

**NORTEC VENTURES CORP.**

**(An Exploration Stage Company)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Nine Months Ended September 30, 2008**

**Expressed in Canadian Funds**

**(Unaudited – Prepared by Management)**

**NOTICE**

The accompanying unaudited consolidated financial statements of Nortec Ventures Corp. for the nine month period ended September 30, 2008, have been prepared by management and have not been the subject of a review by the Company's independent auditor.

## Management's Responsibility for Financial Reporting

The accompanying unaudited consolidated financial statements of Nortec Ventures Corp. ("the Company") have been prepared by management in accordance with Canadian generally accepted accounting principles, and contain estimates based on management's judgment. Management maintains an appropriate system of internal control to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the Company's management to review the unaudited consolidated financial statements and related financial reporting matters prior to submitting the unaudited consolidated financial statements to the Board for approval.

The Company's auditors, PricewaterhouseCoopers LLP, are appointed by the shareholders to conduct the annual audit in accordance with Canadian generally accepted auditing standards.

*"Mohan R. Vulimiri"*

---

Mohan R. Vulimiri , Chief Executive Officer  
and Director

*"Adam R. Kniec"*

---

Adam R. Kniec , Chief Financial Officer

**Nortec Ventures Corp.**  
**Statement 1**  
*(An Exploration Stage Company)*  
**Interim Consolidated Balance Sheets**  
**As at**  
*Canadian Funds*

	<b>September 30, 2008 (Unaudited)</b>	December 31, 2007
<b>ASSETS</b>		
<b>Current</b>		
Cash (Note 4)	\$ 536,000	\$ 485,846
Short term investment (Note 5)	1,000,000	1,930,000
Cash held in trust (Note 7e)	-	43,000
Accounts receivable	150,949	44,550
Prepaid expenses	12,423	1,660
	<b>1,699,372</b>	<b>2,505,056</b>
Equipment (Note 6)	114,628	16,194
Mineral Interests (Note 7)	6,083,591	3,972,829
	<b>\$ 7,897,591</b>	<b>\$ 6,494,079</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 290,535	\$ 37,822
Due to related parties (Note 9)	-	5,750
	<b>290,535</b>	<b>43,572</b>
Future Income Tax Liability (Note 11b)	12,296	17,191
	<b>302,831</b>	<b>60,763</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 8)	9,064,689	7,345,167
Contributed Surplus (Note 8)	2,142,957	991,770
Deficit – Statement 2	(3,612,886)	(1,903,621)
	<b>7,594,760</b>	<b>6,433,316</b>
	<b>\$ 7,897,591</b>	<b>\$ 6,494,079</b>

ON BEHALF OF THE BOARD:

***“Mohan R. Vulimiri”***

Mohan R. Vulimiri, Director

***“Peter F. Tegart”***

Peter F. Tegart, Director

**Nortec Ventures Corp.**  
**Statement 2**

*(An Exploration Stage Company)*

**Interim Consolidated Statements of (Income) Loss and Comprehensive (Income) Loss  
and Deficit**

**For the nine month period ended September 30, 2008**

*Unaudited, Canadian Funds*

	<b>Three Month period ended September 30, 2008</b>	Three Month period ended September 30, 2007	<b>Nine Month period ended September 30, 2008</b>	Nine Month period ended September 30, 2007
<b>General and Administrative Expenses:</b>				
Stock based compensation expense	\$ 95,256	\$ 43,998	\$ 222,395	\$ 203,355
Salaries and payroll expenses	119,166	-	119,166	-
Legal fees	42,382	6,580	87,043	30,897
Advertising and promotion	42,574	11,098	86,684	41,197
Management consulting fees	9,600	18,200	67,300	47,930
Consulting fees	39,045	-	52,645	-
Property research	17,950	5,638	34,980	5,638
Regulatory compliance	18,531	17,392	32,826	26,104
Office rent	12,338	5,400	23,138	9,060
Insurance	4,734	12,942	12,800	12,942
Accounting and audit	-	16,250	12,563	21,815
Shareholder information	2,490	6,218	11,284	13,534
Administration services	-	12,000	9,000	24,500
Transfer agent fees	4,703	-	7,601	984
Office supplies	5,584	101	7,237	1,194
Telecommunication	5,372	2,008	6,397	3,311
Depreciation	5,753	-	5,925	246
Travel and accommodation	3,142	1,157	5,606	12,371
Technical services	-	3,000	3,750	8,500
Bank charges and fees	1,344	168	1,811	746
Workers compensation	946	-	1,702	-
	<b>430,910</b>	162,150	<b>811,853</b>	464,324
<b>Other (Income)Expenses</b>				
Foreign exchange (gain) loss	546	13,162	1,930	15,549
Interest income	(11,609)	(36,403)	(39,705)	(36,403)
Write-off of mineral interests	6,457	-	1,228,128	-
<b>Loss Before Income Taxes</b>	<b>426,304</b>	138,909	<b>2,002,206</b>	443,470
Future income tax recovery (Note 11)	-	-	(292,950)	-
<b>Loss and Comprehensive Loss for the Period</b>	<b>426,304</b>	138,909	<b>1,709,256</b>	443,470
Deficit – Beginning of Period	3,186,582	1,482,490	1,903,630	1,177,929
<b>Deficit – End of Period</b>	<b>\$ 3,612,886</b>	\$ 1,621,399	<b>\$ 3,612,886</b>	\$ 1,621,399
<b>Loss per weighted average shares outstanding</b>				
	\$ 0.01	\$ 0.00	\$ 0.03	\$ 0.01
Weighted average number of common shares outstanding	66,700,628	45,467,868	62,739,924	42,582,774

