

Canadian International Minerals Inc.

Financial Statements

December 31, 2008

in Canadian dollars

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended December 31, 2008

Canadian International Minerals Inc.
Balance Sheets
As at December 31 and March 31, 2008
(in Canadian dollars)

	December 31, 2008	March 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents (note 2)	\$ 387,447	\$ 2,213
GST receivable	15,384	7,685
Prepaid expenses	-	32,867
	<u>402,831</u>	<u>42,765</u>
Resource properties (schedule 1) (note 3)	154,894	46,997
Equipment (note 4)	8,845	-
	<u>\$ 566,570</u>	<u>\$ 89,762</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 25,925	\$ 36,020
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized		
Unlimited shares of no par value		
Issued and outstanding (note 5)	1,056,132	344,695
Contributed surplus (note 6)	153,781	-
Deficit	(669,268)	(290,953)
	<u>540,645</u>	<u>53,742</u>
	<u>\$ 566,570</u>	<u>\$ 89,762</u>

Approved by the Board:

"Mike Schuss"
President

"Mike Schuss"
Chief Financial Officer

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

Canadian International Minerals Inc.
Statements of Operations and Deficit
(in Canadian dollars)

	Three months ended December 31, 2008	Three months ended December 31, 2007	Nine months ended December 31, 2008	Nine months ended December 31, 2007
Expenses				
Amortization of property, plant and equipment	\$ 1,923	\$ -	\$ 1,923	\$ -
Bank charges and interest	386	61	612	235
Consulting fees	9,598	15,670	56,259	49,070
General exploration costs	237		237	-
Management and director's fees	20,000		32,950	-
Office and general	3,902	647	19,177	3,836
Professional fees	11,395	3,685	62,386	17,812
Rent	4,395	1,500	5,895	4,500
Shareholder liason and promotion	20,498		20,498	-
Stock-based compensation	153,781		153,781	-
Transfer agent and filing fees	(27,673)	7,410	9,443	7,560
Travel	10,764	5,434	16,710	13,930
Total expenses	209,206	34,407	379,871	96,943
Other items				
Interest income	242	426	1,556	2,089
Write-off of resource properties	-	-	-	(6,000)
	242	426	1,556	(3,911)
Net loss and comprehensive loss for the period	(208,964)	(33,981)	(378,315)	(100,854)
Deficit, beginning of period	(460,304)	(216,379)	(290,953)	(149,506)
Deficit, end of period	\$ (669,268)	\$ (250,360)	\$ (669,268)	\$ (250,360)
Loss per share, basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.02)
Weighted average shares outstanding	9,475,457	6,430,001	9,475,457	6,430,001

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

Canadian International Minerals Inc.
Statements of Cash Flows
(in Canadian dollars)

	Three months ended December 31, 2008	Three months ended December 31, 2007	Nine months ended December 31, 2008	Nine months ended December 31, 2007
Operating Activities				
Net loss for the period	\$ (208,964)	\$ (33,981)	\$ (378,315)	\$ (100,854)
Items not involving cash				
Amortization and software write-downs	1,923	-	1,923	-
Write-off of resource properties	-	-	-	6,000
Stock-based compensation	153,781	-	153,781	-
	(53,260)	(33,981)	(222,611)	(94,854)
Changes in non-cash working capital				
GST receivable	(3,634)	(1,873)	(7,699)	(3,981)
Prepaid expenses	-	1,791	32,867	(12,986)
Accounts payable and accrued liabilities	13,472	(23,184)	(10,095)	(14,186)
Net cash used in operating activities	(43,422)	(57,247)	(207,538)	(126,007)
Financing Activities				
Shares issued for cash, net of issuance costs	-	-	800,000	-
Share issue costs	(39,563)	-	(103,563)	-
Net cash provided from financing activities	(39,563)	-	696,437	-
Investing Activities				
Acquisition of equipment	(10,768)	-	(10,768)	-
Acquisition of resource properties	(17,500)	-	(62,966)	-
Deferred exploration costs	16,453	(1,372)	(29,931)	(5,674)
Net cash used in investing activities	(11,815)	(1,372)	(103,665)	(5,674)
Change in cash	(94,800)	(58,619)	385,234	(131,681)
Cash and cash equivalents at beginning of period	482,247	90,029	2,213	163,091
Cash and cash equivalents at end of period	\$ 387,447	\$ 31,410	\$ 387,447	\$ 31,410

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

Canadian International Minerals Inc.
Schedule of Resource Properties
December 31, 2008
(in Canadian dollars)

