ANGELWEST CAPITAL CORP.

FINANCIAL STATEMENTS

NOVEMBER 30, 2008 AND 2007

MANNING ELLIOTT
CHARTERED ACCOUNTANTS
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AUDITORS' REPORT

To the Shareholders of
Angelwest Capital Corp.

We have audited the balance sheets of Angelwest Capital Corp. as at November 30, 2008 and 2007 and the statements of operations, comprehensive loss and deficit, and cash flows for the year ended November 30, 2008 and the period from incorporation on October 26, 2007 to November 30, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2008 and 2007, and the results of its operations and its cash flows for the year ended November 30, 2008 and the period from incorporation on October 26, 2007 to November 30, 2007 in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

March 19, 2009

ANGELWEST CAPITAL CORP.

BALANCE SHEETS

AS AT NOVEMBER 30, 2008 AND 2007

ASSETS	**2008**	**2007**
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	$ 495,866	$200,220
DUE FROM DIRECTOR (Note 5)	4,809	–
DEFERRED FINANCING COSTS	–	1,340
	$ 500,675	$201,560
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 667	$ 3,340
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	487,688	200,000
CONTRIBUTED SURPLUS (Note 7)	94,677	–
DEFICIT	(82,357)	(1,780)
	500,008	198,220
	$ 500,675	$201,560

NATURE OF BUSINESS AND CONTINUED OPERATIONS (Note 1)

Approved on behalf of the Board:

"Michael Volker" Director

"Bruce Schmidt" Director

ANGELWEST CAPITAL CORP.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

	Year Ended November 30, 2008	Period From Incorporation on October 26, 2007 to November 30, 2007
EXPENSES		
Office administration and miscellaneous	403	–
Professional fees	7,425	2,000
Stock-based compensation	75,186	–
Transfer agent and filing fees	5,346	–
	88,360	2,000
LOSS BEFORE OTHER ITEM	(88,360)	(2,000)
OTHER ITEM		
Interest income	7,783	220
NET LOSS AND COMPREHENSIVE LOSS	(80,577)	(1,780)
DEFICIT, BEGINNING	(1,780)	–
DEFICIT, ENDING	$ (82,357)	$ (1,780)
LOSS PER SHARE - BASIC AND DILUTED	$ (0.02)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	3,232,877	69,600

ANGELWEST CAPITAL CORP.

STATEMENTS OF CASH FLOWS

		Year Ended November 30, 2008		Period From Incorporation on October 26, 2007 to November 30, 2007
CASH FROM (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$	(80,577)	$	(1,780)
Item not affecting cash:				
Stock-based compensation		75,186		–
		(5,391)		(1,780)
Change in non-cash working capital item				
Accounts payable and accrued liabilities		(1,333)		2,000
		(6,724)		220
FINANCING ACTIVITIES				
Common shares issued, net		307,179		200,000
Advances from director		51,041		–
Repayments to director		(55,850)		–
		302,370		200,000
INCREASE IN CASH		295,646		200,220
CASH AND CASH EQUIVALENTS, BEGINNING		200,220		–
CASH AND CASH EQUIVALENTS, ENDING	$	495,866	$	200,220
SUPPLEMENTAL INFORMATION:				
Interest paid	$	–	$	–
Income taxes paid	$	–	$	–

1. NATURE OF BUSINESS AND CONTINUED OPERATIONS

Angelwest Capital Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 26, 2007 and is a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "TSX").

As at November 30, 2008, the Company has no business operations and its only significant asset is cash and cash equivalents. During the year ended November 30, 2008, the Company did not enter into any agreements to acquire an interest in businesses or assets. As a CPC, the Company's principal business is the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholders' approval and acceptance by the TSX. Where an acquisition or participation is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company's shares were listed on the TSX, at which time the TSX may suspend or de-list the Company's shares from trading.

These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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 expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of future income tax assets and liabilities and assumptions used in valuing options and warrants in stock-based compensation calculations. Actual results could differ from those reported.

(b) Financial Instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountant ("CICA") Handbook Section 3840 – Related Party Transactions.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Cash Equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

(d) Share Issue Costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

(e) Stock-based Compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

(f) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

(g) Comprehensive Loss

Comprehensive loss reflects net loss and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

(h) Loss per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

3. CHANGE IN ACCOUNTING POLICY AND RECENT PRONOUNCEMENTS

Effective December 1, 2007, the Company adopted the CICA Handbook Section 1506, "Accounting Changes", to make accounting policy changes only in the event that a change is made within a primary source of generally accepted accounting principles, or where a change is warranted to provide more relevant and reliable information. All accounting policy changes are to be applied retroactively, unless there is no specific transition provision or it is impracticable to do so. Any prior period errors identified also require retroactive application. The adoption of the section did not have any significant impact on the Company's financial statements.

Effective December 1, 2007, the Company adopted the CICA Handbook Section 3862 ("CICA 3862"), "Financial Instruments – Disclosure", and Section 3863 ("CICA 3863"), "Financial Instruments – Presentation. CICA 3862 and CICA 3863 increase the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. These sections relate to disclosure and presentation only and did not have any impact on the Company's financial results or position.

Effective December 1, 2007, the Company adopted the CICA Handbook Section 1535, "Capital Disclosures", to disclose its objectives, policies and processes for managing capital, and compliance with externally imposed capital requirements, if any. The adoption of this standard did not have any significant impact on the Company's financial statements.

Recent accounting pronouncements

In February 2008, the Accounting Standards Board issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces CICA 3062, "Goodwill and Intangible Assets", and CICA 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Company's interim and annual financial statements commencing December 1, 2008. The Company is currently assessing the impact of the new standard and has not yet determined its effect on the Company's financial statements.