# Nortec Ventures Corp.

## Statement 3

(An Exploration Stage Company)

### Interim Consolidated Statements of Cash Flows

For the nine month period ended September 30, 2008

(Unaudited) Canadian funds

	Three month period ended September 30, 2008	Three month period ended September 30, 2007	Nine month period ended September 30, 2008	Nine month period ended September 30, 2007
<b>Cash Resources Provided By (Used In)</b>				
<b>Operating Activities</b>				
Loss for the period	\$ (426,304)	\$ (138,909)	\$ (1,709,256)	\$ (443,470)
<b>Items not affecting cash:</b>				
Stock based compensation	95,256	43,998	222,395	203,355
Write-off of mineral interests	6,456	-	1,228,128	-
Future income tax recovery	-	-	(292,950)	-
Amortization	2,248	-	2,420	246
<b>Changes in non-cash working capital:</b>				
Accounts receivable	(95,417)	(31,044)	(106,399)	(1,513)
Prepaid expenses	(2,089)	22,114	(10,763)	(3,993)
Accounts payable and accrued liabilities	289,866	8,632	252,713	(16,349)
Bank loan	-	-	-	(16,698)
Due from related parties	-	1,012	-	1,012
Due to related parties	-	-	(5,750)	(9,370)
	<b>(129,984)</b>	<b>(94,197)</b>	<b>(419,462)</b>	<b>(286,780)</b>
<b>Investing Activities</b>				
Mineral interests expenditures	(2,306,832)	(290,079)	(3,262,417)	(662,179)
Short term investments	(27,000)	-	973,000	-
Purchase of furniture and equipment	(100,855)	(158)	(100,855)	(158)
	<b>(2,434,687)</b>	<b>(290,237)</b>	<b>(2,390,272)</b>	<b>(662,337)</b>
<b>Financing Activities</b>				
Issuance of share capital	2,859,897	807,776	2,859,897	3,879,438
<b>Net Increase in Cash and Cash Equivalents</b>	<b>295,226</b>	<b>423,342</b>	<b>50,163</b>	<b>2,930,321</b>
Cash position – Beginning of Period	240,774	2,648,211	485,837	141,232
Cash position – End of Period	<b>\$ 536,000</b>	<b>\$ 3,071,553</b>	<b>\$ 536,000</b>	<b>\$ 3,071,553</b>
<b>Supplemental schedule of non cash investing and financing transactions:</b>				
Future income tax liability included in share capital	\$ -	\$ -	\$ 292,950	\$ -
Future income tax included in mineral properties	\$ -	\$ -	\$ 4,895	\$ -
Stock based compensation included in contributed surplus	\$ 100,276	\$ 71,172	\$ 241,763	\$ 230,529
Stock based compensation included in mineral properties	\$ 5,020	\$ -	\$ 19,368	\$ -
Accounts payable included in mineral properties	\$ 266,388	\$ -	\$ 266,388	\$ -
Shares issued for mineral properties	\$ 62,000	\$ 117,470	\$ 62,000	\$ 258,434

## **Nortec Ventures Corp.**

*(An Exploration Stage Company)*

### **Notes to Interim Consolidated Financial Statements For the nine month period ended September 30, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

#### **1. Nature of Operations**

Nortec Ventures Corp. (the “Company”) is an exploration stage company incorporated in the province of British Columbia and is engaged in the acquisition and exploration of mineral properties.

#### **2. Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned Ecuadorian subsidiary Nortec Ecuador S.A. (“NESA”). NESA was incorporated in June 2006 as Minera Nortec Ecuador S.A, and on October 10, 2007 it changed its name to Nortec Ecuador S.A. All inter-company transactions and balances are eliminated upon consolidation.

#### **3. Significant Accounting Policies**

##### **(a) Basis of Presentation**

The accompanying unaudited interim consolidated financial statements are prepared by management in accordance with generally accepted accounting principles (“GAAP”) in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all the information and disclosures required by Canadian GAAP in preparation of annual financial statements. The accounting policies used in the preparation of the accompanying unaudited interim financial statements are the same as those described in the annual audited financial statements for the year ended December 31, 2007.

In the opinion of management of the Company, all adjustments considered necessary for fair presentation have been included in these interim financial statements. The interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2007.

##### **(b) Management 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

---

#### 3. Significant Accounting Policies - *continued*

##### (c) Accounting Changes

**(i) Capital Disclosures** – Effective January 1, 2008, the Company adopted the CICA Section 1535 *Capital Disclosures*. This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its exploration projects to commercial production.

The capital structure of the Company currently consists of common shares, flow through common shares, stock options and warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. The Company is not subject to externally imposed capital requirements.

**(ii) 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 generally accepted accounting principles ("GAAP") with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP, is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. 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.

#### 4. Financial Instruments

Effective January 1, 2007, the Company adopted CICA Section 3855, *Financial Instruments - Recognition and Measurement*. This section establishes standards for determining when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and whether it will be measured using a cost-based or fair value method. The adoption of this new accounting policy had no significant effect on these financial statements.

