

MAXTECH

VENTURES INC.

MAXTECH VENTURES INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

MAXTECH VENTURES INC.**CONSOLIDATED FINANCIAL STATEMENTS**

YEARS ENDED JULY 31, 2008 AND 2007

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DE VISSER GRAY LLP

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of Maxtech Ventures Inc.

We have audited the consolidated balance sheets of Maxtech Ventures Inc. as at July 31, 2008 and 2007 and the consolidated statements of operations and deficit and cash flows for each of the years then ended. 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2008 and 2007 and the results of its operations and cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

"De Visser Gray LLP"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
November 7, 2008

**MAXTECH VENTURES INC.
CONSOLIDATED BALANCE SHEETS
JULY 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current Assets		
Cash	\$ 4,964,451	\$ 1,162,918
Term deposits	-	2,382,634
Funds in trust (Note 5)	-	2,910,000
Amounts receivable	9,937	51,636
Prepaid expenses	-	10,236
	4,974,388	6,517,424
Long term investment (Note 5)	1	-
Equipment (Note 4)	12,708	15,885
Resource property interests (Note 6)	871,965	97,501
	\$ 5,859,062	\$ 6,630,810
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 144,898	\$ 76,648
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	8,130,000	8,130,000
Contributed surplus (Note 8)	5,151,343	4,652,711
Deficit	(7,567,179)	(6,228,549)
	5,714,164	6,554,162
	\$ 5,859,062	\$ 6,630,810

BASIS OF PRESENTATION (Note 1)

Approved on Behalf of the Board:

Signed: "Thomas R. Tough"
Director

Signed: "Thomas J. Kennedy"
Director

MAXTECH VENTURES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEARS ENDED JULY 31, 2008 AND 2007

	2008	2007
ADMINISTRATIVE EXPENSES		
Amortization	\$ 3,177	\$ 1,765
Consulting	71,056	52,272
Insurance	16,695	-
Management fees	32,000	35,000
Office facilities and administrative services	122,685	203,996
Professional fees	60,261	58,979
Property investigation	-	96,189
Shareholder information and printing	1,302	310
Stock-based compensation	498,632	2,252,819
Transfer agent, filing and stock exchange fees	21,303	22,489
Travel and promotion	34,288	111,283
	<hr/>	<hr/>
LOSS BEFORE OTHER ITEMS AND INCOME TAXES	(861,399)	(2,835,102)
	<hr/>	<hr/>
OTHER ITEMS		
Interest income	166,086	233,036
Loss on foreign exchange (Note 5)	(379,979)	(5,668)
Impairment of resource property interests (Note 6)	(1)	(179,546)
Write-off of accounts payable (Note 12)	34,198	-
Write-down of investment (Note 5)	(297,535)	-
	<hr/>	<hr/>
	(477,231)	47,822
	<hr/>	<hr/>
LOSS BEFORE INCOME TAXES	(1,338,630)	(2,787,280)
	<hr/>	<hr/>
INCOME TAXES		
Future income tax recovery (Note 11)	-	239,723
	<hr/>	<hr/>
NET LOSS FOR THE YEAR	(1,338,630)	(2,547,557)
DEFICIT, beginning of year	(6,228,549)	(3,680,992)
	<hr/>	<hr/>
DEFICIT, end of year	\$ (7,567,179)	\$ (6,228,549)
	<hr/>	<hr/>
BASIC AND DILUTED LOSS PER SHARE	\$ (0.04)	\$ (0.08)
	<hr/>	<hr/>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	33,649,002	33,454,114
	<hr/>	<hr/>

MAXTECH VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JULY 31, 2008 AND 2007

	2008	2007
OPERATING ACTIVITIES		
Net income (loss) for the year	\$ (1,338,630)	\$ (2,547,557)
Adjustments for non-cash items:		
Amortization	3,177	1,765
Stock-based compensation	498,632	2,252,819
Impairment of resource property interests	1	179,546
Write-off of accounts payable	(34,198)	-
Write down of investment (Note 5)	297,535	-
Future income tax recovery	-	(239,723)
	<u>(573,483)</u>	<u>(353,150)</u>
Changes in non-cash operating accounts:		
Amounts receivable	41,699	(48,594)
Prepaid expenses	10,236	19,500
Accounts payable and accrued liabilities	44,626	(56,378)
	<u>(476,922)</u>	<u>(438,622)</u>
FINANCING ACTIVITIES		
Shares issued for cash	-	700,000
INVESTING ACTIVITIES		
Term deposit redemptions	2,382,634	3,838,169
Funds in trust	2,910,000	(2,910,000)
Equipment	-	(17,650)
Long term investment	(297,536)	-
Acquisition costs of resource properties	(92,000)	(24,220)
Deferred exploration costs	(624,643)	(159,408)
	<u>4,278,455</u>	<u>726,891</u>
INCREASE IN CASH AND CASH EQUIVALENTS	3,801,533	988,269
CASH, beginning of year	1,162,918	174,649
CASH, end of year	\$ 4,964,451	\$ 1,162,918
Acquisition costs of resource properties included in accounts payable	\$ 78,000	\$ 20,178

