

CanAfrican Metals and Mining Corp.

Consolidated Financial Statements

April 30, 2007 and 2006

(Expressed in U.S. dollars)

The accompanying unaudited interim financial statements of CanAfrican Metals and Mining Corp., for the period ended April 30, 2007 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's independent auditors.

CanAfrican Metals and Mining Corp.

Consolidated Balance Sheets

As at

(Expressed in U.S. Dollars)

(Unaudited)

	April 30, 2007	October 31, 2006
ASSETS		
Current Assets		
Cash	\$ 208,013	\$ 10,813
Amounts receivable	2,889	47,638
Prepaid expenses	643	643
	211,545	59,094
Equipment	28,419	40,727
Mineral properties (note 3)	42,466	3,572
	<u>\$ 282,430</u>	<u>\$ 103,393</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 93,648	\$ 83,724
Due to related parties (note 5)	340,211	368,064
	<u>433,859</u>	<u>451,788</u>
SHAREHOLDERS' EQUITY		
Share Capital (note 4)	4,414,542	4,000,623
Contributed surplus (4 (e))	388,867	400,103
Cumulative translation adjustment	9,042	9,042
Deficit	<u>(4,963,880)</u>	<u>(4,758,163)</u>
	(151,429)	(348,395)
	<u>\$ 282,430</u>	<u>\$ 103,393</u>

Approved by the Directors:

"David R. Way"

David R. Way, *Chief Executive Officer*

"Mike Hopley"

Mike Hopley, *Chief Financial Officer*

CanAfrican Metals and Mining Corp.
Consolidated Statements of Operations and Deficit
(Expressed in U.S. Dollars)
(Unaudited)

	Six Months Period Ended April 30,		Six Months Period Ended April 30,	
	2007	2006	2007	2006
EXPENSES				
Accounting and legal fees	\$ 5,369	\$ 12,019	\$ (4,480)	\$ 17,044
Salaries and benefits	-	7,549	-	15,305
Amortization	6,154	123	12,308	247
Bank charges	28	472	151	889
Consulting fees	25,814	23,134	25,814	34,422
Management fees	-	10,460	-	20,817
Foreign exchange	(13,263)	(4,465)	(16,729)	(7,642)
Interest income	-	(1,410)	-	(4,632)
Office rent	663	2,071	2,236	4,157
Office and sundry	1,874	2,631	2,406	2,743
Stock-based compensation	-	-	132,092	94,080
Promotion	425	7,623	782	13,607
Travel	7,410	650	7,410	2,725
Telephone	1,866	3,129	2,732	5,093
Transfer agent and filing fees	8,968	10,194	13,150	11,563
Property exploration expenses	-	-	27,845	-
Loss before other items	(45,308)	(74,180)	(205,717)	(210,418)
Write-off of mineral properties	-	(1,933,369)	-	(1,933,369)
Net loss for the period	(45,308)	(2,007,549)	(205,717)	(2,143,787)
Deficit - beginning of period	(4,918,572)	(2,314,463)	(4,758,163)	(2,178,225)
Deficit - end of period	\$ (4,963,880)	\$ (4,322,012)	\$ (4,963,880)	\$ (4,322,012)
Loss per shares	\$ (0.00)	\$ (0.08)	\$ (0.01)	\$ (0.09)
Weighted average number of common shares outstanding	29,980,585	25,201,402	29,254,640	25,012,702

CanAfrican Metals and Mining Corp.

Consolidated Statements of Cash Flows

(Expressed in U.S. Dollars)

(Unaudited)

	Six Months Period Ended April 30,		Six Months Period Ended April 30,	
	2007	2006	2007	2006
CASH PROVIDED BY (USED FOR):				
Operating Activities				
Loss for the period	\$ (45,308)	\$ (2,007,549)	\$ (205,717)	\$ (2,143,787)
Item not affecting cash:				
Amortization	6,154	123	12,308	247
Stock-based compensation	-	-	132,092	94,080
Write-off of mineral properties	-	1,933,369	-	1,933,369
Changes in non-cash working capital accounts:				
Accounts receivable	46,214	(5,850)	44,749	(10,838)
Prepaid expenses	-	3,498	-	2,670
Accounts payable	(15,406)	(708)	9,924	(4,552)
	<u>(8,346)</u>	<u>(77,117)</u>	<u>(6,644)</u>	<u>(128,811)</u>
Financing Activities				
Issuance of share capital (net of issue cost)	126,402	438,486	270,591	438,486
Loan in advance of private placement	(85,807)	-	-	-
Due to related parties	(38,879)	-	(27,853)	53,274
	<u>1,716</u>	<u>438,486</u>	<u>242,738</u>	<u>491,760</u>
Investing Activities				
Mineral property exploration costs	(1,327)	(155,035)	(38,894)	(357,233)
	<u>(1,327)</u>	<u>(155,035)</u>	<u>(38,894)</u>	<u>(357,233)</u>
Net cash provided during the period	(7,957)	206,334	197,200	5,716
Cash, beginning of period	215,970	73,916	10,813	274,534
Cash, end of period	\$ 208,013	\$ 280,250	\$ 208,013	\$ 280,250

Supplementary Disclosure of Non-Cash Investing and Financing Activities:

During the period ended April 30, 2007, \$Nil (2006-\$12,060) of equipment amortization were recorded as deferred mineral property costs.