**Financial Instrument Disclosures** – Effective January 1, 2008, The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. The standard 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. The adoption of these sections did not have a material impact on the Company's disclosure and presentation.

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the six month period ended June 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 4. Financial Instruments - *continued*

**Categories of Financial Instruments** - The Company's financial instruments are classified into one of the following five categories under Canadian generally accepted accounting principles: held-for-trading, held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. As at September 30, 2008, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

	September 30, 2008		December 31, 2007	
Held for trading (1)	\$	536,000	\$	528,846
Available for sale (2)	\$	1,000,000	\$	1,930,000
Loans and receivables (3)	\$	150,949	\$	44,550
Other financial liabilities (4)	\$	290,535	\$	43,572

(1) Includes cash and cash equivalents and cash held in trust

(2) Includes short term investments

(3) Includes accounts receivable

(4) Includes accounts payable and accrued liabilities and amounts due to related parties

The Company's financial instruments are exposed to the following financial risks:

- (a) **Credit Risk** – Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation and cause the other party to incur a financial loss. The Company's credit risk consists primarily of cash and cash equivalents and short term investments. The credit risk is minimized by placing cash and cash equivalents and investing short term investments with major Canadian financial institutions. The Company does not invest in asset-backed commercial papers.
- (b) **Currency Risk** – The Company is exposed to foreign currency fluctuations to the extent accounts payable and accrued liabilities of the Company are not denominated in Canadian dollars. As at September 30, 2008, there were \$244,691 of liabilities (December 31, 2007 Nil) denominated in Euros and \$799 (December 31, 2007 - \$6,000) of liabilities denominated in US dollars. These liabilities were included in accounts payable and accrued liabilities. Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include USD denominated cash and cash equivalents, accounts receivable and accounts payable. A 10% change in exchange rate between the US and the Canadian dollar would not significantly impact the Company's net loss, due to immaterial amounts of financial instruments that are denominated in currencies other than the Canadian dollar.
- (c) **Liquidity Risk** – Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company insures that sufficient funds are raised from private placements to meet its operating requirements, after taking under account existing cash and cash equivalents, short term investments and expected exercise of stock options and share purchase warrants.
- (d) **Interest Rate Risk** - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments is limited because these investments, although available for sale, are generally held to maturity.

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements For the nine month period ended September 30, 2008

Unaudited – Prepared by Management  
Canadian Funds

#### 5. Short Term Investments

As of September 30, 2008, the Company's short term investments consisted of one term deposit. The cost of this investment is \$1,000,000 bearing interest at 3.0% per annum and maturing on August 28, 2009. Interest accrued as at September 30, 2008 amounts to \$2,465.

As of December 31, 2007, short term investments consisted of two term deposits: one with a principal value of \$1,000,000 bearing interest at 4.9% per annum and maturing on February 11, 2008, and one with a principal value of \$930,000 bearing interest at 4.8% per annum maturing on March 31, 2008. As at December 31, 2007, accrued interest relating to these short term investments of \$18,660 and \$11,007 respectively has been included in accounts receivable.

#### 6. Equipment

Details are as follows:

	Cost	Accumulated Depreciation	September 30, 2008 Net Book Value
Vehicle	\$ 14,575	\$ (3,299)	\$ 11,276
Computer equipment	87,437	(5,475)	81,962
Furniture	22,728	(1,338)	21,390
	\$ 124,740	\$ (10,112)	\$ 114,628

During August and September 2008 the Company purchased computer equipment and furniture due to the loss of computer equipment and furniture provided by a previously related company.

	Cost	Accumulated Depreciation	December 31, 2007 Net Book Value
Vehicle	\$ 14,575	\$ (3,299)	\$ 11,276
Computer equipment	6,469	(4,072)	2,397
Furniture	2,840	(319)	2,521
	\$ 23,884	\$ (7,690)	\$ 16,194

#### 7. Mineral Interests

The Company's capitalized property costs as at September 30, 2008 are as follows:

	TL Property Labrador	Ganarin Property Ecuador	Condorocho Property Ecuador	Kaukua Property Finland	Kingurutik Property Labrador	Total
Acquisition costs	\$ 150,723	\$ 91,394	\$ 62,332	\$ 150,118	\$ 72,000	\$ 526,567
Exploration costs	2,500,564	1,238,441	1,329	1,601,134	215,556	5,557,024
<b>Total</b>	<b>\$ 2,651,287</b>	<b>\$ 1,329,835</b>	<b>\$ 63,661</b>	<b>\$ 1,751,252</b>	<b>\$ 287,556</b>	<b>\$ 6,083,591</b>

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements For the nine month period ended September 30, 2008

Unaudited – Prepared by Management  
Canadian Funds

#### 7. Mineral Interests - continued

Mineral interest expenditures for the nine month period ended September 30, 2008 are as follows:

	TL Property, Labrador	Ganarin Property, Ecuador	Condorcocha Property, Ecuador	Koillismaa Property, Finland	Kaukua Property, Finland	Kingurutik Property Labrador	Total
<b>Balance as at December 31, 2007</b>	<b>\$ 1,263,129</b>	<b>\$ 1,180,160</b>	<b>\$ 63,661</b>	<b>\$ 1,220,172</b>	<b>\$ 245,707</b>	<b>\$ -</b>	<b>\$ 3,972,829</b>
<b>Activity 2008:</b>							
Acquisition costs	-	-	-	-	144,693	10,000	154,693
Option payments	20,000	-	-	-	-	62,000	82,000
<b>Exploration Costs:</b>							
Office expenses	-	67,756	-	-	-	-	67,756
Project management fees	-	-	-	-	202,323	-	202,323
Geological survey	42,289	47,199	-	-	4,943	1,045	95,476
Geophysical survey	130,895	-	-	-	112,316	86,064	329,275
Drilling	1,016,238	-	-	-	896,779	123,555	2,036,572
Assay	3,694	1,577	-	-	128,199	-	133,470
Camp expenses	154,067	12,589	-	-	21,576	-	188,232
Government fees, licenses, permits	5,880	-	-	6,410	9,602	-	21,892
Travel	15,095	11,369	-	-	35,786	-	62,250
Bank charges and fees	-	471	-	-	1,191	-	1,662
Community relations	-	632	-	-	8,482	-	9,114
Accounting and audit	-	2,257	-	-	-	-	2,257
Legal fees	-	1,745	-	1,546	41,165	4,892	49,348
IVA sales tax	-	8,975	-	-	-	-	8,975
Future income tax	-	(4,895)	-	-	-	-	(4,895)
Project rebates	-	-	-	-	(101,510)	-	(101,510)
<b>Total activity 2008</b>	<b>1,388,158</b>	<b>149,675</b>	<b>-</b>	<b>7,956</b>	<b>1,505,545</b>	<b>287,556</b>	<b>3,338,890</b>
<b>Write-off of mineral interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,228,128)</b>	<b>-</b>	<b>-</b>	<b>(1,228,128)</b>
<b>Total</b>	<b>\$ 2,651,287</b>	<b>\$ 1,329,835</b>	<b>\$ 63,661</b>	<b>\$ -</b>	<b>\$ 1,751,252</b>	<b>287,556</b>	<b>\$ 6,083,591</b>

**Nortec Ventures Corp.***(An Exploration Stage Company)***Notes to Interim Consolidated Financial Statements  
For the nine month period ended September 30, 2008**Unaudited – Prepared by Management  
*Canadian Funds***7. Mineral Interests - continued**

Mineral interest expenditures in 2007 are as follows;

	TL Property, Labrador	Ganarin Property, Ecuador	Condorcocha Property, Ecuador	Koillismaa Property, Finland	Kaukua Property, Finland	Total
<b>Balance as at December 31, 2006</b>	<b>\$ 1,235,271</b>	<b>\$ 983,218</b>	<b>\$ 63,661</b>	<b>\$ 239,997</b>	<b>\$ -</b>	<b>\$ 2,522,147</b>
<b>Activity 2007:</b>						
Acquisition costs	-	-	-	-	5,425	5,425
Option payments	20,000	-	-	258,434	-	278,434
Exploration costs:						
Project management	-	-	-	67,682	22,439	90,121
Office management	-	72,976	-	-	-	72,976
Geological survey	-	51,196	-	123,255	-	174,451
Drilling	-	-	-	429,209	217,843	647,052
Assay	-	993	-	-	-	993
Camp expenses	-	13,513	-	-	-	13,513
Fees, licenses and permits	7,858	970	-	95,029	-	103,857
Travel	-	21,104	-	2,336	-	23,440
Bank fees, foreign exch.	-	1,588	-	-	-	1,588
Legal expenses	-	4,428	-	-	-	4,428
Community relations	-	3,477	-	4,230	-	7,707
Accounting audit	-	5,474	-	-	-	5,474
IVA Sales tax	-	4,032	-	-	-	4,032
Future income tax	-	17,191	-	-	-	17,191
<b>Total activity 2007</b>	<b>27,858</b>	<b>196,942</b>	<b>-</b>	<b>980,175</b>	<b>245,707</b>	<b>1,450,682</b>
<b>Balance as at December 31, 2007</b>	<b>\$ 1,263,129</b>	<b>\$ 1,180,160</b>	<b>\$ 63,661</b>	<b>\$ 1,220,172</b>	<b>\$ 245,707</b>	<b>\$ 3,972,829</b>

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 7. Mineral Interests - continued

##### a) TL Property, Labrador

On May 14, 2003 the Company entered into an option agreement whereby the Company can earn up to a 100% interest in the TL Property located in northern Labrador. The Company, at its option, may earn a 51% interest by making cash payments, incur minimum exploration expenditures and issue common shares and warrants as follows:

	Option Payments	Share Purchase Warrants	Shares	Exploration Expenditures
TSX approval March 17, 2004 *	\$ -	500,000	500,000	\$ -
On or before March 17, 2005 **	10,000	-	-	100,000
On or before March 17, 2006 **	20,000	-	-	200,000
On or before March 17, 2007**	20,000	-	-	300,000
On or before March 17, 2008**	20,000	-	-	400,000
On or before March 17, 2009	30,000	-	200,000	500,000
Total	\$ 100,000	500,000	700,000	\$ 1,500,000

\* Issued

\*\* Paid, incurred

Excess expenditures in any year are carried forward and applied to future expenditure obligations.

Upon earning a 51% interest, should the optionor elect not to participate in future exploration, the Company may, in stages, earn up to a 100% interest in the property by issuing an additional 400,000 common shares and incurring an additional \$10,000,000 in cumulative exploration expenditures over a ten year period, and granting a 2.5% net smelter return to the optionor.