- See Accompanying Notes -

MAXTECH VENTURES INC.
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION COSTS
YEARS ENDED JULY 31, 2008 AND 2007

	Ariane & Guercheville	Julia	Other	2008 Total
EXPLORATION COSTS				
Analytical/assays	\$ -	\$ 253,634	\$ -	\$ 253,634
Geologist and geophysics	350,831	-	-	350,831
Total expenditures incurred during the year	350,831	253,634	-	604,465
BALANCE , beginning of year	80,000	-	1	80,001
	430,831	253,634	1	684,466
Impairment charged during the year	-		(1)	(1)
BALANCE , end of year	\$ 430,831	\$ 253,634	\$ -	\$ 684,465

	Ariane & Guercheville	Pat	Other	2007 Total
EXPLORATION COSTS				
Drilling	\$ -	\$ 51,375	\$ -	\$ 51,375
Geological	80,000	28,033	-	108,033
Total expenditures incurred during the year	80,000	79,408	-	159,408
BALANCE , beginning of year	-	16,536	1	16,537
	80,000	95,944	1	175,945
Impairment charged during the year	-	(95,944)	-	(95,944)
BALANCE , end of year	\$ 80,000	\$ -	\$ 1	\$ 80,001

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Maxtech Ventures Inc. (the "Company") is a development stage company and is primarily engaged in the acquisition, exploration and development of mineral resource properties.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or the realization of proceeds from the disposition of an interest or interests.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. Realization values may be substantially different from the carrying values as presented in the financial statements should the Company be unable to continue as a going concern.

The Company has no source of operating revenue and funding for operations is obtained primarily through public and private share offerings. Future operations are dependent upon the Company's ability to raise funding to finance expenditure requirements and upon the achievement of profitable operations.

2. NEW ACCOUNTING STANDARDS

a. Accounting standards newly adopted

On August 1, 2007, the Company adopted several new accounting standards related to accounting changes, financial instruments, comprehensive income, hedges, capital disclosures and inventories that were issued by the Canadian Institute of Chartered Accountants ("CICA"). The new CICA standards are as follows:

Section 1506, Accounting Changes

This Section establishes criteria for changes in accounting policies, accounting treatment and disclosure regarding changes in accounting policies, estimates and corrections of errors. In particular, this Section allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information. Furthermore, this Section requires disclosure of when an entity has not applied a new source of GAAP that has been issued but is not yet effective. Such disclosures are provided below. The adoption of this Section had no further effects on the financial statements for the year ended July 31, 2008.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

2. NEW ACCOUNTING STANDARDS (CONT'D)

Section 3855, Financial Instruments – Recognition and Measurement

This Section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held for trading, available for sale, held to maturity, loans and receivables, or other liabilities.

Financial assets and liabilities classified as held for trading are required to be measured at fair value, with gains and losses recognized in net earnings.

Financial assets classified as held to maturity, loans and receivables and financial liabilities (other than those held for trading) are required to be measured at amortized cost using the effective interest method of amortization.

Available for sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in other comprehensive income. Investments in equity instruments classified as available for sale that do not have a quoted market price in an active market should be measured at cost.

The Company classified its financial instruments as follows:

- Cash is classified as held for trading.
- Amounts receivable is classified as loans and receivables.
- Long term investment is classified as held to maturity.
- Accounts payable and accrued liabilities are classified as other liabilities.

The criteria for designating items as held for trading include financial assets that were acquired principally with the intention of generating a profit from price fluctuation. Available for sale assets are all financial assets not classified as either held for trading, accounts receivable, or held to maturity.

Where the Company has production royalties or net smelter royalties with property vendors, these are determined to be derivative instruments. The fair value of these derivative instruments is not reliably determinable until proven economically recoverable reserves have been identified.

Section 1530, Comprehensive Income

This Section establishes standards for reporting and presenting of comprehensive income which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net earnings.

The classification of the Company's financial instruments as at August 1, 2007 had no effect on the opening balances.

Section 3865, Hedges

This Section establishes standards for how hedge accounting may be applied. The Company currently does not have any hedges in place, and therefore this standard has no impact on its financial statements.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

2. NEW ACCOUNTING STANDARDS (CONT'D)

The CICA standards below were adopted prior to the mandatory effective date:

Section 1535, *Capital Disclosures*

This Section which specifies the disclosure of information that enables users of an entity's financial statements to evaluate its objectives, policies and processes for managing capital such as qualitative information about its objectives, policies and processes for managing capital, summary quantitative data about what the entity manages as capital, whether it has complied with any capital requirements and, if it has not complied, the consequences on non-compliance. The mandatory effective date is for annual and interim financial statements for years beginning on or after October 1, 2007. The Company elected to adopt this Section early and has included the additional capital disclosures in Note 9.

