidated balance sheet of **International PBX Ventures Ltd.** as at September 30, 2009 and the consolidated statements of operations comprehensive loss and deficit, 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.
November 26, 2009

International PBX Ventures Ltd.

INTERNATIONAL PBX VENTURES LTD.**CONSOLIDATED BALANCE SHEETS****AS AT SEPTEMBER 30, 2009 AND DECEMBER 31, 2008**

	September 30, 2009 \$	December 31, 2008 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,327,447	2,251,997
Marketable securities	44,700	28,820
Amounts receivable	22,762	6,364
Amounts receivable from related parties [Note 10[d]]	6,794	5,483
Prepaid expenses and deposits	13,070	29,570
	<hr/>	<hr/>
	1,414,773	2,322,234
EQUIPMENT [Note 3]	44,343	57,140
MINERAL PROPERTIES [Note 4]	15,349,121	15,111,487
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	16,808,237	17,490,861
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LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	115,257	144,995
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SHAREHOLDERS' EQUITY		
SHARE CAPITAL [Note 5]	32,722,400	32,722,400
CONTRIBUTED SURPLUS [Note 9]	2,247,100	2,222,527
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) [Note 6]	(172,300)	(188,180)
DEFICIT	(18,104,220)	(17,410,881)
	<hr/>	<hr/>
	16,692,980	17,345,866
	<hr/>	<hr/>
	16,808,237	17,490,861

Nature of Operations and Continuance of Business (Note 1)
Commitments (Note 11)

Approved on behalf of the Board: "George Sookochoff" "Gary Medford"
George Sookochoff, Director Gary Medford, Director

(See accompanying notes to these consolidated financial statements)

INTERNATIONAL PBX VENTURES LTD.**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
ADMINISTRATIVE EXPENSES				
Administration fees [Note 10[a]]	60,348	140,042	198,077	413,051
Amortization	6,662	2,818	15,008	14,308
Bank charges	825	759	2,325	4,101
Foreign exchange (gain) loss	4,750	9,627	6,016	107,348
Investor relations	8,877	19,740	13,698	123,994
Office and miscellaneous	41,741	83,120	141,526	234,050
Other exploration expense	2,032	96,355	91,544	198,754
Professional fees [Note 10[b][c]]	48,412	50,745	179,848	259,373
Stock-based compensation	-	113,207	24,573	113,207
Transfer agent and regulatory	3,883	4,874	16,477	19,679
Travel, promotion and mining shows	6,474	8,683	26,807	82,709
	<u>184,003</u>	<u>513,970</u>	<u>715,900</u>	<u>1,570,573</u>
Net operating loss before other items	(184,003)	(513,970)	(715,900)	(1,570,573)
OTHER ITEMS				
Impairment of mineral interest	-	11,150	-	4,392,990
Interest income	(6,700)	(8,362)	(22,561)	(100,404)
	<u>(6,700)</u>	<u>2,787</u>	<u>(22,561)</u>	<u>4,292,587</u>
NET LOSS FOR THE PERIOD	<u>(177,303)</u>	<u>(516,757)</u>	<u>(693,339)</u>	<u>(5,863,160)</u>
DEFICIT - BEGINNING OF PERIOD	(17,926,917)	(16,634,480)	(17,410,881)	(11,288,077)
DEFICIT - END OF PERIOD	<u>(18,104,220)</u>	<u>(17,151,237)</u>	<u>(18,104,220)</u>	<u>(17,151,237)</u>
Net Loss Per Share – Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.08)</u>
Weighted Average Shares Outstanding	<u>77,109,815</u>	<u>77,109,815</u>	<u>77,109,815</u>	<u>77,109,815</u>

(See accompanying notes to these consolidated financial statements)

INTERNATIONAL PBX VENTURES LTD.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	2009	2008
	\$	\$
Net loss	(693,339)	(598,685)
Unrealized loss on available-for-sale investments	15,880	(90,276)
Comprehensive loss	(677,459)	(688,961)

(See accompanying notes to these consolidated financial statements)

INTERNATIONAL PBX VENTURES LTD.**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