##### b) Ganarin Property, Ecuador

On April 18, 2005 the Company entered into an option agreement to acquire a 49% undivided interest in the Ganarin Property consisting of Ganarin and Ganarin II mineral concessions, located near the town of Santa Isabel, Southern Ecuador.

**Nortec Ventures Corp.***(An Exploration Stage Company)***Notes to Interim Consolidated Financial Statements  
For the nine month period ended September 30, 2008**Unaudited – Prepared by Management  
*Canadian Funds***7. Mineral Interests - continued****b) Ganarin Property, Ecuador - continued**

The Company, at its option, may earn a 49% interest by making cash payments, incur minimum exploration expenditures and issue common shares as follows:

	Option Payments		Exploration Expenditures
	USD	Shares Issued	USD
TSX approval May 4, 2005 *	\$ 25,000	100,000	\$ -
On or before May 4, 2006 * **	-	200,000	250,000
On or before May 4, 2007 ***	-	200,000	250,000
On or before May 4, 2008 ***	-	250,000	500,000
On or before May 4, 2009	-	250,000	500,000
<b>Total</b>	<b>\$ 25,000</b>	<b>1,000,000</b>	<b>\$ 1,500,000</b>

\* Issued

\*\* Incurred

\*\*\* The Company and the optionor have agreed to extend the due date for the issuance of 200,000 shares from May 4, 2007 to April 18, 2008. The optionor is currently undergoing restructuring prior to going public. This has delayed further extensions to share issuances the Company is currently negotiating with the optionor. All required exploration expenditures have been incurred before the due date.

Excess expenditures in any year are carried forward and applied to future expenditure obligations.

Provided the above conditions are satisfied the Company may, at its option increase its interest to 51% by incurring additional expenditures of US\$1,000,000.

In the event that the Company's interest dilutes below a 10% Joint Venture Interest, it shall automatically be converted to 1% Net Smelter Return.

**c) Condorcocha Property, Ecuador**

On April 18, 2005 the Company entered into an option agreement to acquire a 70% interest in the Condorcocha project claims located in Azuay Province, Ecuador, consisting of the following properties;

- 1) Daligshi
- 2) Shagli I, II
- 3) Condorcocha
- 4) Paredones del Inca I

**Nortec Ventures Corp.***(An Exploration Stage Company)***Notes to Interim Consolidated Financial Statements  
For the nine month period ended September 30, 2008**

Unaudited – Prepared by Management

*Canadian Funds***7. Mineral Interests - continued****c) Condorcocha Property, Ecuador - continued**

The optionor lost title to these claims due to no work being done in 2006, 2007 and todate 2008 as required by the new Ecuadorian mining and exploration regulations. Further exploration work was stopped due to inconclusive results after initial exploratory work carried out in 2005.

If the optionor is successful in regaining title to these claims the Company will make a decision whether or not to undertake further exploration work. Should the Company decide not to proceed the property will be written-off.

At the Company's option, the Company may earn a 70% interest by making cash payments, incur minimum exploration expenditures and issue common shares as follows:

	Option Payments		Shares Issued		Exploration Expenditures	
		USD				USD
TSX approval May 4, 2005 *	\$	25,000	50,000	\$		-
On or before May 4, 2006 *		-	100,000			100,000
On or before May 4, 2007 **		-	150,000			400,000
On or before May 4, 2008 **		-	200,000			500,000
On or before May 4, 2009		-	300,000			500,000
<b>Total</b>	<b>\$</b>	<b>25,000</b>	<b>800,000</b>	<b>\$</b>		<b>1,500,000</b>

\* Issued

\*\* The Company and the optionor have agreed to extend the due date for the issuance of 150,000 shares and incurring US\$400,000 of exploration expenditures from May 4, 2007 to April 18, 2008. The optionor is currently undergoing restructuring prior to going public. This has delayed further extensions to share issuances the Company is currently negotiating with the optionor.

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements For the nine month period ended September 30, 2008

Unaudited – Prepared by Management  
Canadian Funds

#### 7. Mineral Interests - *continued*

##### d) Koillismaa-Naranka Property, Finland

On June 14, 2006, the Company entered into an option agreement to acquire a 60% participation interest for the Koillismaa-Naranka nickel-copper-platinum group elements project in north-eastern Finland by making cash payments and or issuing common shares and incurring minimum exploration expenditures as follows:

	Option Payments (Euros)	Shares Issued	Exploration Expenditures (Euros)
TSX approval May 19, 2006 (issued)	€ -	400,000	€ -
On or before May 5, 2007 (incurred)	-	-	250,000
On or before June 14, 2007 *	100,000	-	-
On or before June 14, 2008	150,000	-	250,000
On or before June 14, 2009	-	-	250,000
<b>Total</b>	<b>€ 250,000</b>	<b>400,000</b>	<b>€ 750,000</b>

\* On June 28, 2007, the Company issued 783,134 common shares valued at \$0.33 per share for total value of \$258,434 in lieu of its June 14, 2007 €100,000 option payment obligation.

The Company's management decided to discontinue its interest in this property, and all accumulated resource property costs have been written off.