Section 3862, *Financial Instruments Disclosures*

Section 3863, *Financial Instruments Presentation*

These sections replace Section 3861, *Financial Instruments Disclosure and Presentation*, revising and enhancing disclosure requirements while carrying forward its presentation requirements. These new Sections will place increased emphasis on disclosure about the nature and extent of risk arising from financial instruments and how the entity manages those risks. The mandatory effective date is for annual and interim financial statements for years beginning on or after October 1, 2007. The Company elected to adopt this Section early and has included the additional financial instrument disclosures in Note 9.

Section 3031, *Inventories*

This Section prescribes the accounting treatment for inventories. In particular, this Section provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. The adoption of this Section does not have an impact on the financial statements.

b. New accounting standards not yet adopted

Section 1400, *General Standards of Financial Statement Presentation*

In June 2007, the CICA amended this Section to include requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. This new requirement will be adopted by the Company effective August 1, 2008. The adoption of this Section will not have an impact on the financial statements.

Section 3064, *Goodwill and Intangible Assets*

In February 2008, the CICA issued this new section to replace Section 3062, *Goodwill and Other Intangible Assets* and establish standards for the recognition, measurement and disclosure of goodwill and intangible assets. In addition, the CICA issued amendments to Section 1000, *Financial Statement Concepts* and AcG 11, *Enterprises in the Development Stage* and withdrew Section 3450, *Research and Development Costs*. EIC 27, *Revenues and Expenditures During the Pre-operating Period* is no longer applicable for entities that have adopted CICA 3064. The mandatory effective date is for annual and interim financial statements for years beginning on/after October 1, 2008. The Company will begin application of this section effective August 1, 2008. If adopted effective July 31, 2008, this Section would not have an impact on the financial statements.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

2. NEW ACCOUNTING STANDARDS (CONT'D)

International Financial Reporting Standards

In January 2006, the 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") for annual and interim financial statements for years beginning on/after January 1, 2011. The Company continues to monitor and assess the impact of these convergence efforts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries Max Oil and Gas Corporation (100% owned), PT Muba Max Gas (75% owned) and MaxTech Resources Private Limited (100% owned).

b. Resource property interests

The Company records the acquisition of resource property interests at cost, which does not necessarily, nor is it intended to, reflect market or recoverable value. Value is dependent upon the successful funding and development of the mineral interests and is subject to measurement uncertainty. Exploration and development expenditures are deferred and are charged to the property until such time as the project is put into commercial production, sold, abandoned, or when delays in the development process require a revaluation. Where a property is abandoned, the accumulated acquisition and deferred costs relating to that property are written off to operations.

Proceeds on dispositions of partial interests on properties or specified areas of common interest are credited as a reduction of carrying costs. No profit or loss is realized until all of the related costs have been offset by disposition proceeds. If a property or specified area of common interest is placed into commercial production, accumulated costs to production will be amortized on the units of production method.

Management reviews capitalized costs on its mineral properties on an annual basis at the balance sheet date and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or sale of the property. The recovery of capitalized costs are subject to measurement uncertainty and if it is reasonably possible, based on then existing knowledge, that the changes in future conditions in the near term could require a material change in the recognized amount.

Exploration costs renounced under flow-through share subscription agreements are capitalized for accounting purposes; however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses. Certain of the Company's mineral interests are acquired, operated and funded in conjunction with other third parties under participation agreements.

c. Property investigation costs

Costs incurred for the initial review of mineral property prospects, where no interests are acquired within the area of investigation, are written off in the period incurred.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d. Asset retirement obligations

The Company records a liability for an asset retirement obligation in the period in which it is identified and when a reliable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost is recognized by increasing the carrying amount of the related long-lived asset. The initial fair value of the liability is accreted, by charges to operations, over the remaining life of the asset.

e. Equipment

Equipment is carried at cost less accumulated amortization. Amortization is calculated using the declining balance method at the following annual rate:

Office and field equipment	20%
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In the year of acquisition, amortization is recorded at one-half the normal rate.

f. Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding.

The Company uses the treasury stock method for computing diluted earnings (loss) per share. This method assumes that any proceeds obtained upon exercise of options or warrants would be used to purchase common shares at the average market price during the period.

Diluted earnings (loss) per share is equal to basic earnings (loss) per share as the effect of applying the treasury stock method is insignificant.

g. 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of resource property interests, asset retirement obligations, expected tax rates for future income tax recoveries, and useful lives for depreciation and amortization of long-lived assets. Financial results as determined by actual events could differ from those estimates.

h. Income taxes

Income taxes are accounted for using the liability method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are likely to be realized. Future income tax assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Share Capital – Flow-through Shares

The Company provides certain share subscribers with a flow-through component for tax benefits available on qualifying Canadian exploration, development and related provincial grants.