Schedule 1

Nine months ended December 31, 2008

	Copper Mountain	Lady Bug	Lanny Claims	Solar Silicon	Total
Balance, beginning of year	\$ 46,997	\$ -	\$ -	\$ -	\$ 46,997
Acquisition costs					
Cash	-	10,000	7,966	45,000	62,966
Shares	-	-	-	15,000	15,000
	-	10,000	7,966	60,000	77,966
Deferred exploration expenditures					
Geological consulting	24,699	-	-	5,232	29,931
	24,699	-	-	5,232	29,931
Total	\$ 71,696	\$ 10,000	\$ 7,966	\$ 65,232	\$ 154,894
Write-offs	-	-	-	-	-
Balance, end of period	\$ 71,696	\$ 10,000	\$ 7,966	\$ 65,232	\$ 154,894

For the year ended March 31, 2008

	Copper Mountain	Total
Balance, beginning of year	\$ -	\$ -
Acquisition costs		
Cash	16,505	16,505
Shares	-	-
	16,505	16,505
Deferred exploration expenditures		
Geological consulting	36,492	36,492
	36,492	36,492
Total	\$ 52,997	\$ 52,997
Write-offs	(6,000)	(6,000)
Balance, end of period	\$ 46,997	\$ 46,997

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Canadian International Minerals Inc. was incorporated under the Business Corporations Act (British Columbia) on March 2, 2006. The Company is engaged in the acquisition and exploration of mineral properties in Canada.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the Company's next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2008, the Company had not yet achieved profitable operations, has working capital of \$376,908, has accumulated losses of \$669,268 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

These interim financial statements should be read in conjunction with the audited March 31, 2008 annual financial statements.

These interim financial statements follow the same accounting policies and methods of their application as in the March 31, 2008 annual financial statements. These interim financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements in that they do not include all note disclosures.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and expenses for the periods reported. Actual results could differ from those estimates.

Equipment

Equipment is stated at cost less accumulated amortization. Amortization is provided on a declining balance basis at the following rates:

Computer equipment	20% to 55%
Furniture and fixtures	20%

Recent Accounting Pronouncements

The following accounting pronouncements are applicable to future reporting periods. The Company is currently evaluating the effects of adopting these standards:

On January 8, 2008, the CICA issued Section 3064, Goodwill and Intangible Assets. Section 3064, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. Section 3064 is effective for annual and interim financial statements to fiscal years beginning on or after October 1, 2008 and will be adopted on October 1, 2008.

The Canadian Accountability Standards Board ("AcSB") amended CICA Handbook Section 1400, General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008 and will be adopted by the Company on October 1, 2008.

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian GAAP, as used by public companies, with International Financial Reporting Standards over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. This initiative is in its early stages as of the date of these annual financial statements. Accordingly, it would be premature to assess the impact of the initiative on the Company at this time.

Canadian International Minerals Inc.
Notes to Financial Statements
December 31, 2008
(in Canadian dollars)

2. GUARANTEED INVESTMENT CERTIFICATES

The following non-transferable BMO investment certificates have been classified as financial assets held for trading and are accounted for at fair value.

	2008	2007
Guaranteed Investment Certificate due June 16, 2009	\$ 296,000	\$ -

3. RESOURCE PROPERTIES

(a) Copper Mountain

The Company entered into two assignment of mineral title agreements on January 31, 2007. The first agreement was between Michael Schuss (CEO of the Company) and the Company. In consideration for \$10,000 Mr. Schuss assigned and transferred all rights, title and interest in seven claims. The second agreement between Larry Ralph Sostad and the Company assigned and transferred all rights, title and interest in two claims to the Company for consideration of \$6,000. The area is located at the southern end of the Thompson Plateau, overlooking the Similkameen River Canyon 15 km from Princeton, British Columbia.

(b) Lady Bug

The Company acquired a 100% interest in mineral claims located in the Monashee region of east central British Columbia. The acquisition cost was \$10,000 paid to Michael Schuss (CEO of the Company) as a reimbursement of costs.

(c) Lanny Claims

The Company acquired a 100% interest in mineral claims located near Sinclair Mills, British Columbia for the sum of \$7,500 and recording costs.

(d) Solar Silicon

The Company has entered into an option agreement on September 3, 2008 to acquire a 100% interest in the Solar claim group located approximately 2 km north east of the town of Golden, British Columbia. The Solar claims are 888.426 hectares in area.

The Company can earn a 100% interest in the Solar claims by paying, \$45,000 (paid) and 375,000 common shares (issued) on signing, 250,000 common share in six months, and 250,000 common shares in 12 months.