	Three Months Ended September, 30		Nine Months Ended September, 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the year	(177,303)	(516,757)	(693,339)	(5,863,160)
Less items not affecting cash				
Amortization	6,662	2,818	15,008	14,308
Stock-based compensation expense	-	113,207	24,573	113,207
Impairment of mineral interests	-	11,150	-	4,392,990
Change in non-cash components of working capital				
Amounts receivable from related parties	(982)	(1,035)	(1,311)	(1,794)
Amounts receivable	(1,728)	2,849	(16,398)	208,824
Prepaid expenses and deposits	17,339	10,633	16,500	21,054
Accounts payable and accrued liabilities	7,645	(175,637)	(29,738)	(1,126,346)
NET CASH USED BY OPERATING ACTIVITIES	(148,366)	(552,772)	(684,705)	(2,240,916)
INVESTING ACTIVITIES				
Acquisition of and expenditures on mineral properties	(126,270)	(808,879)	(237,633)	(3,222,109)
Acquisition of equipment (net of disposals)	15	(160)	(2,212)	(13,148)
NET CASH USED BY INVESTING ACTIVITIES	(126,255)	(809,040)	(239,845)	(3,235,257)
FINANCING ACTIVITIES				
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-	-	-
INCREASE (DECREASE) IN CASH	(274,621)	(1,361,812)	(924,550)	(5,476,174)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	1,602,068	3,901,821	2,251,997	8,016,183
CASH AND CASH EQUIVALENTS – END OF PERIOD	1,327,447	2,540,009	1,327,447	2,540,009
NON-CASH FINANCING AND INVESTING ACTIVITIES				
Mineral property option proceeds	-	-	-	-
Share issuance costs	-	-	-	-
SUPPLEMENTAL DISCLOSURES				
Interest paid	-	-	-	-
Income tax paid	-	-	-	-

(See accompanying notes to these consolidated financial statements)

INTERNATIONAL PBX VENTURES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

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 September 30, 2009, the Company has working capital of \$1,299,516 but has incurred significant losses since inception totalling \$18,104,220. 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 Copaquire 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 September 30, 2009. As at September 30, 2009 the fair market value of the securities held was \$44,700 (2008 - \$28,820).

[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%

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 September 30, 2009, the Company has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

[h] Foreign currency translation

The accounts of the Company are expressed in Canadian dollars. 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.

The Company's Chilean subsidiary is considered an integrated subsidiary which is financially and operationally dependent on the Company. The Company uses the temporal method to translate the accounts of its integrated Chilean operation into Canadian dollars. Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. The resulting exchange gains or losses are recognized in income.

INTERNATIONAL PBX VENTURES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**[i] Income taxes**

The Company utilizes the asset and liability method of accounting for income taxes. Under the liability method, future income taxes and liabilities 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, and are measured using the tax rates expected to apply when these difference reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

[j] Financial instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountant ("CICA") Handbook Section 3840 – Related Party Transactions.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

Financial instruments included in the balance sheet are comprised of cash and cash equivalents, marketable securities, amounts receivable from related parties and accounts payable. 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 period ended September 30, 2009 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.

INTERNATIONAL PBX VENTURES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

[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 have no effect on previously reported results.

3. EQUIPMENT

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
	\$	\$	\$	\$
Automotive	31,869	28,800	3,069	4,086
Field equipment	23,826	13,519	10,307	15,229
Furniture and office equipment	95,109	64,142	30,967	37,825
	150,804	106,461	44,343	57,140

4. MINERAL PROPERTIES

	Copaquire	Sierra Pintada	Tabaco	Tierra de Oro	Others	Total
Balance December 31, 2007	8,554,648	548,919	4,087,802	3,058,950	–	16,250,319
Acquisition and staking	1,083,741	30,822	31,011	40,980	–	1,186,554
Exploration						
Drilling	321,737	–	129,474	585,818	–	1,037,029
Field costs	396,092	58,389	42,940	342,755	–	840,175
Project management	64,301	407	21,388	1,499	–	87,595
Other	8,000	10,502	23,970	3,929	–	46,400
Exploration and related costs 2008	1,873,870	100,120	248,783	974,979	–	3,197,753
Impairment of mineral property costs	–	–	(4,336,584)	–	–	(4,336,584)
	–	–	(4,336,584)	–	–	(4,336,584)
Balance December 31, 2008	10,428,518	649,039	–	4,033,929	–	15,111,487
Acquisition and staking	11,089	34,579	–	73,779	–	119,447
Exploration						
Field costs	12,459	–	–	950	–	13,408
Project management	103,802	–	–	976	–	104,778
Exploration and related costs 2009	127,350	34,579	–	75,705	–	237,634
Balance September 30, 2009	10,555,868	683,618	–	4,109,635	–	15,349,121