Upon renunciation to the shareholders, the Company reduces share capital and records a temporary future income tax liability for the amount of the tax benefit renounced to shareholders. In instances where the Company has sufficient deductible temporary differences available to offset the future income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in income in the period of renunciation.

j. Risk management

The Company is engaged in resource exploration and development and is accordingly exposed to environmental risks associated with such activity. The properties the Company holds interest in are currently in the initial exploration stages and it has not determined whether significant site reclamation costs will be required. The Company would only record liabilities for site reclamation when reasonably determinable and when such costs can be reliably quantified. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

k. Stock-based compensation

The Company measures all stock-based awards using the fair value method. All awards are measured at the date of grant but are expensed or allocated to specific asset accounts as applicable as they vest with the recipients. An offsetting amount is credited to contributed surplus.

The fair value of options and other stock-based awards issued or altered during a fiscal period are determined using the Black-Scholes option pricing model (Note 8).

Upon the exercise of stock options or agents warrants, the fair value of the share based award is allocated to share capital with the exercise proceeds.

l. Share issue costs

All professional fees and commissions incurred directly with the issue of the Company's shares are charged directly to share capital.

m. Long-lived assets and impairment

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n. Long-lived assets and impairment (cont'd)

Assets with indefinite or indeterminable lives are not amortized and are reviewed for impairment on a reporting period basis using fair value determinations based on management's estimate of recoverable value.

o. Comparative figures

Certain of the comparative figures have been reclassified to conform with current presentation.

4. EQUIPMENT

	2008		
	Cost	Accumulated Amortization	Net Book Value
Field equipment	\$ 15,000	\$ 4,200	\$ 10,800
Office equipment	2,650	742	1,908
	\$ 17,650	\$ 4,942	\$ 12,708
	2007		
	Cost	Accumulated Amortization	Net Book Value
Field equipment	\$ 15,000	\$ 1,500	\$ 13,500
Office equipment	2,650	265	2,385
	\$ 17,650	\$ 1,765	\$ 15,885

5. LONG TERM INVESTMENT

On March 12, 2007, the Company entered into a Memorandum of Understanding (the "MOU") with Societe Miniere Ste. Genevieve-Haiti, S.A. ("SGH") to acquire a 60% interest in this private company located in Haiti. SGH holds a number of advanced stage exploration properties in Haiti which require additional expenditures to further explore and develop the properties. The Company was to provide the necessary funding for this development through the purchase of SGH common shares and during the comparative year transferred \$2,500,000 US into trust for the purchase of 200,000 shares at \$12.50 US per share.

On October 22, 2007 the Company amended the MOU and entered into a subscription agreement with SGH to purchase 320,000 SGH common shares at \$12.50 US per share for a total investment of \$4,000,000 US. SGH holds a number of advanced stage exploration properties in Haiti which require additional expenditures to further explore and develop the properties. The Company, in order to earn an interest in the projects, has agreed to provide the necessary funding for this development, through the purchase of common shares of SGH. On signing the agreement, the Company purchased 20,000 SGH common shares for \$250,000 US. The remaining \$2,250,000 US held in trust was released to the Company, however, the value of the US dollar declined during this period and accordingly these transfers in and out of trust also contributed significantly to the Company's current foreign exchange loss. During the year, the Company purchased an additional 4,160 shares for \$52,000 US.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JULY 31, 2008 AND 2007

5. LONG TERM INVESTMENT (CONT'D)

The Company did not receive the 24,160 shares from SGH and has decided to not continue with its investment and to instead pursue the recovery of the advances paid. At July 31, 2008, the Company has written down its investment of \$302,000 US to a nominal amount due to the uncertainty surrounding its recovery. The Company intends to aggressively pursue the recovery of this investment and any amounts recovered will be recorded as received.

6. RESOURCE PROPERTY INTERESTS

	Acquisition Costs and Option Payments	Deferred Exploration and Development Costs	Impairment of Capitalized Costs	2008 Total
a. Ariane & Guercheville	\$ 10,000	\$ 430,831	\$ -	\$ 440,831
b. Julia	27,500	253,634	-	281,134
c. Pat	-	-	-	-
d. Dyberg	-	1	(1)	-
e. Maple	150,000	-	-	150,000
f. Rivercess	-	-	-	-
	<u>\$ 187,500</u>	<u>\$ 684,466</u>	<u>\$ (1)</u>	<u>\$ 871,965</u>

	Acquisition Costs and Option Payments	Deferred Exploration and Development Costs	Impairment of Capitalized Costs	2007 Total
a. Ariane & Guercheville	\$ 10,000	\$ 80,000	\$ -	\$ 90,000
b. Julia	7,500	-	-	7,500
c. Pat	8,905	95,944	(104,849)	-
d. Dyberg	-	1	-	1
e. Maple	-	-	-	-
f. Rivercess	74,697	-	(74,697)	-
	<u>\$ 101,102</u>	<u>\$ 175,945</u>	<u>\$ (179,546)</u>	<u>\$ 97,501</u>

a. Ariane & Guercheville

By an Option agreement dated March 5, 2007, the Company may acquire a 100% interest in two prospective gold properties consisting of 40 mineral claims totaling approximately 2,300 acres in the Abitibi region of Quebec for consideration of:

- Cash payment of \$45,000 for each property (\$90,000 total paid); and
- Undertaking the drilling of at least three holes on each property.