CanAfrican Metals and Mining Corp.
Consolidated Statements of Cash Flows
(Expressed in U.S. Dollars)
(Unaudited)

	October 31, 2006	Net Expenditures (Option proceeds/ Adjustments)	April 30, 2007
<i>British Columbia, Canada</i>			
Bonaparte Property			
Deferred exploration cost			
Company and filed cost	\$ 3,572	\$ 7,582	\$ 11,154
<i>Alaska, United States</i>			
Bowser Creek Property			
Acquisition costs	-	25,000	25,000
Deferred exploration cost			
Company and filed cost	-	6,312	6,312
		<u>31,312</u>	<u>31,312</u>
Total mineral property costs	\$ 3,572	\$ 38,894	\$ 42,466

CanAfrican Metals and Mining Corp.
Notes to Consolidated Financial Statements
April 30, 2007
(Expressed in U.S. Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

CanAfrican Metals and Mining Corp. is incorporated in the Province of Alberta and through its subsidiaries, Nabisoga Mining Ltd. ("Nabisoga") and Rwenzori Cobalt Company Ltd. ("Rwenzori"), is engaged in the acquisition and exploration of mineral properties in Uganda, Africa.

The recoverability of amounts capitalized for the acquisition of mineral property interests and the related deferred exploration costs is dependent upon the ultimate discovery of economically recoverable mineral reserves, the ability of the Company to obtain financing for further required exploration and development, and upon the profitability of future mineral production or the proceeds from future property dispositions.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and has an accumulated operating deficit of \$4.9 million at April 30, 2007 (October 31, 2006 - \$4.7 million). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate equity financing to maintain its working capital.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to continue as a going-concern, the net realizable values of its assets may be materially less than the amounts recorded on the balance sheets.

2. INTERIM FINANCIAL STATEMENTS

The accompanying unaudited financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements as at and for the year ended October 31, 2006. All material adjustments which, in the opinion of management, are necessary for fair presentation of the results for the interim period have been reflected. The results for the six months ended April 30, 2007 are stated utilizing the same accounting policies and methods of application as the most recent annual financial statements, but are not necessarily indicative of the results to be expected for the full year.

3. MINERAL PROPERTIES

British Columbia, Canada

Bonaparte Property

The Company owns six mining claims located approximately 45 kilometres west of the Thompson River in the Kamloops Mining Division.

Alaska, USA

Bowser Creek Property

The Company has signed an option agreement to earn up to 75% interest in the Bowser Creek property located in Alaska. In order for the Company to earn a 50% interest it must spend CDN\$1,500,000 in exploration expenditures and a further \$1,000,000 in exploration expenditures to earn the remaining 25%.

4. SHARE CAPITAL

a) Authorized: an unlimited number of common and preferred shares without par value

b) Issued and outstanding:

	Shares	Amount
Issued – October 31, 2006	25,865,545	\$ 4,000,623
Shares issued for:		
Private placement, net of commission and costs (1)	1,758,260	144,189
Private placement (2)	1,000,000	85,807
Exercised options	453,000	40,595
Fair value of options transferred	-	143,328
Issued – April 30, 2007	29,076,805	\$ 4,414,542

(1) On December 29, 2006, the Company completed a flow-through private placement of 1,758,260 shares at a price of Cdn\$0.115 per share for a total proceeds of Cdn\$202,200. Each unit will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company at a price of Cdn\$0.15 for the first year and Cdn\$0.20 in the second year. Finders, corporate and legal costs totaling Cdn\$28,856 have been offset against the proceeds.

(2) During the period, the Company completed a non-brokered private placement of 1,000,000 common share units at \$0.10 per unit for gross proceeds of Cdn \$100,000 to the Corporation, to one subscriber. Each Unit will consist of one common share at \$0.10 and one common share purchase warrant at \$0.15. Each full warrant will entitle the subscriber to purchase one common share for \$0.15 per share for a period of one year from the date of closing.

c) Stock options and share purchase warrants continuity

	Number of Shares	Weighted Price
Balance, October 31, 2006	1,155,000	0.16
Granted	2,550,000	0.10
Exercised	(453,000)	0.10
Balance, April 30, 2007	3,252,000	0.15
Weighted remaining life in years		3.98
Range of exercise prices		\$0.10-\$0.45

d) The continuity of share purchase warrants is as follows:

	Number of Shares	Weighted Price
Balance, October 31, 2006	2,357,619	0.21
Granted	1,758,260	0.15
Granted	1,000,000	0.15
Expired	(2,357,619)	0.21
Balance, April 30, 2007	2,758,260	0.15
Weighted remaining life in years		0.62
Range of exercise prices		\$0.15-\$0.21

4. SHARE CAPITAL, continued

d) Shares in escrow:

The Company does not have any shares held in escrow.

e) Stock-based compensation:

The Company expenses \$132,092 (2006 – \$94,080) in connection with the fair value of stock options that vested during the period ended January 31, 2007. The compensation amounts were offset to contributed surplus.

