
CHARIOT RESOURCES LIMITED

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT JULY 31, 2007 AND
FOR THE THREE MONTH PERIODS ENDED
JULY 31, 2007 AND 2006

See accompanying notes to the financial statements

**MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Chariot Resources Limited as at July 31, 2007 and for the three month periods ended July 31, 2007 and 2006 have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	July 31, 2007	April 30, 2007
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	23,528,134	27,515,555
Accounts receivable	633,431	417,006
Prepaid expenses	220,983	204,976
	24,382,548	28,137,537
Equipment	378,332	366,949
Mineral property interests (note 3)	47,994,836	44,726,213
Peruvian sales tax receivable (note 5)	5,182,376	4,750,128
	5,182,376	4,750,128
Total Assets	\$ 77,938,092	\$ 77,980,827
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	1,274,114	1,594,859
Current portion of capital lease obligations	31,432	9,224
	1,305,546	1,604,083
Capital lease obligations	11,082	-
Asset retirement obligations	314,225	314,225
	314,225	314,225
Total Liabilities	1,630,853	1,918,308
Shareholders' Equity		
Share capital (note 6)	86,952,946	86,151,882
Contributed surplus	2,957,645	3,145,173
Deficit	(13,603,352)	(13,234,536)
	76,307,239	76,062,519
Total Liabilities and Shareholders' Equity	\$ 77,938,092	\$ 77,980,827

APPROVED ON BEHALF OF THE BOARD

“ Edward Thompson ”

Director

“ John Kutkevicius ”

Director

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED
(Expressed in Canadian Dollars)

	July 31, 2007	July 31, 2006
	\$	\$
Expenses		
Amortization	9,587	17,429
Salaries, consulting and management fees	104,589	107,659
General and administration	205,473	174,492
Legal	52,636	21,802
Stock-based compensation	68,794	144,186
	<hr/>	<hr/>
Loss before undernoted items	441,079	465,568
Foreign exchange gain (loss)	(196,528)	694,768
Interest income	268,791	238,713
	<hr/>	<hr/>
Net Earnings (Loss) for Period	\$ (368,816)	\$ 467,913
	<hr/>	<hr/>
Earnings (Loss) per Share - Basic and diluted	\$ (0.01)	\$ 0.01
	<hr/>	<hr/>
Weighted Average Shares Outstanding	304,023,986	228,657,287
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See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common Shares		Contributed Surplus	Deficit	Total
	Shares	Amount			
		\$	\$	\$	\$
Balance - April 30, 2005	159,830,636	35,672,072	1,483,385	(9,571,708)	27,583,749
Issued during the year					
For cash					
Exercise of warrants	8,363,631	2,103,220	-	-	2,103,220
Exercise of stock options	500,000	80,000	-	-	80,000
Public sale	42,500,000	18,275,000	-	-	18,275,000
Private Sale	16,644,000	5,326,080	-	-	5,326,080
Share issue costs	-	(1,609,305)	-	-	(1,609,305)
Stock-based compensation	-	-	675,748	-	675,748
Transfer of fair value on exercise of options	-	52,650	(52,650)	-	-
Stock options forfeited	-	-	(29,448)	-	(29,448)
Net loss for year	-	-	-	(2,227,778)	(2,227,778)
Balance - April 30, 2006	227,838,267	59,899,717	2,077,035	(11,799,486)	50,177,266
Issued during the year					
For cash					
Exercise of warrants	73,604,304	25,312,064	-	-	25,312,064
Exercise of stock options	2,021,667	577,471	-	-	577,471
Stock-based compensation	-	-	1,492,790	-	1,492,790
Transfer of fair value on exercise of options	-	362,630	(362,630)	-	-
Stock options forfeited	-	-	(62,022)	-	(62,022)
Net loss for year	-	-	-	(1,435,050)	(1,435,050)
Balance - April 30, 2007	303,464,238	86,151,882	3,145,173	(13,234,536)	76,062,519
Issued during period					
For cash					
Exercise of stock options	1,213,472	515,170	-	-	515,170
Stock-based compensation	-	-	98,366	-	98,366
Transfer of fair value on exercise of options	-	285,894	(285,894)	-	-
Net loss for period	-	-	-	(368,816)	(368,816)
Balance - July 31, 2007	304,677,710	86,952,946	2,957,645	(13,603,352)	76,307,239