For each property upon which an economic discovery is made, a bonus of \$70,000 in the Company's common shares and a 2% NSR will be issued to the vendor. The Company can acquire 1% of the NSR for \$1 million.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. RESOURCE PROPERTY INTERESTS (CONT'D)

b. Julia

By an Option agreement dated November 30, 2005 and amended September 7, 2006, the Company has acquired a 50% interest, subject to a 2% NSR, in a property consisting of 7 mineral claims totaling approximately 2,300 hectares in the Atlin Mining Division of British Columbia for consideration of:

- Cash payment of \$5,000 on signing (paid);
- Cash payment of \$20,000 on decision to proceed with the second program (paid); and
- Incurring \$150,000 in exploration expenditures on or before November 1, 2007 (completed).

The Company can acquire 1% of the NSR for \$1 million.

c. Pat

By an Option agreement dated December 16, 2005, the Company may acquire a 60% interest in a property consisting of 3 mineral claims totaling 1,745 hectares in the Cariboo Mining Division of British Columbia. To earn this interest, the Company must make payments totaling \$85,000 and incur exploration expenditures totaling \$870,000 (including a \$70,000 drill program). During the previous year, the Company determined these claims to no longer be an area of interest and has written off all costs incurred to date.

d. Dyberg

By Option agreements dated March 21, 2005 and September 30, 2005, the Company may acquire a 45% interest, subject to Crown Royalty and a 2% ORR, in a petroleum and natural gas lease in Alberta. To earn this interest, the Company must pay 45% of the cost of a test well. The Company has determined this lease to no longer be an area of interest and has written off all costs incurred to date.

e. Maple

By an Option agreement dated September 4, 2007, the Company may acquire an 80% interest, subject to a 2% NSR, in a property covering 253 square kilometres located 15 kilometres south of the town of La Vega in the central part of the Dominican Republic. The Company can earn its interest for consideration of incurring \$2,000,000 US in exploration expenditures over the first three years and \$150,000 in cash payments as follows:

- \$75,000 on signing (paid); and
- \$75,000 on or before March 1, 2008 (payable at July 31, 2008)

f. Rivercess

By a Mineral Exploration agreement dated October 5, 2005, the Company has the right to conduct mineral exploration in a 1,000 square kilometre area in Rivercess County, Liberia. The agreement is for a period of three years with an option for an additional 2 years. To maintain the agreement, the Company must pay an annual license of \$5,000 US, a land rental payment, and incur exploration expenditures in the amount of \$2.00 US per acre per year. During the previous year, the Company determined these rights to no longer be an area of interest and has written off all costs incurred to date.

MAXTECH VENTURES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. SHARE CAPITAL

The authorized share capital of the Company consists of 100,000,000 common shares without par value.

The Company's issued and outstanding share capital is as follows:

	2008		2007	
	Shares	Amount	Shares	Amount
Balance, beginning of year	33,649,002	\$ 8,130,000	33,349,002	\$7,616,408
Issued for cash				
Options exercised	-	-	50,000	75,000
Exercise of warrants	-	-	250,000	625,000
	-	-	300,000	700,000
Reallocation on stock options exercised (Note 8)	-	-	-	53,315
Less: Value of future tax benefit related to flow-through shares	-	-	-	(239,723)
Balance, end of year	33,649,002	\$8,130,000	33,649,002	\$8,130,000

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 6,116,000. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the TSX Venture Exchange (the "Exchange") on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies, subject to a minimum of \$0.10 per common share. Stock options granted under the Plan vest over a period of 18 months from the date of grant and vesting of the options shall occur equally every six months.

MAXTECH VENTURES INC.
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7. SHARE CAPITAL (CONT'D)

A summary of the status of the Company's outstanding stock options as at July 31, 2008 and 2007 and changes during the years then ended are as follows:

	2008			2007		
	# Shares	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	# Shares	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
Outstanding, beginning of year	5,406,000	\$ 1.67	3.5	6,116,000	\$ 1.50	4.5
Granted	-	-	-	1,350,000	3.17	-
Exercised/ cancelled	-	-	-	(2,060,000)	2.16	-
Outstanding, end of year	5,406,000	\$ 1.67	2.5	5,406,000	\$ 1.67	3.5

The following table provides detailed information about stock options outstanding at July 31, 2008:

Options Outstanding	Exercise Price	Expiry Date
150,000	\$ 3.25	October 6, 2008
25,000	3.00	April 13, 2009
4,084,000	1.50	January 18, 2011
747,000	1.50	February 9, 2011
100,000	3.00	February 21, 2012
300,000	3.00	April 13, 2012
5,406,000		

