



Adex Mining Inc.
Consolidated Interim Financial Statements
March 31, 2010
(Unaudited)

ADEX MINING INC.
(the "Company")

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 27th day of May, 2010.

ADEX MINING INC.

Per: (signed) "Errol Farr"
Name: Errol Farr
Title: Chief Executive Officer

Per: (signed) "William C. Burton"
Name: William C. Burton
Title: Chief Financial Officer

ADEX Mining Inc.
Consolidated Balance Sheets

As at	March 31 2010 \$	December 31 2009 \$
	(Unaudited)	
Assets		
Current		
Cash and cash equivalents	1,237,341	1,758,924
Committed cash (note 3)	785,977	1,008,199
Accounts receivable	75,139	66,979
Prepaid expenses	94,525	54,329
Interest receivable	16,732	32,392
	2,209,714	2,920,823
Mineral properties (note 4)	6,885,002	6,521,680
Reclamation bonds	807,961	780,103
Equipment under capital lease	62,901	69,192
Property, plant & equipment net of depreciation of \$35,164 (2009 - \$14,990)	2,225	3,061
	9,967,803	10,294,859
Liabilities		
Current		
Accounts payable & accruals	288,300	295,880
Current portion of capital lease	23,103	22,970
	311,403	318,850
Capital lease obligation (note 7)	36,302	42,028
	347,705	360,878
<i>Commitments, contingencies and guarantees (note 7)</i>		
Shareholders' equity (note 5)		
Share capital	39,132,446	39,132,446
Contributed surplus	1,825,728	1,764,030
Warrants	272,731	272,731
Compensation unit options	67,375	67,375
Deficit	(31,678,182)	(31,302,601)
	9,620,098	9,933,981
	9,967,803	10,294,859

The accompanying notes are an integral part of these financial statements

Approved on behalf of the board:

(signed) "Norman Betts"
Director

(signed) "Errol Farr"
Director

ADEX Mining Inc.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the three months ended
March 31

(Unaudited)	2010	2009
	\$	\$
Expenses		
Administrative and general	242,711	195,609
Mineral property expenses	72,697	86,585
Stock based compensation (note 5)	61,698	85,932
Depreciation	693	586
Interest earned on funds on deposit	(2,218)	(13,984)
	375,581	354,729
Net loss and comprehensive loss	(375,581)	(354,729)
Deficit, beginning of the period	(31,302,601)	(30,195,127)
Deficit, end of the period	(31,678,182)	(30,549,856)
Weighted average number of shares outstanding	96,526,026	88,117,361
Basic and diluted loss per share	(0.00)	(0.00)

The accompanying notes are an integral part of these financial statements

ADEX Mining Inc.
Consolidated Statements of Cash Flows

For the three months ended
March 31

(Unaudited)	2010 \$	2009 \$
Operating activities		
Net loss for the year	(375,581)	(354,729)
Items not affecting cash:		
Future income taxes		
Stock based compensation	61,698	85,932
Depreciation of property, plant and equipment	7,128	2,668
Amortization of bond premium	1,103	2,696
	(305,652)	(263,432)
Change in non-cash working capital		
Prepaid expenses	(40,196)	(19,434)
Accounts receivable	(8,160)	80,094
Interest receivable	15,660	19,007
Accounts payable & accruals	(7,580)	(129,698)
	(345,928)	(313,463)
Investing activities		
Additions to reclamation bonds	(27,858)	(34,370)
Additions to mineral properties	(363,322)	(94,006)
	(391,180)	(128,376)
Financing activities		
Capital lease payments	(6,697)	-
	(6,697)	-
Change in cash and cash equivalents	(743,805)	(441,839)
Cash and cash equivalents, beginning of the period	2,767,123	3,883,821
Cash and cash equivalents, end of the period	2,023,318	3,441,982
Cash and cash equivalents comprises:		
Cash	18,321	1,441,982
Guaranteed investment certificate	1,219,020	2,000,000
Committed cash	785,977	-

The accompanying notes are an integral part of these financial statements

Adex Mining Inc.

Notes to the Consolidated Financial Statements

March 31, 2010

1. NATURE OF OPERATIONS

Adex Mining Inc. (the "Company") holds 100% of the subsurface mineral rights to approximately 1,600 hectares encompassing the Mount Pleasant mine area of New Brunswick, Canada (the "Property" or "Mount Pleasant"). Within the mineral rights area the Company owns approximately 405 hectares of land, plus the buildings, machinery and equipment on site which comprise the dormant Mount Pleasant mine.