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED
(Expressed in Canadian Dollars)

	July 31, 2007	July 31, 2006
	\$	\$
Operating Activities		
Net earnings (loss) for period	(368,816)	(467,913)
Items not involving cash:		
Amortization	9,587	17,429
Stock-based compensation	68,794	144,186
	(290,435)	629,528
Changes in operating assets and liabilities:		
Increase in accounts receivable	(216,425)	(194,764)
Decrease (increase) in prepaid expenses	(16,007)	(123,672)
Increase (decrease) in accounts payable and accrued liabilities	(1,384,538)	3,697
	(1,907,405)	314,789
Investing Activities		
Expenditures on equipment	(33,001)	(36,137)
Expenditures on mineral property interests	(2,129,937)	(2,536,016)
Increase in recoverable Peruvian sales tax receivable	(432,248)	(161,501)
	(2,595,186)	(2,733,654)
Financing Activities		
Shares issued for cash	515,170	1,499,048
	(3,987,421)	(919,817)
Decrease in cash and cash equivalents during period	(3,987,421)	(919,817)
Cash and cash equivalents, beginning of period	27,515,555	21,437,185
	\$ 23,528,134	\$ 20,517,368

SUPPLEMENTARY CASH FLOW INFORMATION (note 8)

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 2007
(Expressed in Canadian Dollars)

1. CONTINUING OPERATIONS

The Company was incorporated on November 12, 1996 under the Business Corporations Act (Yukon). On October 28, 2004, the Company was continued under the *Business Corporations Act* (British Columbia).

These interim consolidated financial statements are prepared on a going-concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company is in the development stage and currently derives no revenue from its operations. The Company has financed its operations principally through equity financing. Substantial external financing will be required by the Company to fund its future operations, to explore and develop its interest in mineral properties and to pursue other potential investments in the resource sector.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The interim consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries: Andes Resources Compañía Minera S.A.C. (“Andes”); Chariot Holdings Inc.; Chariot Operating Limited and Chariot Partners Limited and its proportionate 70% interest in Marcobre S.A.C., an incorporated joint venture with LS-Nikko Copper Inc. (“LS-Nikko”) and Korea Resources Corporation (“KORES”). Inter company balances and transactions are eliminated upon consolidation.

These interim consolidated financial statements should be read in conjunction with the most recent annual audited consolidated financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Significant management estimates relate to the determination of asset retirement obligations, recoverability of mineral property and deferred exploration expenditures and stock-based compensation. Actual results could differ materially from these estimates.

Adoption of New Accounting Standards

Effective May 1, 2007 the Company adopted two new accounting standards and related amendments to other standards on financial instruments issued by the Canadian Institute of Chartered Accountants.

Comprehensive Income – CICA Handbook Section 1530

Comprehensive income is the change in the equity of the Company during a period resulting from transactions, events and circumstances from sources other than the Company’s shareholders.

The standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available-for-sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses related to self sustaining operations, none of which are included in the calculation of net earnings until realized

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 2007
(Expressed in Canadian Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company has not realized any comprehensive income during the three months ended July 31, 2007.

Financial Instruments – CICA Handbook Section 3855

This standard prescribes when a financial asset, financial liability or non financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented.

The carrying amounts for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities on the consolidated balance sheet as at July 31, 2007 approximate fair value because of the short term nature of these financial instruments.

Hedges – CICA Handbook Section 3865

This section establishes standards for when and how hedge accounting may be applied.

As the Company has not previously undertaken hedging activities, adoption of this section currently has no impact on the Company.

Cash and Cash Equivalents

Cash and cash equivalents includes deposits at call, term deposits with an original maturity date of 90 days or less, and term deposits callable after 30 days.

Joint Ventures

The Company participates in joint ventures and consolidates its proportionate share of the assets, liabilities and expenses where joint control is exercised.

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 2007
(Expressed in Canadian Dollars)

3. MINERAL PROPERTY INTERESTS

Marcona Project

On January 3, 2005 the Company and KORES and LS-Nikko, jointly the “Korean Partners”, paid the first of two payments to acquire a 100% undivided interest in the Marcona Copper Project (“Marcona”). The Company’s share of the first payment was \$18,695,535 representing payments to the former owners of Marcona in the amount of \$17,023,464 and a payment in respect of Peruvian General Sales Tax (“IGV”) in the amount of \$1,672,071. The payment in respect of IGV is considered to be eventually recoverable as a credit against IGV otherwise payable in respect of future mineral production from Marcona.