Warrants

A summary of the status of the Company's warrants and agents' options as at July 31, 2008 and 2007 and changes during the years then ended are as follows:

	2008		2007	
	# Shares	Weighted Average Exercise Price	# Shares	Weighted Average Exercise Price
Outstanding, beginning of year	-	\$ -	1,384,500	\$ 2.50
Expired	-	-	(1,134,500)	2.50
Exercised	-	-	(250,000)	2.50
Outstanding, at year end	-	\$ -	-	\$ -

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8. CONTRIBUTED SURPLUS

	2008	2007
Balance, beginning of year	\$ 4,652,711	\$ 2,453,207
Stock-based compensation i)	498,632	2,252,819
Reclassify options exercised	-	(53,315)
Balance, end of year	\$ 5,151,343	\$ 4,652,711

i) Stock-based compensation

Stock-based compensation has been recorded in the amount of \$498,632 (2006 - \$2,252,819) and included in contributed surplus. The amount is management's estimate of the fair value of the stock options vested in the year, and has been expensed in the statement of operations.

The above fair value amounts were calculated using the Black Scholes option pricing model using the following current assumptions:

	2008	2007
Risk free interest rate	-	3.99% to 4.15%
Expected life	-	2.5 to 5 years
Expected volatility	-	85% to 87%
Dividend yield	-	0%

9. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to shareholders through equity sales. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record, and the experience of management. The capital structure of the Company consists of shareholder's equity, comprising issued capital and deficit.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial instrument are disclosed in note 2 to the financial statements.

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9. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management

The Company monitors and manages the financial risks relating to operations through analysis of exposures by degree and magnitude of risks. These risks include credit risk, market risk and liquidity risk.

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. The Company's trade receivables are an insignificant amount and exposure to credit risk is minimal.

Market risk

Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of the US dollar. The Company does not currently hold any financial instruments that mitigate this risk. The Company is exposed to market risk in generating capital to continue its activities.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company is not financed by debt and exposure to liquidity risk is minimal.

10. RELATED PARTY TRANSACTIONS

The following table summarizes services provided by directors and or companies with directors in common:

	<u>2008</u>	<u>2007</u>
Consulting	<u>\$ 10,000</u>	<u>\$ -</u>
	<u>\$ 10,000</u>	<u>\$ -</u>

This amount has been recorded at its fair value as determined by management.

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11. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	<u>2008</u>	<u>2007</u>
Net loss for the year	\$ (1,338,631)	\$ (2,547,557)
Expected income tax recovery	(414,976)	(868,717)
Net adjustment for current year non-deductible amounts	228,248	837,914
Unrecognized benefits of non-capital losses	186,728	30,803
Tax asset recognized to offset FIT on flow-through renunciation	-	(239,723)
Income tax recovery	<u>\$ -</u>	<u>\$ (239,723)</u>

The significant components of the Company's future income tax assets are as follows:

	<u>2008</u>	<u>2007</u>
Future income tax assets:		
Mineral properties and equipment	\$ (156,514)	\$ (32,646)
Unamortized share issuance costs	31,589	60,973
Non-capital loss carryforwards	<u>426,650</u>	<u>354,981</u>
Future income tax assets:	301,725	383,308
Valuation allowance	<u>(301,725)</u>	<u>(383,308)</u>
	<u>\$ -</u>	<u>\$ -</u>

The company has non-capital losses of approximately \$1,610,000 (2007 - \$1,041,000) at December 31, 2008 which expire in stages prior to 2029.

12. WRITE-OFF OF ACCOUNT PAYABLE

These amounts have been listed as outstanding for several years, but are not believed by the company to be owing and no demands for payment have been made in respect to them.

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Form 51-102F1

Annual Management's Discussion and Analysis¹
Containing Information up to and including November 20, 2008

BACKGROUND

Maxtech Ventures Inc. ("**Maxtech**" or the "**Company**") is a development stage company actively engaged in the acquisition, exploration and development of mineral resource properties located in British Columbia, Quebec and internationally. The Company is listed on the TSX Venture Exchange under the symbol MVT.

OVERALL PERFORMANCE

Maxtech conducted exploration programs on the Julia property in B.C. and the Ariane & Guercheville properties in Quebec during the year ended July 31, 2008.

In addition, the Company entered into a new option agreement to acquire an 80% interest in the Maple property in the Dominican Republic. The Company can earn its interest for consideration of incurring \$2,000,000 US in exploration expenditures over the first three years and \$150,000 in cash payments.

Investment in Societe Miniere Ste. Genevive-Haiti. S.A. ("SGH")

The Company entered into a Memorandum of Understanding with Societe Miniere Ste. Genevieve-Haiti, S.A. ("SGH"), a private Haitian company located in Port-au-Prince, Haiti. SGH holds a number of advanced stage exploration properties in Haiti which require additional expenditures to further explore and develop the properties. The Company, in order to earn an interest in the projects, has agreed to provide the necessary funding for this development, through the purchase of 320,000 SGH common shares at \$12.50 US per share for a total investment of \$4,000,000 US.