##### e) Kaukua Property, Finland

On July 29, 2008, the Company entered into an option agreement to earn a 70% interest in the Kaukua platinum, palladium, gold property in northeastern Finland by making option payments of €190,000 (in cash or shares) and incurring initial exploration expenditures of €600,000 over three years from the date of the option agreement. As of September 30, 2008, the Company has incurred \$1,751,253 of acquisition and exploration costs on this project.

On July 29, 2008 the option agreement was signed by the Company having received confirmation that exploration licenses for the property have been obtained. The Company has released payment of €30,000 (\$43,000), which was being held in trust and the second option payment of €60,000 (\$101,000) was made.

The summary of the terms of the option agreement are as follows:

	Option Payments (Euros)	Exploration Expenditures (Euros)
Upon claim ownership confirmation *	€ 30,000	€ -
On or before July 26, 2008	-	150,000
On or before the 1 <sup>st</sup> anniversary date of the option agreement *	60,000	-
On or before the 2 <sup>nd</sup> anniversary date of the option agreement	100,000	-
On or before the 3 <sup>rd</sup> anniversary date of the option agreement	-	450,000
<b>Total</b>	<b>€ 190,000</b>	<b>€ 600,000</b>

\* Paid July 29, 2008

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements For the nine month period ended September 30, 2008

Unaudited – Prepared by Management  
Canadian Funds

#### 7. Mineral Interests - *continued*

##### e) Kaukua Property, Finland - *continued*

The option payment due on or before the 2<sup>nd</sup> anniversary date of the option agreement in the amount of €100,000 Euros is not payable as the Company has completed the initial exploration expenditures of €600,000 Euros.

##### f) Kingurutik Property, Labrador

On August 4, 2008, the Company entered into an option agreement with Vulcan Minerals Inc. (“Vulcan”) to earn a 51% interest in the Kingurutik River property (“Kingurutik property”) located in northern Labrador by making cash payments, issuing common shares and incurring minimum exploration expenditures as follows:

	Cash	Shares	Exploration Expenditures
Upon TSX Venture Exchange approval	\$ 10,000 *	200,000 **	\$ -
By the 1 <sup>st</sup> anniversary date of the agreement	30,000	200,000	50,000
By the 2 <sup>nd</sup> anniversary date of the agreement	30,000	400,000	200,000
By the 3 <sup>rd</sup> anniversary date of the agreement	50,000	1,000,000	400,000
By the 4 <sup>th</sup> anniversary date of the agreement	80,000	1,200,000	850,000
Total	\$ 200,000	3,000,000	\$ 1,500,000

\* Paid

\*\* Issued August 5, 2008

After earning its 51% interest, the Company can acquire the remaining 49% interest in the property by issuing to Vulcan the greater of:

- (i) An amount of shares equal to 19.9% of the Company’s fully diluted share capital at the time of exercise of the option. The 19.9% will include 3,000,000 shares to be issued while earning the 51% interest, and will represent 19.9% of the Company’s value attributable to the value of Kingurutik property; or
- (ii) 9,000,000 shares.

Vulcan will retain a 10% net profits interest in all minerals produced from the property convertible at any time to a 2% net smelter return royalty. The Company will be the operator of the project.

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 8. Shareholder's Equity

Details are as follows:

Authorized:

Unlimited common shares without par value	Number of Shares	Share Capital	Contributed Surplus Options	Contributed Surplus Warrants
<b>Balance – December 31, 2006</b>	<b>36,489,116</b>	<b>3,238,792</b>	<b>364,025</b>	<b>237,057</b>
Private placements	17,220,000	2,714,360	-	240,640
Warrants exercised	5,286,584	957,988	-	-
Shares issued for mineral interests	783,134	258,434	-	-
Fair value of warrants exercised	-	223,362	-	(223,362)
Share issuance costs	1,002,500	(47,769)	-	14,219
Stock based compensation expense	-	-	359,191	-
<b>Balance – December 31, 2007</b>	<b>60,781,334</b>	<b>\$ 7,345,167</b>	<b>\$ 723,216</b>	<b>\$ 268,554</b>
Future income tax on flow through shares (Note 11a)	-	(292,950)	-	-
Warrant fair value (Note 8b)	-	(312,424)	-	312,424
Private placement	11,079,500	2,859,897	-	-
Warrants fair value included in private placement	-	(542,518)	-	542,518
Fair value allocation commission options	-	(54,483)	54,483	-
Fair value allocation commission options	-	-	(12,176)	12,176
Shares issued for mineral properties	200,000	62,000	-	-
Stock based compensation expense	-	-	241,762	-
<b>Balance – September 30, 2008</b>	<b>72,060,834</b>	<b>\$ 9,064,689</b>	<b>\$ 1,007,285</b>	<b>\$ 1,135,672</b>

##### a) Shares Issuances

On August 14, 2008 the Company closed a brokered private placement of 7,000,000 units at a price of \$0.27 per unit for a total gross proceeds of \$1,890,000. Each unit consists of one common share of the company and one-half of one transferable common share purchase warrant. Each whole warrant can be exercised to acquire one additional share at an exercise price of \$0.45. The warrants expire February 14, 2010.

As consideration for having acted as agent, the agent received a commission of \$110,104 and 79,500 units. Each unit consists of one common share of the company and one-half of one transferable common share purchase warrant. Each whole warrant can be exercised to acquire one additional share at an exercise price of \$0.45. The warrants expire February 14, 2010. In addition, the agent received 409,163 compensation options. Each compensation option will entitle the agent to purchase one common share of the company at a price of \$0.30 per common share. The options expire on February 14, 2010. The options are fully vested on completion of the four month holding period. All securities and warrants issued in the offering will have a hold period of four months from the date of closing and ending on December 15, 2008.