INTERNATIONAL PBX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

4. MINERAL PROPERTIES (continued)

[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 fulfilled its commitment under the agreement during 2008 and owns 100% of the claims, subject to a 2% Net Smelter Royalty (NSR) for total costs of US\$2,100,000 in cash and a US\$2,000,000 in work commitments over a four year period.

As at September 30, 2009, the Company owns 100% of the claims.

[b] Sierra Pintada, Chile

The Company staked fourteen exploration claims covering 3,300 hectares. During 2008, the Company staked seven additional exploration claims covering 1,800 hectares.

As at September 30, 2009, the Company owns 100% of the claims.

[c] 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.

INTERNATIONAL PBX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

4. MINERAL PROPERTIES (continued)

[d] Other properties

During the period ended September 30, 2009, the Company incurred a total of \$89,513 (2008 - \$102,399) in other exploration expenses as follows:

[i] 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 related maintenance costs of \$22,652 (2008 - \$47,518) to other exploration expense.

[ii] Palo Negro Property, Chile

The Company acquired 100% of the rights to an exploration concession through staking of 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 related maintenance costs of \$45,379 (2008 - \$92,660) to other exploration expense.

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.

[iii] 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 related maintenance costs of \$6,613 (2008 - \$20,794) to other exploration expense.

[iv] Tabaco, Chile

During fiscal 2008, the Company terminated an option agreement entered into during fiscal 2002 to purchase the Tabaco Prospect claims. The Company, however, continues to hold 100% interest in its remaining Tabaco claims and maintains its Tabaco mining properties in good standing. Further during fiscal 2008, the Company has staked three exploitation (500 hectares) concessions which are 100% owned by the Company. During the period ended September 30, 2009, the Company charged \$12,504 (2008 - \$Nil) of related maintenance costs to other exploration expense.

[iv] Other Exploration, Chile

During the period ended September 30, 2009, the Company engaged in the pursuit of other exploration opportunities and possible mining prospects and expensed \$4,396 (2008 - \$20,352) to operations.

INTERNATIONAL PBX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

5. 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, 2007, 2008 and September 30, 2009	77,109,815	32,722,400

During fiscal 2008 and the period ended September 30, 2009, no additional shares were issued by the Company.

6. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Balance as at December 31, 2007	9,432
Other comprehensive loss	(197,612)
Balance as at December 31, 2008	(188,180)
Other comprehensive gain	15,880
Balance as at September 31, 2009	\$ (172,300)

INTERNATIONAL PBX VENTURES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

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, 2007	5,850,000	0.63
Granted	2,550,000	0.25
Cancelled	(350,000)	0.57
Expired	(1,200,000)	0.60
Outstanding, December 31, 2008	6,850,000	0.50
Granted	1,700,000	0.10
Expired	(2,500,000)	0.75
Outstanding, September 30, 2009	6,050,000	0.28

During the period ended September 30, 2009, the Company reduced the exercise price of 4,350,000 previously granted stock options with exercise prices ranging from \$0.25 to \$0.70 to an exercise price of \$0.10 per common share, of which 3,700,000 are subject to shareholder's approval.

As at September 30, 2009, 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 \$
0.10	6,050,000	2.37	
	6,050,000	2.37	2.37

Stock options outstanding as at September 30, 2009 expire between May 2, 2010 and June 4, 2014.

INTERNATIONAL PBX VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. STOCK OPTIONS (continued)

During the period ended September 30, 2009 stock-based compensation of \$24,753 (2008 - \$113,207) has been charged to operations pursuant to vesting schedules for options grants. The fair value of each option granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2009
Expected volatility	67%
Expected life of options (in years)	5 yrs
Risk free interest rate	2.10%
Expected dividend yield	0%

The weighted average fair value of the options granted during the period was \$0.15 (2008 - \$Nil).