During the year ended July 31, 2008, the Company purchased 24,160 shares for \$302,000 US. The Company did not receive the shares from SGH and has decided to not continue with its investment and to instead pursue the recovery of the advances paid.

FORWARD LOOKING INFORMATION

Certain statements contained in the MD&A constitute forward looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made.

EXPLORATION UPDATE

Julia Property, British Columbia

The Company retained the services of Geotronics Consulting Inc. to carry out 150 line-kilometers of ground magnetic and electromagnetic surveys in conjunction with an MMI soil sampling program and geological mapping on

1 Note to Reader

The following management's discussion and analysis ("**MD&A**") provides a detailed analysis of the Company's business and compares its financial results with those of the two previous years and should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2008. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**Canadian GAAP**").

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the optioned claims. The Atlin property is located 28 kilometers east of the town of Atlin in the north-western part of British Columbia and is prospective for precious metals. The Company is awaiting the report on the work done to date.

Ariane & Guercheville, Quebec

The Company has conducted line cutting, mapping, ground geophysics and sampling on the Ariane and Guercheville properties. The Company will continue with its ongoing program to locate drill targets.

Maple Property, Dominican Republic

The Company is currently awaiting the government of the Dominican Republic to grant final title to this project, prior to work being undertaken. Title was expected to be received in the summer of 2008. The Company will utilize the services of Diagnos Inc. to perform the initial geological work on the project.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for Maxtech for each of the three most recently completed fiscal years. The information set forth below should be read in conjunction with the audited consolidated financial statements, prepared in accordance with Canadian GAAP.

	Year ended July 31, 2008	Year ended July 31, 2007	Year ended July 31, 2006
Total revenue	\$ Nil	\$ Nil	\$ Nil
Stock-based compensation	498,632	2,252,819	2,453,207
Impairment of resource property interests	1	179,546	601,907
Other administrative expenses	362,767	582,283	207,803
Loss before income taxes	(1,338,630)	(2,787,280)	(3,221,764)
Future income tax recovery	-	239,723	-
Net loss	(1,338,630)	(2,547,557)	(3,221,764)
Basic and diluted loss per share	(0.04)	(0.08)	(0.14)
Total assets	5,859,062	6,630,810	6,521,649

RESULTS OF OPERATIONS

The Company's net loss for the year ending July 31, 2008 was \$1,338,630 (\$0.04 per share) as compared to a loss of \$2,547,557 (\$0.08 per share) in 2007 and a loss of \$3,221,764 (\$0.14 per share) in 2006. The Company is a development stage company and does not generate operating revenue. Other significant variances include a significant decrease in stock-based compensation (2008 - \$498,632, 2007 - \$2,252,819 and 2006 - \$2,453,207) and other administrative expenses (2008 - \$362,767, 2007 - \$582,283 and 2006 - \$207,803).

Acquisition and exploration costs are deferred and charged to the property until such time as the project is put into commercial production, sold, abandoned, or when delays in the development process require a revaluation. The Company recorded impairment on the Pat and Rivercess properties in 2007 and the Dyberg and Carruthers Pass properties in 2006.

The Company's stock-based compensation and other administrative expenses decreased significantly in 2008. The Company granted nil (2007 - 1,350,000 and 2006 - 6,116,000) stock options and recorded stock-based compensation in the amount of \$498,632 (2007 - \$2,252,819 and 2006 - \$2,453,207). The expense is recorded as

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the options vest over an 18 month period.

Other administrative expenses were lower during 2008 due to the lower level of corporate activity.

The Company recorded a write-off of investment in the amount of \$297,535 in connection with terminating the agreement with SGH. In addition, the Company recorded a loss on foreign exchange in the amount of \$379,979 (2007 - \$5,668 and 2006 - \$1,044) largely as a result of holding \$2.5 million US in trust to facilitate the SGH agreement.

FOURTH QUARTER

The factors that influenced the results of operations for the fourth quarter ended July 31, 2008 are substantially the same as those described under "Results of Operations" above. The Company reported loss for the fourth quarter in the amount of \$279,670 (2007 - \$1,629,674). Stock-based compensation was \$nil (2007 - \$1,647,057) and other administrative expenses were \$65,419 (2007 - \$235,890) during the fourth quarter.

The Company incurred \$122,223 (2007 - \$nil) in exploration costs during the fourth quarter on the Ariane & Guercheville properties.

The write-off of investment on the SGH shares was recorded during the fourth quarter.