The Company completed a non-brokered private placement of 4,000,000 units at a price of \$0.27 per unit. Each unit consists of one share of the company and one-half warrant. Each whole warrant can be exercised to acquire one additional share at an exercise price of \$0.45. The warrants expire February 14, 2010. This private placement was completed in two tranches. The first tranche consisting of 2,855,185 units for gross proceeds of \$770,900,

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 8. Shareholder's Equity - continued

##### a) Shares Issuances - continued

was completed August 14, 2008. The second tranche consisting of 1,144,815 units for gross proceeds of \$309,100 was completed August 31, 2008.

Proceeds from these private placements have been allocated between shares and warrants using a pro-rata method based on the fair values of shares and warrants on the date of issue. Fair value of warrants has been estimated using the Black-Scholes pricing model with the following assumptions:

Risk-free interest rate	2.77%
Expected life of options	1.5 years
Annualized volatility	118%
Dividend Rate	0.00%

On August 5, 2008 the Company issued 200,000 shares as part of its acquisition costs for the Kingurutik property. These shares were valued at \$0.31 per share using the closing price of the Company's shares on the date issuance.

##### b) Share Purchase Warrants

As at September 30, 2008 the following share purchase warrants were outstanding:

December 31, 2007	Issued	Exercised	Expired	September 30, 2008	Price	Expiry Date
1,720,000	-	-	-	1,720,000	\$0.45	June 7, 2009 *
2,000,000	-	-	-	2,000,000	\$0.45	July 4, 2009 *
36,000	-	-	36,000	-	\$0.45	June 7, 2008 *
180,000	-	-	180,000	-	\$0.45	July 4, 2008 *
-	3,539,750	-	-	3,539,750	\$0.45	February 14, 2010
-	2,000,000	-	-	2,000,000	\$0.45	February 14, 2010
3,936,000	5,539,750	-	216,000	9,259,750	\$0.45	

\* On May 27, 2008 the TSX Venture Exchange approved an extension of expiry dates from June 7, 2008 to June 7, 2009 and July 4, 2008 to July 4, 2009 except for finder fee warrants in the amounts of 36,000 and 180,000. See note below for further affects of this expiry date extension.

As at December 31, 2007 the following share purchase warrants were outstanding:

December 31, 2006	Issued	Exercised	Expired	December 31, 2007	Price	Expiry Date
1,395,000	-	1,100,000	295,000	-	\$0.30	July 14, 2007
4,249,084	-	4,186,584	62,500	-	\$0.15	May 3, 2007
-	1,756,000	-	-	1,756,000	\$0.45	June 7, 2009 *
-	2,180,000	-	-	2,180,000	\$0.45	July 4, 2009 *
5,644,084	3,936,000	5,286,584	357,500	3,936,000	\$0.45	

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 8. Shareholder's Equity - *continue*

##### b) Share Purchase Warrants - *continued*

The \$312,424 fair value of the 1,720,000 and 2,000,000 warrants issued in June and July 2007 which had their expiry dates extended in the current year to June 7, 2009 and July 4, 2009, was charged to contributed surplus, with the offsetting amount reducing share capital. The Black-Scholes pricing model was used to calculate this fair value using the following assumptions:

Risk-free interest rate	3.0%
Expected life of warrants	1 year
Annualized volatility	122.56%
Dividend Rate	0.00%

##### c) Stock options

In August 2004 the Company adopted a stock option plan (amended June 14, 2008) whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market price at the time of issue. The Plan provides for the issuance of up to 20% of the Company's issued common shares as at the date of shareholder approval with each stock option having a maximum term of five years. The board of directors has the exclusive power over the granting of options.

As of September 30, 2008 the Company had 8,044,163 incentive stock options outstanding as follows:

December 31, 2007	Granted in the period	Exercised in the period	Cancelled in the period	September 30, 2008	Price	Expiry Date
670,000	-	-	-	670,000	\$ 0.10	August 17, 2009
590,000	-	-	-	590,000	\$ 0.20	June 15, 2010
150,000	-	-	-	150,000	\$ 0.15	October 26, 2010
2,750,000	-	-	-	2,750,000	\$ 0.20	July 6, 2011
100,000	-	-	-	100,000	\$ 0.28	November 10, 2011
300,000	-	-	-	300,000	\$ 0.28	October 16, 2011
50,000	-	-	-	50,000	\$ 0.30	October 15, 2009
75,000	-	-	-	75,000	\$ 0.30	November 14, 2009
600,000	-	-	-	600,000	\$ 0.30	November 14, 2011
950,000	-	-	-	950,000	\$ 0.30	October 15, 2012
-	1,000,000	-	-	1,000,000	\$ 0.25	April 1, 2012
-	100,000	-	-	100,000	\$ 0.25	April 1, 2010
-	409,163	-	-	409,163	\$ 0.30	February 14, 2010
-	300,000	-	-	300,000	\$ 0.30	September 4, 2012
6,235,000	1,809,163	-	-	8,044,163	\$ 0.23	

On April 1, 2008, the Company granted 1,000,000 stock options to its directors, officers and employees. These options are exercisable at \$0.25 on or before April 1, 2012. On April 1, 2008, the Company granted 100,000 stock options to a consultant. These options are exercisable at \$0.25 on or before April 1, 2010. On August 14, 2008 the Company issued 409,163 commission options relating to the August 14, 2008 private placement. On September 4, 2008 the Company issued 300,000 options to an officer of the Company. The expiry date of November 10, 2008 on the 100,000 options issued on November 10, 2006 has been extended to November 10, 2011.