The Company has interests in resource properties which it is in the process of exploring and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of expenditures on resource properties, including deferred exploration expenditures, is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the resource properties, and upon future profitable production or proceeds from the disposition thereof.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") with respect to preparation of interim financial statements on a basis consistent with the Company's audited annual financial statements as at and for the year ended December 31, 2009 (except as noted below) and should be read in conjunction with those statements as they do not contain all information or disclosure to be accordance with Canadian generally accepted accounting principles for annual financial reporting. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended March 31, 2010 may not be indicative of the results that may be expected for the year ending December 31, 2010.

Use of estimates

The preparation of the unaudited interim period financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures made in the unaudited interim period financial statements and accompanying notes. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that may be undertaken in the future. Actual results could differ from these estimates.

Comparative figures

Certain of the prior period's figures have been reclassified to conform to the current presentation.

Changes in accounting policy – Business Combinations

In January 2009, the CICA issued Section 1582, Business Combinations, replacing Section 1581 of the same name. The new section will apply prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Section 1582, which provides the Canadian equivalent to International Financial Reporting Standard 3, Business Combinations (January 2008), establishes standards for the accounting for a business combination. Section 1582 requires business acquisitions (including non-controlling interests and contingent consideration) to be measured at fair value on the acquisition date, generally requires acquisition-related costs to be expensed, requires gains from bargain purchases to be recorded in net earnings, and expands the definition of a business. As Section 1582 applies only to future business combinations, it has not had a significant effect on the Company's interim consolidated financial statements.

3. COMMITTED CASH

On December 30, 2009, the Company completed a private placement of 8,408,665 flow-through units at a price of \$0.12 per unit for gross proceeds of \$1,009,040. The financing resulted in the issuance of 8,408,665 flow-through common shares and 4,204,332 non flow-through warrants. The proceeds of the common shares were renounced as flow-through eligible Canadian Exploration Expenses ("CEE") valued at \$1,008,199. These funds were committed to be expended on CEE and, as such, were not available for general working capital purposes. As at March 31, 2010,

the Company had expended \$222,222 of these committed funds, leaving a balance of \$785,977.

4. MINERAL PROPERTIES

Mount Pleasant Property, New Brunswick	Exploration & development \$	Tailings Impoundment Facility upgrade \$	Total \$
Balance, December 31, 2008	4,982,824	625,917	5,608,741
Additions	909,078	3,860	912,939
Balance, December 31, 2009	5,891,902	629,777	6,521,680
Additions	363,322	-	363,322
Balance, March 31, 2010	6,255,224	629,777	6,885,002

The Company holds a 100% interest in the subsurface mineral rights to approximately 1,600 hectares encompassing the Mount Pleasant mine area. Within the mineral rights area, the Company owns approximately 405 hectares of land. Expenditures to March 31, 2010 relate to the consulting and other activities associated with the preparation of a new National Instrument ("NI 43-101") technical report, as well as expenses related to the current mine development program. Tailings Impoundment Facility expenditures relate to the repair and rehabilitation of the Mount Pleasant Tailings Impoundment Facility in order to comply with government regulations, and in anticipation of future production requirements.

5. SHAREHOLDERS' EQUITY

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at March 31, 2010, the Company had 96,526,026 common shares issued and outstanding.

	Number of shares	Amount \$
Balance, December 31, 2007	74,659,015	37,070,091
Warrants exercised	13,458,346	1,789,233
Balance, December 31, 2008	88,117,361	38,859,324
Issuance of common shares	8,408,665	736,309
Share issue expense	-	(170,809)
Tax benefits renounced on flow through shares	-	(292,378)
Balance, December 31, 2009 and March 31, 2010	96,526,026	39,132,446

Contributed Surplus

	Amount \$
Balance, December 31, 2009	1,764,030
Common share options expense	61,698
Balance, March 31, 2010	1,825,728

Stock options

On February 4, 2010, the Company granted an aggregate of 1,750,000 common share options with an exercise price of \$0.15 per common share to directors, officers and certain employees and consultants of the Company. The options vest quarterly in equal amounts over a twelve month period from the date of the grant and expire on February 3, 2015.