SUMMARY OF QUARTERLY RESULTS

The selected quarterly information for the past eight fiscal quarters is outlined below:

(In thousands of dollars except amounts per share)	2008				2007			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and term deposits	4,964	4,983	4,967	3,078	3,546	3,124	6,084	6,144
Working Capital	4,829	4,933	4,992	6,081	6,441	6,057	6,084	6,155
Total Assets	5,859	6,051	6,194	6,547	6,631	6,284	6,340	6,397
Shareholders' Equity	5,714	5,994	6,134	6,476	6,554	6,245	6,288	6,353
Administrative expenses	65	642	78	76	1,650	441	146	362
Foreign exchange gain (loss)	23	(129)	(271)	(2)	(4)	-	-	(2)
Impairment of Resource Property Interests	1	-	-	-	75	105	-	-
Net Income (Loss)	280	(638)	(342)	(78)	(1,630)	(404)	(146)	(367)
Net Earnings (Loss) per Share	(0.01)	(0.02)	(0.01)	(0.00)	(0.06)	(0.01)	(0.00)	(0.01)
Weighted Average Shares Outstanding (000's)	33,649	33,649	33,649	33,649	33,454	33,432	33,416	33,364
Closing Exchange Rate (Can\$/1 US\$)	1.0238	1.0135	0.997	0.9547	1.0667	1.1169	1.1825	1.1212

The major variances in cash, working capital, total assets and shareholders' equity are mainly attributable to equity placements and investment in exploration, as well as administrative expenses. The Company is a development stage company and does not generate operating revenue. The only source of revenue is the interest earned on cash deposits.

LIQUIDITY

Financing of operations is achieved primarily by issuing share capital. At July 31, 2008, the Company had \$4,964,451 in cash and working capital of \$4,829,490.

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During the year ended July 31, 2008 expenditures for operating activities were \$476,922 compared to \$438,622 in 2007. The increase in expenditures was largely a result of the foreign exchange loss due to the decline in the US dollar.

Maxtech's investing activities revolve around developing its mineral properties. The Company spent \$624,643 in exploration costs during the year ended July 31, 2008 compared to \$159,408 in 2007. The expenditures were incurred on the Ariane & Guercheville and Julia properties.

The Company did not generate any cash flows from financing activities in 2008. Exploration programs were able to continue with the funds raised in previous fiscal years.

CAPITAL RESOURCES

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets are resource properties. The Company capitalizes all costs related to the resource properties until the project is put into commercial production, sold, abandoned, or when delays in the development process require a revaluation.

All of the Company's resource property agreements are non-binding. To maintain its interest in the properties the Company must meet expenditure commitments in accordance with the agreements. The Company must spend \$2,000,000 on exploration expenditures over a three year period on the Maple property.

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

The Company has adequate financial resources to conduct its activities for the year and currently does not anticipate difficulties in raising additional funding if needed.

TRANSACTIONS WITH RELATED PARTIES

The Company paid \$10,000 for consulting fees to Curt Huber, a director of the Company until June 10, 2008.

PROPOSED TRANSACTIONS

There are no transactions that will materially affect the performance of the Company.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Note 2 to the audited consolidated financial statements for the year ended July 31, 2008. Management considers the following policies to be the most critical in understanding the judgments and estimates that are involved in the preparation of its consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, and useful lives for depreciation and amortization. Financial results as determined by actual events could differ from those estimates.

Accounting for Stock Options

The fair value of stock options used to calculate compensation expense has been estimated using the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility of the Company's shares. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

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CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

On August 1, 2007, the Company adopted several new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"). These policies include:

- Section 1506, *Accounting Changes*
- Section 1530, *Comprehensive Income*
- Section 1535, *Capital Disclosures*
- Section 3855, *Financial Instruments – Recognition and Measurement*
- Section 3862, *Financial Instruments Disclosures*
- Section 3863, *Financial Instrument Presentation*
- Section 3865, *Hedges*
- Section 3031, *Inventories*

These policies are outlined in Note 2 in the financial statements for the year ended July 31, 2008.

The CICA, with its new policies on financial instruments, is looking to account for changes in asset values that typically have not been reflected in historical financial statements. Assets re-valued under these policies are typically liquid assets such as investments. There has been no change in accounting for long-term or capital assets.

The adoption of these standards does not impact the financial results of the Company. The additional disclosures required by these sections are included in the notes to the consolidated financial statements for the year ended July 31, 2008.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

On February 13, 2008, the Canadian Accounting Standards Board announced that publicly accountable entities will be required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will have to provide comparative IFRS information for the previous fiscal year. The Company is assessing the impact of this transition to IFRS on the Company's financial statements and developing an implementation plan.

SHARE DATA

The authorized capital of the Company consists of 100,000,000 common shares. As of the date of this report, there are 33,649,002 common shares issued and outstanding.

Pursuant to the Company's Stock Option Plan, the Company may issue up to 6,116,000 incentive stock options to purchase common shares of the Company. Currently, 5,256,000 options to purchase common shares are in reserve.

There are no outstanding share purchase warrants.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part

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of the exploration and development of the property. For the funding property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record, and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

The property interests the Company has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

OTHER

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.maxtechventures.com. You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.