
CHARIOT RESOURCES LIMITED

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT OCTOBER 31, 2007 AND FOR THE
THREE AND SIX MONTH PERIODS ENDED OCTOBER, 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 October 31, 2007 and for the three and six month periods ended October 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)

	October 31, 2007	April 30, 2007
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	18,293,252	27,515,555
Accounts receivable	481,148	417,006
Prepaid expenses	140,422	204,976
	18,914,822	28,137,537
Equipment	378,267	366,949
Mineral property interests (note 3)	52,221,017	44,726,213
Peruvian sales tax receivable (note 5)	6,106,395	4,750,128
	6,106,395	4,750,128
Total Assets	\$ 77,620,501	\$ 77,980,827
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	1,048,423	1,594,859
Current portion of capital lease obligations	21,620	9,224
	1,070,043	1,604,083
Capital lease obligations	9,498	-
Asset retirement obligations	314,225	314,225
	314,225	314,225
Total Liabilities	1,393,766	1,918,308
Shareholders' Equity		
Share capital (note 6)	86,965,970	86,151,882
Contributed surplus	3,124,769	3,145,173
Deficit	(13,864,004)	(13,234,536)
	76,226,735	76,062,519
Total Liabilities and Shareholders' Equity	\$ 77,620,501	\$ 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 AND SIX MONTH PERIODS
(Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	October 31, 2007	October 31, 2006	October 31, 2007	October 31, 2006
	\$	\$	\$	\$
Expenses				
Amortization	15,874	15,814	25,461	33,243
Salaries, consulting and management fees	78,031	67,660	182,620	175,319
General and administration	238,903	(99,014)	444,376	75,478
Legal	37,334	39,057	89,970	60,859
Stock-based compensation	98,364	162,678	167,158	306,864
Loss before undernoted items	468,506	186,195	909,585	651,763
Foreign exchange loss (gain)	13,451	624,889	209,979	(69,879)
Interest income	221,305	225,891	490,096	464,604
Net Loss for Period	\$ 260,652	\$ 585,193	\$ 629,468	\$ 117,280
Loss per Share - Basic and diluted	\$ 0.001	\$ 0.003	\$ 0.002	\$ 0.001
Weighted Average Shares Outstanding	304,681,414	233,819,129	304,144,784	230,326,190

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, 2006	227,838,267	59,899,716	2,077,035	(11,799,486)	50,177,265
Issued during period					
For cash					
Exercise of warrants	3,977,273	1,324,123	-	-	1,324,123
Exercise of stock options	615,000	174,925	-	-	174,925
Stock-based compensation	-	-	160,468	-	160,468
Transfer of fair value on exercise of options	-	99,574	(99,574)	-	-
Net earnings for the period	-	-	-	467,913	467,913
Balance - July 31, 2006	232,430,540	61,498,338	2,137,929	(11,331,573)	52,304,694
Issued during the year					
For cash					
Exercise of warrants	3,487,252	1,067,124	-	-	1,067,124
Stock-based compensation	-	-	178,961	-	178,961
Net loss for period	-	-	-	(585,193)	(585,193)
Balance - October 31, 2006	235,917,792	62,565,462	2,316,890	(11,916,766)	52,965,586
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
Issued during period					
For cash					
Exercise of stock options	13,333	8,933	-	-	8,933
Stock-based compensation	-	-	171,215	-	171,215
Transfer of fair value on exercise of options	-	4,091	(4,091)	-	-
Net loss for period	-	-	-	(260,652)	(260,652)
Balance - October 31, 2007	304,691,043	86,965,970	3,124,769	(13,864,004)	76,226,735

