

ANSELL CAPITAL CORP.

**UNAUDITED 1ST QUARTER
FINANCIAL STATEMENTS**

OCTOBER 31, 2008

Notice to Reader

These interim financial statements of Ansell Capital Corp. have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

ANSELL CAPITAL CORP.
UNAUDITED BALANCE SHEETS
AS AT OCTOBER 31 AND JULY 31, 2008

	October 31	July 31
ASSETS		
Current		
Cash	\$ 262,057	\$ 359,343
Receivables	<u>2,890</u>	<u>5,594</u>
	264,947	364,937
Deferred financing costs	30,000	-
Deposit (Note 6)	<u>25,398</u>	<u>25,398</u>
	<u>\$ 320,345</u>	<u>\$ 390,335</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	<u>\$ 3,506</u>	<u>\$ 16,034</u>
Shareholders' equity		
Capital stock (Note 3)	559,204	559,204
Contributed surplus (Note 3)	50,165	50,165
Deficit	<u>(292,530)</u>	<u>(235,068)</u>
	<u>316,839</u>	<u>374,301</u>
	<u>\$ 320,345</u>	<u>\$ 390,335</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 6)

On behalf of the Board:

 "Toma Sojonky"

Director

 "Barry Sheahan"

Director

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

ANSELL CAPITAL CORP.
UNAUDITED STATEMENTS OF OPERATIONS AND DEFICIT

	Three Months	Three Months
	To October 31, 2008	To October 31, 2007
EXPENSES		
Business investigation costs	\$ 13,313	\$ 2,000
Exchange (gain)	(3,472)	-
Office and miscellaneous	2,018	284
Professional fees	22,906	-
Regulator and filing fees	16,899	-
Rent	3,750	3,750
Stock-based compensation (Note 3)	-	-
Transfer agent fees	<u>3,667</u>	<u>3,759</u>
	(59,081)	(9,793)
Interest income	<u>1,619</u>	<u>5,807</u>
Loss for the period	(57,462)	(3,986)
Deficit, beginning of period	<u>(235,068)</u>	<u>(133,668)</u>
Deficit, end of period	<u>\$ (292,530)</u>	<u>\$ (137,654)</u>
Basic and diluted loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding	<u>5,200,000</u>	<u>5,200,000</u>

Note:

The weighted average number of common shares outstanding for 2007 and 2006 does not include 2,000,000 escrow shares that are contingently returnable.

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

ANSELL CAPITAL CORP.
UNAUDITED STATEMENTS OF CASH FLOWS

	Three Months	Three Months
	To October 31, 2008	To October 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (57,462)	\$ (3,986)
Items not affecting cash		
Accrued interest	-	(4,646)
Changes in non-cash working capital items		
Increase in receivables	2,704	-
Increase in deferred financing fees	(30,000)	-
Decrease in accounts payable and accrued liabilities	(12,528)	2,271
Net cash used in operating activities	<u>(97,286)</u>	<u>(6,361)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of capital stock	-	-
Share issue costs	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash during the period	(97,286)	(6,361)
Cash, beginning of period	<u>359,343</u>	<u>474,336</u>
Cash end of period	<u>\$ 262,057</u>	<u>\$ 467,975</u>
Supplemental disclosure with respect to cash flows:		
Cash paid for interest during the period	\$ -	\$ -
Cash paid for income taxes during the period	-	-

There were no significant non-cash transactions for the three-month period ended October 31, 2008.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Ansell Capital Corp. ("The Company") was incorporated under the Business Corporations Act (BC) on July 26, 2006 and is classified as a Capital Pool Company ("CPC") as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The Company completed its initial public offering ("IPO") during the 2007 fiscal year (Note 3). The principal business of the Company is the identification and evaluation of a Qualifying Transaction and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

	October 31, 2008	July 31, 2008
Working capital	\$ 261,441	\$ 348,903
Deficit	(292,530)	(235,068)

2. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

Financial instruments and comprehensive income

The Canadian Institute of Chartered Accountants issued the following standards effective for the fiscal years beginning on or after October 1, 2006: Accounting Standards Section 1530 "Comprehensive Income", Accounting Standards Section 3855 "Financial Instruments – Recognition and Measurement" Accounting Standard Section 3861 "Financial Instruments – Presentation and Disclosure" and Accounting Standards Section 3865 – "Hedges". These sections require certain financial instruments and hedge transactions to be recorded at fair value. The standards also introduce the concept of comprehensive income and accumulated other comprehensive income.

The Company adopted these standards effective August 1, 2007 on a prospective basis without retroactive restatement of the prior period. Under the new standard, financial instruments designated as "held for trading" and "available for sale" will be carried at their fair value while financial instruments designated as "loans and receivables", "financial liabilities" and those classified as "held to maturity" will be carried at their amortized cost. All derivatives will be carried on the balance sheet at their fair value. Mark-to-market adjustments on these instruments will be included in either net income or comprehensive income. Transaction costs incurred to acquire financial instruments will be included in the underlying balance.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Changes in accounting policies (cont'd...)

Financial instruments and comprehensive income (cont'd...)

Upon adopting these new standards, the Company designated its cash as held-for-trading, which is measured at fair value. Receivables are classified under loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

There was no significant effect on the financial statements as a result of adopting these policies.

Use of estimates

The preparation of financial statements in accordance 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 contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Areas requiring use of significant estimates include stock-based compensation and future income taxes. Actual results could differ from these estimates.

Financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. Shares subject to escrow restrictions have been excluded from the weighted average number of shares outstanding since they are contingently returnable.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Stock-based compensation

The Company uses the fair value based method for recognizing compensation costs over the related vesting period for the granting of stock options and direct awards of stock using the Black-Scholes option pricing model. Any consideration paid on the exercise of stock options is credited to capital stock.

New accounting pronouncements

Assessing going concern

The AcSB amended CICA Handbook Section 1400, 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.

Financial instruments

The Canadian Accounting Standards Board (AcSB) issued CICA Handbook Section 3862, Financial Instruments – Disclosures, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, Financial Instruments – Recognition and Measurement, Section 3863, Financial Instruments – Presentation, and Section 3865, Hedges. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The AcSB issued CICA Handbook Section 3863, Financial Instruments – Presentation, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

Capital disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

ANSELL CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Goodwill and intangible assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

The Company does not believe the adoption of these policies will have a significant impact on the financial statements.

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time

3. CAPITAL STOCK

	Number of Shares	Share Amount	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Issued			
Shares issued for cash – founders' shares	2,000,000	\$ 100,000	\$ -
As at July 31, 2006	2,000,000	100,000	-
Shares issued for cash – private placement	3,200,000	320,000	-
Shares issued for cash – initial public offering	2,000,000	200,000	-
Share issue costs	-	(52,211)	-
Stock-based compensation	-	-	41,580
Agent's warrants	-	(8,585)	8,585
As at July 31, 2007 and 2008 and October 31, 2008	7,200,000	\$ 559,204	\$ 50,165

During the period ended July 31, 2006, the Company issued 2,000,000 common shares at \$0.05 per share.

ANSELL CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2008

3. CAPITAL STOCK (cont'd...)

During the year ended July 31, 2007, the Company issued 3,200,000 common shares at \$0.10 per share in a private placement.

Also in the year ended July 31, 2007, the Company completed an IPO for 2,000,000 common shares at a price of \$0.10 per share. Pursuant to an Agency Agreement with Bolder Investment Partners (the "Agent"), the Agent received a cash commission equal to 10% of the gross proceeds raised, 200,000 Agent's warrants with a fair value of \$8,585 and an administration fee of \$7,500 plus reimbursement of legal and other costs. Each Agent's warrant is exercisable into one common share at a price of \$0.10 per share until October 6, 2008. As of July 31, 2008, the 200,000 Agent's warrants are outstanding and exercisable.

As at October 31 and July 31, 2008, 2,483,000 shares are subject to an escrow agreement and will be released from escrow in accordance with regulatory requirements.

Stock options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of 5 years and vest as determined by the board of directors. The exercise price of each option may not be less than the fair market value of the common shares. At the closing of the IPO, the Company granted 650,000 stock options under this stock option plan, exercisable at a price of \$0.10 per share for a period 5 years from the date of grant.

As at October, 2008, the following stock options are outstanding:

Number Of Options	Exercise Price	Expiry Date
650,000	\$0.10	September 8, 2011

Stock option transactions outstanding are summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, July 31, 2006	-	\$ -
Granted	650,000	0.10
Balance, July 31, 2007 and 2008 and October 31, 2008	650,000	\$ 0.10
Number of options currently exercisable	650,000	\$ 0.10

3. CAPITAL STOCK (cont'd...)

Stock-based compensation

During fiscal 2007, the Company granted 650,000 incentive stock options with a fair value of \$41,580 which was recorded as stock-based compensation and contributed surplus. The Company also recorded share issuance costs of \$8,585 as a result of 200,000 Agents warrants issued on the IPO.

The weighted average fair value of stock options granted was \$0.06 per option, and \$0.04 for the agent's warrants.

The fair value of options and compensatory warrants granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating fair value are as follows:

	July 31, 2007
Risk-free interest rate	4.25%
Expected option or warrant life in years	2 - 5 years
Expected stock price volatility	75%
Expected dividend yield	0%

4. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

5. RELATED PARTY TRANSACTIONS

During the three month period ended October 31, 2008, the Company paid or accrued rent of \$3,750 (2007 - \$3,750) and office expenses of \$150 (2007 - \$150) to a company controlled by a director of the Company.

This transaction was in the normal course of operations and was measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

6. PROPOSED TRANSACTIONS

The Company has entered into an agreement with Fury Explorations Ltd. (“Fury”), pursuant to which the Company can earn 70% of Fury’s interest in and to the Guijoso Property which consists of exploration concessions located near Guadalajara in Jalisco State, Mexico. The interest can be earned by paying Fury a non-refundable deposit of US\$25,000 (CDN\$25,398 - paid), making further cash payments of US\$250,000; issuing 1,800,000 common shares of the Company and by spending an aggregate of US\$2,000,000 in exploration expenditures in installments over a three year period ending March 2, 2011.

The Company has agreed to issue up to 386,000 common shares as a finders fee, subject to completion of the proposed acquisition.

The terms of acquisition are subject to TSX-V approval and if approved, will constitute the Company’s Qualifying Transaction.

Concurrently with the closing of the Proposed Qualifying Transaction, the Company proposes to complete a financing and issue 2,200,000 units at a price of \$0.12 per unit for aggregate gross proceeds of \$264,000. Each unit will consist of one common share of the Company and one-half share purchase warrant. Each whole share purchase warrant is exercisable at a price of \$0.20 to purchase one additional common share at any time before 12 months from the effective date subject to early acceleration provisions applicable under certain circumstances, whereby if the Company’s common shares trade at or above a weighted average trading price of \$0.40 for 20 consecutive trading days, then the Company may give notice that the share purchase warrants will expire 30 days after such notice is given. The financing will close when the Proposed Qualifying Transaction is conditionally approved by the TSX-V.