8. WARRANTS

The continuity of warrants is as follows:

	Number of shares	Weighted Average Exercise Price \$
Balance, December 31, 2007	21,312,501	0.73
Expired	(870,000)	1.00
Balance, December 31, 2008	20,442,501	0.72
Expired	(20,442,501)	0.72
Balance, September 30, 2009	-	-

As at September 30, 2009, there are no share purchase warrants outstanding.

9. CONTRIBUTED SURPLUS

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

	Amount \$
Balance, December 31, 2007	2,121,103
Fair value of stock options granted and vested	101,424
Balance, December 31, 2008	2,222,527
Fair value of stock options granted and vested	24,573
Balance, September 30, 2009	2,247,100

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10. RELATED PARTY TRANSACTIONS/BALANCES

During the period ended September 30, 2009 and 2008, the Company incurred in the following related party transactions:

- [a] The Company incurred administration expenses from directors or companies controlled by directors of \$171,996 (2008- \$263,500).
- [b] The Company incurred accounting expenses from officers or companies controlled by officers of \$81,000 (2008 - \$81,000).
- [c] The Company paid legal fees of \$1,310 (2008 - \$1,794) on behalf of companies with a common director. The total amount due from these companies is \$6,794 (Dec.31, 2008 - \$5,483).

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 twelve months are as follows:

Year	Commitment \$
2009	16,861
2010	33,722

12. SEGMENTED INFORMATION

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

INTERNATIONAL PBX VENTURES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008**

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 31.00% (2007: 34.12%):

	Dec.31, 2008	Dec. 31, 2007
Expected income tax benefit computed at statutory rates	\$ 1,898,069	\$ 706,811
Effect of:		
Amortization	(6,516)	(7,669)
Non-deductible stock based compensation	(31,441)	(240,454)
Miscellaneous	(1,386,994)	21,895
Share issuance costs	51,850	57,068
Change in enacted rates	(126,029)	-
Other	(78,939)	-
Valuation allowance	(320,000)	(537,651)
	\$ -	\$ -

Non-capital losses - The Company has non-capital losses of \$4,960,000 available to offset future taxable income, expiring from 2009 to 2028. As well, the Company has \$989,000 of non-capital losses that do not expire. The non-capital losses expire as follows:

2009	87,000
2010	517,000
2014	596,000
2015	712,000
2026	974,000
2027	1,192,000
2028	882,000
	\$ 4,960,000

Future tax assets -The tax effects of temporary differences that give rise to significant portions of the future tax assets at December 31, 2008 and 2007 are presented below:

	2008	2007
Combined statutory tax rate	30.00%	31.00%
Future income tax assets		
Non-capital loss carry forwards	\$ 1,785,000	\$ 1,382,000
Capital loss carry forwards	51,000	23,000
Property and equipment	18,000	15,000
Resource pools	1,750,000	1,808,000
Share issuance costs	125,000	181,000
Valuation allowance	(3,729,000)	(3,409,000)
Net future income tax asset	\$ -	\$ -

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. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its shareholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

The Company includes the components of shareholders' equity in its management of capital.

As at September 30, 2009, the Company had capital resources consisting of cash and cash equivalents and marketable securities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

15. FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

As at September 30, 2009, the Company's financial instruments consist of cash and cash equivalents, marketable securities, amounts receivable from related parties and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash and cash equivalents as held-for-trading, its marketable securities as available-for-sale, its amounts receivable and amounts receivable from related parties as loans and receivables and its accounts payable as other financial liabilities.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents and marketable securities. To minimize the credit risk the Company places these instruments with high credit quality financial institutions. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

Liquidity Risk

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

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15. FINANCIAL INSTRUMENTS AND RISK (continued)

Foreign Exchange Risk

The Company's functional currency is the Canadian dollar. However, the Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the company's operations are located in Chile. The Company also has liabilities denoted in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar and Chilean peso could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

Interest Rate Risk

At September 30, 2009, the Company has significant cash and cash equivalent balances, some of which are interest-bearing at 1.950%, but has no interest bearing debt.

The Company is exposed to reductions in interest rates, which could impact expected returns from the Company's investment of corporate funds in short-term, commercial paper upon maturity of such instruments. The assumed 1% change in interest rates would have an immaterial impact on net income/loss.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of molybdenum, gold and copper. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.