The following summary sets out the activity in outstanding common share stock options to the period ended March 31, 2010:

	Options #	Weighted-average exercise price \$
Outstanding, December 31, 2009	6,910,000	0.27
Issued February 4, 2010	1,750,000	0.15
Outstanding, March 31, 2010	8,660,000	0.25
Options exercisable at March 31, 2010	6,547,500	0.28

The details of stock options outstanding at March 31, 2010 are as follows:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
2,050,000	2,050,000	2.26 years	\$0.30	June 29, 2012
1,370,000	1,370,000	2.26 years	\$0.30	June 29, 2012
250,000	250,000	2.35 years	\$0.40	August 2, 2012
140,000	140,000	2.40 years	\$0.35	August 20, 2012
150,000	150,000	2.68 years	\$0.45	November 28, 2012
50,000	50,000	2.85 years	\$0.33	January 30, 2013
1,450,000	1,450,000	3.21 years	\$0.30	June 11, 2013
1,450,000	1,087,500	4.08 years	\$0.12	April 24, 2014
1,750,000	-	4.86 years	\$0.15	February 23, 2015

The weighted average fair value of the options granted is \$0.28 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate ranging from 2.01% to 4.70%, expected dividend yield of nil, average expected volatility ranging from 91.8% to 169% and expected life term of five years. Under this method of calculation, the Company has recorded \$61,698 as stock based compensation, being the fair value of the options vested during the period ended March 31, 2010 (\$85,932 for the period ended March 31, 2009). Options that have been issued and remain outstanding vest in one of three ways: (1) immediately on date of grant; (2) over one year from the date of grant, in equal quarterly installments commencing three months following the date of grant; or (3) over a period of eighteen months in quarterly installments commencing three months following the date of grant of 12.5%, 12.5%, 25%, 25%, 12.5% and 12.5%.

Warrants

There was no activity in the Company's outstanding common share purchase warrants for the period ended March 31, 2010.

The details of the Company's outstanding common share purchase warrants at March 31, 2010 are as follows:

Number of warrants	Remaining contractual life	Exercise price per share	Expiry date
4,204,332	1.76 years	\$0.175	December 30, 2011

Compensation unit options

On December 30, 2009, the Company completed a private placement resulting in the issuance of a finders fee of 816,665 compensation unit options. Each finder's fee compensation unit option is exercisable until December 30, 2011 into one common share at a price of \$0.12 per share, and one-half of one Warrant to purchase a common share at the same terms as warrants above. There were no exercise or expiries of these options during the quarter ended March 31, 2010 and 816,665 compensation unit options remain outstanding.

6. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2010, the Company incurred related party expenses of \$43,500 (\$52,700 for the period ended March 31, 2009) These expenses related to the payment of management fees to the Company's senior officers, Errol Farr, President and Chief Executive Officer and William C. Burton, Chief Financial Officer. These amounts were expensed in the period incurred as administrative and general expenses.

There are no amounts payable to these related parties at March 31, 2010. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

7. COMMITMENTS, CONTINGENCIES AND GUARANTEES

The Company has a contractual lease obligation related to its corporate premises that requires a minimum total lease payments of \$135,987 until September 2012. The following table demonstrates the full year commitments.

	\$
2010	40,796
2011	54,395
2012	40,796
	<u>135,987</u>

The following is a schedule of future minimum lease payments under the capital lease expiring August 31, 2012 together with the balance of the obligation under capital lease.

	\$
2010	20,092
2011	26,789
2012	17,859
Total minimum lease payments	64,740
Amount representing interest at 7%	(5,336)
Balance of the obligation	<u>59,662</u>

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and liabilities

Under Canadian generally accepted accounting principles, financial instruments are classified into one of the following five categories: held-for-trading, held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sale on the consolidated balance sheet are classified into the following categories:

	March 31, 2010		December 31, 2009	
	Carrying value	Fair Value	Carrying value	Fair Value
	\$	\$	\$	\$
Held for trading ⁽¹⁾	2,023,318	2,023,318	2,767,123	2,767,123
Loans and receivables ⁽²⁾	91,871	91,871	99,371	99,371
Held to maturity ⁽³⁾	807,961	807,961	780,103	780,103
Other financial liabilities ⁽⁴⁾	347,705	347,705	360,878	360,878

(1) Includes cash and cash equivalents.

(2) Includes accounts receivable and interest receivable.

(3) Reclamation bond

(4) Includes accounts payable and accruals.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying value. All of the Company's instruments are

classified as (1) in the fair value measurements hierarchy due to their short-term nature.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

(a) Market risk

(i) Price risk

Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is exposed to commodity price risk arising from revenue derived from forecast future sales of the metals it is exploring for. The Company does not manage commodity price risk through the use of derivative instruments.

Sensitivity

At March 30, 2010, a change in the value of tungsten, molybdenum, tin or indium would not change the recognized value of any of the Company's financial instruments.

(ii) Interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of its bank accounts.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amounts of financial assets recorded in the financial statements are adjusted for any impairment and represent the Company's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the closing price.