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 8. Shareholder's Equity - continued

##### c) Stock options - continued

The following weighted average assumptions were used to calculate the fair value of the Company's stock options:

	2008	2007
Risk-free interest rate	3.86%	4.18%
Expected life of options	4.58 years	4.44 years
Annualized volatility	122%	129%
Dividend Rate	0.00%	0.00%

The Company uses the Black-Scholes pricing model. Option and warrant fair value pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

As at September 30, 2008 – 7,135,000 options were fully vested.

#### 9. Related Party Transactions

Except as disclosed elsewhere in these financial statements, related party transactions are as follows:

	September 30, 2008		September 30, 2007	
Management and consulting fees	\$	125,700	\$	47,930
Office rent*	\$	10,800	\$	9,060
Office services*	\$	22,750	\$	23,000

\*The Company ended its relationship with a company with a common director on July 4, 2008.

As at September 30, 2008 \$Nil (December 31, 2007 - \$5,750) is payable to a company with a director in common.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**Nortec Ventures Corp.***(An Exploration Stage Company)***Notes to Interim Consolidated Financial Statements****For the nine month period ended September 30, 2008**

Unaudited – Prepared by Management

*Canadian Funds***10. Segmented Information**

Details of segmented information by geographic location are as follows:

<b>Period ended September 30, 2008</b>	<b>Canada</b>	<b>Ecuador</b>	<b>Finland</b>	<b>Total</b>
Net (income) loss for the period	\$ 476,261	\$ 4,867	\$ 1,228,128	\$ 1,709,256
Mineral interests	\$ 2,938,843	\$ 1,393,496	\$ 1,751,252	\$ 6,083,591
Other assets	\$ 1,800,177	\$ 13,823	\$ -	\$ 1,814,000
<b>Total assets</b>	<b>\$ 4,739,020</b>	<b>\$ 1,407,319</b>	<b>\$ 1,751,252</b>	<b>\$ 7,897,591</b>
Year ended December 31, 2007				
Net loss for the year	\$ 720,519	\$ 5,173	\$ -	\$ 725,692
Mineral interests	\$ 1,263,129	\$ 1,243,821	\$ 1,465,879	\$ 3,972,829
Other assets	2,497,029	24,221	-	2,521,250
Total assets	\$ 3,760,158	\$ 1,268,042	\$ 1,465,879	\$ 6,494,079

## Nortec Ventures Corp.

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

For the nine month period ended September 30, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 11. Income Taxes

a) The Company's provision for income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the net loss as a result of the following:

	September 30, 2008	December 31, 2007
Loss before income taxes	\$ (1,709,256)	\$ (725,692)
Statutory tax rate	31.50%	34.12%
Provision for recovery of taxes at statutory rates	(538,416)	(247,606)
Tax benefit not recognized on current year losses	83,457	162,333
Non-deductible and other items for tax purposes	454,455	84,802
Differences in foreign tax rates	504	471
Future income tax assets recognized to eliminate future income tax liability on renunciation of flow through shares	(292,950)	-
	\$ (292,950)	\$ -

During the year ended December 31, 2007, the Company raised a total of \$930,000 through the issuance of flow-through securities. During the current year all flow-through funds have been expended on qualifying expenditures. In the first quarter of 2008, the Company renounced \$930,000 for income tax purposes, to the flow-through investors with an effective renunciation date of December 31, 2007. The future income tax liability of \$292,950 related to this renunciation was recognized in the current period, with the offsetting charge to share capital. The Company's tax pool balances exceed this estimated liability. Therefore in current period, the Company has recognized future income tax assets equal to the future income tax liability of \$292,950 and recorded future income tax recovery for the same amount.

b) The significant components of the future income tax assets and liabilities are as follows:

	September 30, 2008	December 31, 2007
Future income tax assets (liabilities)		
Non-capital loss carry forwards	\$ 406,184	\$ 337,614
Mineral interests – Canada, Finland and other	208,126	105,777
Mineral interests – Ecuador	(12,685)	(17,706)
Share issue costs	17,760	29,919
Other	20,781	20,780
Future income tax assets (liabilities)	640,166	476,384
Valuation allowance	(652,462)	(493,575)
Net future income tax assets (liabilities)	\$ (12,296)	\$ (17,191)

The Company has income tax loss carry forwards of approximately \$1,504,000 in Canada, which may be used to reduce future income taxes otherwise payable and expiring through 2028.

The tax benefit of the above noted tax assets have been offset by recognition of a valuation allowance in these financial statements.

**Nortec Ventures Corp.**

*(An Exploration Stage Company)*

**Notes to Interim Consolidated Financial Statements**

**For the nine month period ended September 30, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

**12. Subsequent Events**

On November 3, 2008 the Company issued to its directors, officers and employees 2,650,000 options exercisable at \$0.11 per share and expiring on November 3, 2013.

\*\*\*