

MINAEAN INTERNATIONAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2007 AND 2006**

MINAEAN INTERNATIONAL CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditors.

November 29, 2007

MINAEAN INTERNATIONAL CORP.

CONSOLIDATED BALANCE SHEETS

AS AT SEPTEMBER 30, 2007 AND MARCH 31, 2007

	September 30, 2007	March 31, 2007
ASSETS		
Current		
Cash and cash equivalents	\$ 796,743	\$ 1,051,625
Accounts and advances receivable	1,267,712	687,103
Holdback receivable	-	97,075
Inventories	546,519	805,319
Prepaid expenses and deposits	<u>213,836</u>	<u>250,671</u>
	2,824,810	2,891,793
Deferred financing fees	9,567	13,667
Land, buildings and equipment (Note 4)	<u>451,391</u>	<u>231,570</u>
	<u>\$ 3,285,768</u>	<u>\$ 3,137,030</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ 857,644	\$ 399,955
Accounts payable, accrued liabilities and payroll liabilities	1,277,461	1,549,651
Deferred Revenue	-	13,220
Due to related parties	196,611	285,232
Current portion of long-term debt	<u>-</u>	<u>5,469</u>
	2,331,716	2,253,527
Loan payable	-	10,771
Promissory notes payable	<u>129,014</u>	<u>123,014</u>
	<u>2,460,730</u>	<u>2,387,312</u>
Shareholders' equity		
Capital stock (Note 2)	5,587,044	5,587,044
Contributed surplus (Note 2)	605,447	599,860
Deficit	<u>(5,367,453)</u>	<u>(5,437,186)</u>
	<u>825,038</u>	<u>749,718</u>
	<u>\$ 3,285,768</u>	<u>\$ 3,137,030</u>

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

MINAEAN INTERNATIONAL CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three months ended September 30,		Six months ended September 30,	
	2007	2006	2007	2006
SALES	\$ 1,777,230	\$ 317,862	\$ 2,569,953	\$ 372,947
COST OF SALES	<u>1,210,530</u>	<u>293,872</u>	<u>1,650,471</u>	<u>367,838</u>
	<u>566,700</u>	<u>23,990</u>	<u>919,482</u>	<u>5,109</u>
EXPENSES				
Advertising	4,034	735	6,487	735
Amortization	13,381	10,989	26,810	20,907
Commissions	–	39	–	907
Consulting fees	97,380	9,603	155,322	25,781
Interest and bank charges	38,143	13,629	58,855	21,160
Interest on promissory notes	3,008	4,536	6,000	9,023
Management fees	15,000	33,204	30,000	48,576
Office and administration	78,384	36,577	186,169	61,578
Professional fees	18,641	38,350	31,833	42,728
Regulatory and transfer agent fees	4,484	7,631	8,220	9,107
Rent	61,529	17,524	111,632	30,182
Stock-based compensation	1,891	141,010	5,587	141,010
Travel and promotion	31,667	31,011	58,074	40,207
Wages and benefits	<u>137,312</u>	<u>126,027</u>	<u>286,202</u>	<u>190,839</u>
	<u>(504,854)</u>	<u>(470,865)</u>	<u>(971,191)</u>	<u>(642,740)</u>
Income (Loss) before other items	<u>61,846</u>	<u>(446,875)</u>	<u>(51,709)</u>	<u>(637,631)</u>
OTHER ITEMS				
Forgiveness of debt	–	–	2,412	–
Interest and other income	<u>96,844</u>	<u>12,415</u>	<u>119,030</u>	<u>12,517</u>
	<u>96,844</u>	<u>12,415</u>	<u>121,442</u>	<u>12,517</u>
Income (Loss) for the period	<u>158,690</u>	<u>(434,460)</u>	<u>69,733</u>	<u>(625,114)</u>
Deficit, beginning of period	<u>(5,526,143)</u>	<u>(4,276,302)</u>	<u>(5,437,186)</u>	<u>(4,085,648)</u>
Deficit, end of period	\$ (5,367,453)	\$ (4,710,762)	\$ (5,367,453)	\$ (4,710,762)
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)	\$ (0.00)	\$ (0.02)
Weighted average number of shares outstanding	<u>33,038,480</u>	<u>28,579,416</u>	<u>33,038,480</u>	<u>28,236,793</u>