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTH PERIODS
(Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	October 31, 2007	October 31, 2006	October 31, 2007	October 31, 2006
	\$	\$	\$	\$
Operating Activities				
Net loss for period	(260,652)	(585,193)	(629,468)	(117,280)
Items not involving cash:				
Amortization	15,874	15,814	25,461	33,243
Stock-based compensation	98,364	162,678	167,158	306,864
	<u>(146,414)</u>	<u>(406,701)</u>	<u>(436,849)</u>	<u>222,827</u>
Changes in operating assets and liabilities:				
Decrease (increase) in accounts receivable	152,282	(36,968)	(64,142)	(231,732)
Decrease (increase) in prepaid expenses	80,562	32,109	64,554	(91,563)
Increase (decrease) in accounts payable and accrued liabilities	27,561	(50,705)	(1,356,977)	(47,007)
	<u>113,991</u>	<u>(462,265)</u>	<u>(1,793,414)</u>	<u>(147,475)</u>
Investing Activities				
Expenditures on equipment	(26,293)	(19,100)	(59,294)	(55,237)
Expenditures on mineral property interests	(4,407,494)	(1,346,941)	(6,537,431)	(3,882,957)
Increase in recoverable Peruvian sales tax receivable	(924,019)	(331,247)	(1,356,267)	(492,749)
	<u>(5,357,806)</u>	<u>(1,697,288)</u>	<u>(7,952,992)</u>	<u>(4,430,943)</u>
Financing Activities				
Shares issued for cash	8,933	1,067,124	524,103	2,566,172
Decrease in cash and cash equivalents during period	(5,234,882)	(1,092,429)	(9,222,303)	(2,012,246)
Cash and cash equivalents, beginning of period	23,528,134	20,517,368	27,515,555	21,437,185
Cash and cash equivalents, end of period	<u>\$ 18,293,252</u>	<u>\$ 19,424,939</u>	<u>\$ 18,293,252</u>	<u>\$ 19,424,939</u>

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 AND SIX MONTH PERIODS ENDED OCTOBER 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 AND SIX MONTH PERIODS ENDED OCTOBER 31, 2007
(Expressed in Canadian Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company has not realized any comprehensive income during the six months ended October 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 October 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 AND SIX MONTH PERIODS ENDED OCTOBER 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	1,730,894	2,000,000
Current liabilities	822,937	258,702
Working capital	907,956	1,741,299
Mineral property interests	52,221,017	29,775,533
Other non-current assets	7,440,680	3,899,342
Less: non-current liabilities	<u>572,417</u>	<u>318,477</u>
Net assets	<u>59,997,237</u>	<u>35,097,697</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>53,616,371</u>	<u>30,352,712</u>

5. PERUVIAN SALES TAX RECEIVABLE

Included in non-current assets is \$6,106,395 (2006-\$3,566,813) 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 six months ended October 31, 2007 the Company recovered \$191,818 under the early recovery program.

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTH PERIODS ENDED OCTOBER 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 304,691,043 were issued and outstanding as at October 31, 2007.

Stock Options

The following table sets out information concerning stock options granted and outstanding as at October 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	5
750,000	750,000	0.45	December 4, 2008	14
41,333	41,333	0.45	April 23, 2009	18
1,975,000	1,975,000	0.27	January 3, 2015	86
100,000	100,000	0.27	January 26, 2015	87
200,000	200,000	0.28	March 10, 2015	89
2,305,000	2,305,000	0.34	April 5, 2015	90
1,975,675	1,205,603	0.44	February 7, 2016	100
200,000	66,660	0.60	October 25, 2016	108
3,488,353	1,031,563	0.57	January 11, 2017	111
426,666	142,208	0.67	January 26, 2017	111
550,000	183,315	1.00	August 27, 2017	118
12,262,027	8,250,682	0.46		93

During the six months ended October 31, 2007, the Company recorded stock based compensation expenditure of \$269,581 attributable to the grant of stock options of which, \$102,423 was capitalized to mineral property interests.

CHARIOT RESOURCES LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTH PERIODS ENDED OCTOBER 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
	\$	\$	\$	\$
April 30, 2007				
Net Assets	22,797,155	49,590,842	3,674,522	76,062,519
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
Net Assets	20,096,265	55,381,380	829,594	76,307,239
October 31, 2007				
Cash	16,394,539	1,846,739	51,974	18,293,252
Mineral Property Interests	-	52,221,017	-	52,221,017
Other Assets	356,755	6,749,477	-	7,106,232
	16,751,294	60,817,233	51,974	77,620,501
Liabilities	86,618	1,307,148	-	1,393,766
Net Assets	16,664,676	59,510,085	51,974	76,226,735

8. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash investing information is as follows:

	October 31, 2007	October 31, 2006
	\$	\$
Non-cash investing activity		
Increase in accounts payable related to mineral property interests	832,435	-
Deferral of stock based compensation	102,423	32,565
Deferral of amortization	22,515	-
Capital taxes paid	-	42,531