On January 3, 2007 the Company and the Korean Partners made the second of the two mandatory payments required under the abovementioned Marcona Copper Project acquisition agreement. The Company’s 70% share of this second payment was \$10,646,090 and a payment in respect of IGV of \$1,163,085.

4. JOINT VENTURE

The Company’s share of the assets and liabilities and cash flows of the Marcobre joint venture is as follows:

	2007	2006
	\$	\$
Current assets	2,653,027	1,093,567
Current liabilities	898,089	347,743
Working capital	1,754,938	745,824
Mineral property interests	47,994,836	28,412,297
Other non-current assets	5,545,347	3,576,207
Less: non-current liabilities	<u>3,126,572</u>	<u>322,013</u>
Net assets	<u>52,168,549</u>	<u>32,412,315</u>
Net cash flows from operating activities	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net cash flows from investing activities	<u>52,019,496</u>	<u>27,742,541</u>

5. PERUVIAN SALES TAX RECEIVABLE

Included in non-current assets is \$5,182,376 (2006-\$3,235,565) of refundable Peruvian General Sales Tax. This amount is refundable either as a credit received from the export of mineral production or under the sales tax early recovery program established by the Peruvian government. During the three months ended July 31, 2007 the Company recovered \$141,899 under the early recovery program.

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 2007
(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized and Issued

The Company's authorized share capital is an unlimited number of common shares of which 304,677,710 were issued and outstanding as at July 31, 2007.

Stock Options

The following table sets out information concerning stock options granted and outstanding as at July 31, 2007.

Number of Options	Number of Options vested	Exercise Price	Expiry Date	Number of months To Expiry
		\$		
250,000	250,000	0.16	March 6, 2008	8
750,000	750,000	0.45	December 4, 2008	17
41,333	41,333	0.45	April 23, 2009	21
1,975,000	1,975,000	0.27	January 3, 2015	89
100,000	100,000	0.27	January 26, 2015	90
200,000	200,000	0.28	March 10, 2015	92
2,305,000	2,305,000	0.34	April 5, 2015	93
1,975,675	1,205,603	0.44	February 7, 2016	103
200,000	66,660	0.60	October 25, 2016	111
3,488,353	1,031,563	0.57	January 11, 2017	114
440,000	146,652	0.67	January 26, 2017	114
11,725,361	8,071,811	0.43		94

During the three months ended July 31, 2007, the Company recorded stock based compensation expenditure of \$98,366 attributable to the grant of stock options of which, \$29,572 was capitalized to mineral property interests.

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 2007
(Expressed in Canadian Dollars)

7. SEGMENTED INFORMATION

The Company's principal business activity is the acquisition, exploration and development of mineral properties located in Peru. The assets and liabilities of the Company are located geographically as set out below:

	Canada	Peru	Cayman Islands	Total
	\$	\$	\$	\$
July 31, 2007				
Cash	20,046,886	2,651,654	829,594	23,528,134
Mineral Property Interests	-	47,994,836	-	47,994,836
Other Assets	241,306	6,173,816	-	6,415,122
	20,288,192	56,820,306	829,594	77,938,092
Liabilities	191,927	1,438,926	-	1,630,853
	20,096,265	55,381,380	829,594	76,307,239
April 30, 2007				
Cash	22,819,064	1,023,383	3,673,108	27,515,555
Mineral Property Interests	-	44,726,213	-	44,726,213
Other Assets	315,384	5,422,261	1,414	5,739,059
	23,134,448	51,171,857	3,674,522	77,980,827
Liabilities	337,293	1,581,015	-	1,918,308
	22,797,155	49,590,842	3,674,522	76,062,519

8. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash investing information is as follows:

	July 31, 2007	July 31, 2006
	\$	\$
Non-cash investing activity		
Increase in accounts payable related to mineral property interests	1,097,083	-
Deferral of stock based compensation	29,572	16,282
Deferral of amortization	12,031	-

9. SUBSEQUENT EVENT

As at September 14, 2007 the Company has recovered a further \$68,154 under the sales tax early recovery program established by the Peruvian government