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

MINAEAN INTERNATIONAL CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three months ended		Six months ended	
	September 30,		September 30,	
	2007	2006	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	\$ 158,690	\$ (434,460)	\$ 69,733	\$ (625,114)
Items not affecting cash:				
Amortization	13,381	10,989	26,810	20,907
Stock-based compensation	1,891	141,010	5,587	141,010
Interest accrued on promissory notes	3,008	4,536	6,000	9,023
Changes in non-cash working capital items:				
Accounts and advances receivable	(437,549)	(86,048)	(580,609)	(89,743)
Holdback receivable	124,709	–	97,075	–
Inventories	291,903	133,150	258,800	121,908
Prepaid expenses and deposits	32,466	(229,333)	36,835	(280,839)
Deferred revenue	–	–	(13,220)	–
Accounts payable, accrued liabilities and payroll liabilities	<u>(309,931)</u>	<u>128,712</u>	<u>(272,191)</u>	<u>141,805</u>
Net cash used in operating activities	<u>(121,432)</u>	<u>(331,444)</u>	<u>(365,180)</u>	<u>(561,043)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of land, buildings and equipment	<u>(220,663)</u>	<u>(23,105)</u>	<u>(242,530)</u>	<u>(23,339)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to related parties	32,709	109,287	(88,621)	221,473
Bank indebtedness	213,177	270,919	457,689	285,474
Repayments on long-term debt	(14,150)	(1,165)	(16,240)	(1,679)
Proceeds on share issuance	–	–	–	165,000
Shares subscription	<u>–</u>	<u>30,000</u>	<u>–</u>	<u>30,000</u>
Net cash provided by financing activities	<u>231,736</u>	<u>409,041</u>	<u>352,828</u>	<u>700,268</u>
Increase (decrease) in cash and cash equivalents during the period	(110,359)	54,492	(254,882)	115,886
Cash and cash equivalents, beginning of period	<u>907,102</u>	<u>342,279</u>	<u>1,051,625</u>	<u>280,885</u>
Cash and cash equivalents, end of period	\$ 796,743	\$ 396,771	\$ 796,743	\$ 396,771
Cash paid during the period for interest	\$ –	\$ –	\$ –	\$ –

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

MINAEAN INTERNATIONAL CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

1. BASIS OF PRESENTATION

These interim consolidated financial statements have been prepared using Canadian generally accepted accounting principles (Canadian GAAP). The interim financial statements include normal recurring adjustments, which in management's opinion, are necessary for a fair presentation of the financial results of the interim period presented.

The disclosures in these statements do not conform in all aspects to the requirements of Canadian GAAP for annual financial statements. These statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's audited financial statements for the year ended March 31, 2007

2. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Capital Stock		Contributed Surplus
	Number of Shares	Amount	
Authorized Unlimited common shares without par value			
As at March 31, 2007	33,038,480	\$ 5,587,044	\$ 599,860
Stock-based compensation	—	—	5,587
As at September 30, 2007	33,038,480	\$ 5,587,044	\$ 605,447

Included in capital stock as at September 30, 2007 are 3,012,956 (March 31, 2007 – 3,766,193) common shares held in escrow subject to a periodic schedule of release.

Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the Board of Directors.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, March 31, 2007	2,136,868	\$ 0.39	3,220,000	\$ 0.27
Expired	(393,333)	0.35	—	—
Outstanding, September 30, 2007	1,743,535	\$ 0.40	3,220,000	\$ 0.27
Number currently exercisable	1,743,535	\$ 0.40	3,208,431	\$ 0.27

MINAEAN INTERNATIONAL CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

2. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

As at September 30, 2007, incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	340,000	\$ 0.25	April 24, 2008
	140,000	\$ 0.30	January 1, 2009
	285,000	\$ 0.25	January 16, 2009
	525,000	\$ 0.25	July 19, 2009
	1,010,000	\$ 0.25	July 4, 2011
	920,000	\$ 0.31	March 6, 2012
Warrants	1,227,168	\$ 0.40	October 27, 2008
	349,700	\$ 0.40	November 21, 2008
	166,667	\$ 0.40	December 13, 2008

(1) During fiscal 2007, the Company repriced these options from \$0.35 to \$0.25 resulting in additional stock based compensation expenses of \$13,158.

Stock-based compensation

The Company uses the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations over the vesting period. Total stock-based compensation recognized in the statement of operations was \$5,587 (September 30, 2006 – \$141,010) and the weighted average fair value of options granted was \$0.12 (2006 – \$0.13) per share. This amount was also recorded as contributed surplus on the balance sheet.

The following weighted average assumptions were used for the valuation of stock options and share purchase warrants:

September 30,	2007	2006
Risk-free interest rate	3.9%	4.5%
Expected life of options	2 years	5 years
Annualized volatility	76%	80%
Dividend rate	0.00%	0.00%

3. SEGMENTED INFORMATION

The Company operates in one industry segment, being the development and production of building framing systems, and in the geographic areas as follows:

September 30,	2007	2006
Sales for the period		
India	\$ 506,164	\$ 197,334
U.S.A.	<u>2,063,789</u>	<u>175,613</u>
	\$ 2,569,953	\$ 372,947

MINAEAN INTERNATIONAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

3. SEGMENTED INFORMATION (cont'd...)

	September 30, 2007	March 31, 2007
Capital assets		
Canada	\$ 8,038	\$ 6,338
U.S.A.	3,656	4,250
India	<u>439,697</u>	<u>220,982</u>
	<u>\$ 451,391</u>	<u>\$ 231,570</u>

During the six months ended September 30, 2007, one customer individually comprised 63% (2006 – 74%) of total sales.