4. EQUIPMENT

December 31, 2008	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 8,501	\$ 1,753	\$ 6,748
Furniture and fixtures	2,267	170	2,097
	\$ 10,768	\$ 1,923	\$ 8,845
March 31, 2008			
Computer equipment	\$ -	\$ -	\$ -
Furniture and fixtures	-	-	-
	\$ -	\$ -	\$ -

Canadian International Minerals Inc.
Notes to Financial Statements
December 31, 2008
(in Canadian dollars)

5. CAPITAL STOCK

(a) Authorized

Unlimited common shares of no par value

(b) Issued and outstanding

	Shares	Amount
Balance at March 31, 2007	6,330,001	\$ 340,050
Common shares issued for cash	100,000	10,000
Share issue costs	-	(5,355)
Balance at March 31, 2008	6,430,001	\$ 344,695
Initial public offering	4,000,000	800,000
Shares for corporate finance fee	40,000	10,000
Issue costs	-	(113,563)
Issued for property acquisition (note 3d)	375,000	15,000
Balance at December 31, 2008	10,845,001	\$ 1,056,132

The Company completed an initial public offering of 4,000,000 shares at \$0.20 per share on June 13, 2008, giving the Company \$696,437 to the treasury after costs. Issue costs include the agent's commission at 8% or \$64,000, a sponsorship fee of \$25,000 and legal and accounting fees of \$14,563. The agent also received 100,000 shares as a corporate finance fee.

(c) Stock options

The Company has granted employees, consultants, directors and officers share purchase options.

(i) The changes in stock options were as follows:

	December 31, 2008	Weighted Average	March 31, 2008	Weighted Average
Balance outstanding, beginning of period	-	\$ -	-	\$ -
Activity during the year				
Options granted	1,000,000	0.25	-	-
Balance outstanding, end of period	1,000,000	\$ 0.25	-	\$ -

Using the fair value method for stock-based compensation, stock-based compensation expense of \$153,781 was recorded in the statements of operations for the nine months ended December 31, 2008 (2007 - \$nil).

This amount was determined using the Black Scholes Option Pricing Model assuming no dividends are to be paid, with a weighted average expected stock option life of 2 years (2007 - 1.19), a weighted average volatility of the Company's share price of 120% (2007 - 101.6%) and an average annual risk free interest rate of 3% (2007 - 3.8%).

(iii) The following table summarizes information about stock options outstanding at December 31, 2008:

Range of exercise prices	Number outstanding at December 31, 2008	Weighted average remaining contractual life (years)
\$ 0.25	1,000,000	1.5

(d) Warrants

Nil

6. CONTRIBUTED SURPLUS

Contributed surplus is as follows:

	December 31, 2008	March 31, 2008
Balance, beginning of period	\$ -	\$ -
Options granted	153,781	-
Balance, at end of period	\$ 153,781	\$ -

7. RELATED PARTY TRANSACTIONS

The following expenses were incurred with directors and officers of the Company

	Nine months ended December 31, 2008	Nine months ended December 31, 2007
Rent - to a company controlled by a former director	\$ 1,500	\$ 4,500
Management fees	32,950	49,070
Consulting fees	14,700	-
	\$ 49,150	\$ 53,570

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

As at December 31, 2008 accounts payable and accrued liabilities included \$nil (March 31, 2008 - \$13,460) owing to officers and directors.

8. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its resource properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

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 its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects.

9. SUBSEQUENT EVENTS

On January 15, 2009, the Company entered into an agreement with Commerce Resources Corp. (a TSX Venture Exchange listed company) to explore and develop a rare earth element property in central British Columbia. Under the terms of the agreement, the Issuer will acquire a 75% interest in the Carbo Claims. The property consists of five mineral claims with a total area of 1,464 hectares, located approximately 80 km northeast of Prince George.

Under the terms of the agreement, the Company will acquire a 75% interest in the Carbo Claims, with Commerce retaining a 2% NSR Royalty, by paying a total of \$30,000 cash over three years (\$10,000 upon signing of the agreement; \$10,000 on the first anniversary; and \$10,000 on the second anniversary) and issuing to Commerce a total of 1,500,000 common shares over three years (500,000 shares on closing; 500,000 shares on the first anniversary; and 500,000 on the second anniversary). The Company must incur a minimum of \$198,000 in exploration expenditures on the Carbo Claims over three years with a minimum of \$66,000 per year. The consideration was determined through arm's-length negotiations.