In June 2007, the Accounting Standards Board issued CICA Handbook Section 1400, "General Standards of Financial Statement Presentation", which provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. This standard is effective for the Company's interim and annual financial statements for fiscal years beginning on or after December 1, 2008. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian generally accepted accounting principles and IFRS.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include an investment in a redeemable guaranteed investment certificate ("GIC") with interest rate at prime minus 2.25% per annum. At September 30, 2008, the fair value of the GIC was $455,521 (2007 - $Nil).

5. DUE FROM DIRECTOR

Amount due from director is non-interest bearing, unsecured and due on demand.

6. SHARE CAPITAL

a) Authorized:

An unlimited number of common voting shares without par value.

b) Issued and Outstanding:

	Number	Amount
Issued for cash at $0.10 per share	2,000,000	$ 200,000
Balance at November 30, 2007	2,000,000	200,000
Issued for cash at $0.20 per share	2,000,000	400,000
Share issue costs	–	(112,312)
Balance at November 30, 2008	4,000,000	$ 487,688

i) On April 18, 2008, the Company completed an Initial Public Offering of 2,000,000 common shares at $0.20 per share for gross proceeds of $400,000. The Company paid Leede Financial Markets Inc. (the "Agent") a commission of $40,000, an administrative fee of $8,883 and $5,500 for legal fees and expenses incurred. In addition, the Company also granted the Agent options to acquire 200,000 common shares at an exercise price of $0.20 per common share expiring April 24, 2010. The fair value of the options was $19,491. The Company also incurred legal and other listing costs of $38,438 in relation to the initial public offering.

ii) In November 2007, the Company issued 2,000,000 common shares at $0.10 per share for gross proceeds of $200,000.

c) Escrow Shares

At November 30, 2008, 2,000,000 shares issued and outstanding are held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin for TSX's acceptance of a Qualifying Transaction, and 15% will be released every six months thereafter for a period of thirty-six months.

d) Stock Options

The Company has adopted an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of TSX. Options granted may not exceed a term of five years from the grant date. Options granted to consultants conducting investor relation activities vest 25% upon grant, and 25% every three months thereafter. Vesting period for all other options will be determined by the board of directors at the time of each grant.

6. SHARE CAPITAL (continued)

d) Stock Options (continued)

As of November 30, 2008 the Company had stock options outstanding and exercisable to acquire an aggregate of 600,000 common shares summarized as follows. All of these options vested upon grant. The options have a weighted average remaining life of 3.4 years.

	Number of Options	Weighted Average Exercise Price	Expiry Date
Balance, November 30, 2007	–	–	
Granted: Agent	200,000	$0.20	April 24, 2010
Granted: Directors	400,000	$0.20	April 18, 2013
Balance, November 30, 2008	600,000	$0.20	

The Company uses the Black-Scholes option valuation model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

During the year ended November 30, 2008, the Company recorded share issue costs of $19,491 for the 200,000 agent's options and stock-based compensation of $75,186 for the 400,000 directors' options. For purposes of the calculation, the following weighted average assumptions were used under the Black-Scholes option pricing model:

	Agent's Options	Directors' Options
Risk free interest rate	2.89%	3.25%
Expected dividend yield	0%	0%
Expected stock price volatility	90%	165%
Expected life of options	2 years	5 years

The weighted average grant date fair value of the stock options was $0.16 per option.

There were no options granted during the period ended November 30, 2007.

7. CONTRIBUTED SURPLUS

Balance, November 30, 2007	$	–
Fair value of agent's options granted		19,491
Fair value of directors' options granted		75,186
Balance, November 30, 2008	$	94,677

8. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2008	2007
Combined Canadian statutory income tax rate	30.80%	34.12%
Income tax recovery at statutory rate	$ 24,818	$ 607
Non deductible expense	(23,157)	–
Share issue costs	28,589	–
Effect of income taxes of:		
Reduction in income tax rates	(4,859)	–
Valuation allowance	(25,391)	(607)
Income tax recoverable	$ –	$ –

Significant components of the Company's future income tax assets are shown below:

	2008	2007
Non-capital loss carry forwards	$ 6,700	$ 607
Share issue costs	19,300	–
Valuation allowance	(26,000)	(607)
Net future income tax asset	$ –	$ –

The Company has non-capital losses for income tax purposes of approximately $25,700 which may be carried forward and offset against future taxable income. These losses expire commencing 2027 to 2028.

In assessing the realizability of future income tax assets, management considers whether it is more likely than not that some portion of all of the future income tax assets will not be realized. The ultimate realization of future income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at November 30, 2008, the Company had capital resources consisting of 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 the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

9. CAPITAL MANAGEMENT (continued)

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its process of identifying and completion of a qualifying transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

10. FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

As at November 30, 2008, the Company's financial instruments consist of cash and cash equivalents, amount due from director and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash and cash equivalents as held-for-trading, its amount due from director as loans and receivables and its accounts payable as other financial liabilities.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents and amount due from director. To minimize the credit risk on the cash and cash equivalents the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions.

The Company has investments as cash equivalents in guaranteed investment certificates. The following table summaries the impact of reasonable possible changes on interest rates for the Company at November 30, 2008 and 2007. The sensitivity analysis is based on the assumption that the interest rate changes by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of historical rates for the preceding year.

	2008	**2007**
Impact on net loss:		
1% increase	$ 2,500	$ –
1% decrease	$(2,500)	$ –