The fair value of stock options granted was estimated using the Black-Scholes Option Pricing Model with the following assumptions; risk-free interest rate - 3.5% (2006 – 3.5%); expected dividend yield – nil (2006 – nil); weighted-average expected stock price volatility – 113% (2005 – 161%); expected option life in years – 5 years (2006 – 5 years).

5. DUE TO RELATED PARTIES

	April 30, 2007	October 31, 2006
Due to a private company of which a director of the Company is a fifty percent shareholder.	\$ -	\$ 282,418
Due to a company controlled by a director of the Company.	19,197	19,026
Due to a director of the Company.	321,014	22,500
Due to a former directors of the Company	-	44,120
	\$ 340,211	\$ 368,064

6. RELATED PARTY TRANSACTIONS

During the period ended April 30, 2007, the Company entered into the following transactions with related parties:

- a) Accrued and paid management fees and expense reimbursements of \$172 (2006 - \$20,817) to a corporation controlled by a director and former president of the Company.
- b) Accrued and paid consulting fees and expense reimbursements of \$41,282 (2006 - \$45,000) to another director of the Company. Reclassifying \$282,418 due to a private company of which a director is a fifty percent shareholder and assume the debt. At April 30, 2007, the aggregate balance due to this director is \$321,014.
- c) Accrued drilling expenses of \$Nil (2006 - \$248,577) to a private company of which a director is a fifty percent shareholder

All these related party transactions were in the normal course of operations and are measured at fair value as determined by management.

7. SUBSEQUENT EVENT

The following occurred during the period subsequent to April 30, 2007:

- changed its name from CanAfrican Metals and Mining Corp to Canaf Group Inc.
- signed a three part arms -length agreement to acquire:
 - a 100% interest in the INDIRAMA Mining Lease located in the central Zimbabwean gold belt.
 - majority interest in an operating diamond drill company owning and operating four drills located on the lease.
 - majority interest in three claim groups covering a diamantiferous pipe and other areas anomalous in indicator minerals located in southern Zimbabwe adjoining the Botswana diamond fields.

The Company has paid US\$100,000 on the signing of this agreement and on closing will pay US\$5,500,000 and will issue 300,000 share options for the interests set out above

The agreement calls for 120 days to carry out due diligence, which will consist of completion of a 43-101 standard reports on the gold property and on the diamond concessions, as well as obtaining all necessary regulatory approvals.

- entered into an agreement to purchase 85% of the issued and outstanding shares of Quantum Screening and Crushing (Proprietary) Limited, ("Quantum") a private South African company carrying on the business of the processing of coal products into carbon.

The agreed upon purchase price for 85% of Quantum is 24,000,000 Rand, or approximately \$4,000,000. It is anticipated that up to approximately 8,000,000 Rand of the purchase price will be satisfied by the issuance of approximately 5,929,876 shares from treasury. The Company is also negotiating to purchase the remaining 15% of the company for approximately 5,000,000 Rand (\$850,000) in total, to be paid in both shares and cash.

- retained Ascenta Capital Partners Inc. of Vancouver, BC, to provide investor relations services. Ascenta will receive a monthly retainer of \$6,000 for a 12-month term, subject to termination by either party with 30 days written notice. The Company will also issue as compensation to Ascenta an option to purchase 200,000 common shares, which will be effective for a period ending 30 days after the termination of the contract. The options granted will vest in accordance with TSX Venture Exchange guidelines and the Company's stock option plan. This agreement is subject to regulatory approval.

CanAfrican Metals and Mining Corp

Management Discussion & Analysis FORM 51-102F1

For the Period Ending

April 30, 2007

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's Management's Discussion and Analysis of Operating Results, the unaudited interim financial statements and the accompanying notes for the six month period ended April 30, 2007 and the audited financial statements for the year ended October 31, 2006.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

DATE OF REPORT : June 27, 2007

OVERVIEW

CanAfrican Metals and Mining Corp. (the "Corporation") was incorporated on May 27, 1996 under the laws of the Province of Alberta and through its subsidiaries, Nabisoga Mining Ltd. ("Nabisoga") and Rwenzori Cobalt Company Ltd. ("Rwenzori"), is engaged in the acquisition and exploration of mineral properties in Uganda, Africa. The Company has focused primarily on properties in Uganda, Africa and in British Columbia, Canada. The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the TSX Venture Exchange under the symbol CAF.

On May 3, 2007, the Company has changed its name from CanAfrican Metals and Mining Corp to Canaf Group Inc.

On June 7, 2007, the Company entered into an agreement to purchase 85% of the issued and outstanding shares of Quantum Screening and Crushing (Proprietary) Limited, ("Quantum") a private South African company carrying on the business of the processing of coal products into carbon. The agreed upon purchase price for 85% of Quantum is 24,000,000 Rand, or approximately \$4,000,000. It is anticipated that up to approximately 8,000,000 Rand of the purchase price will be satisfied by the issuance of approximately 5,929,876 shares from treasury. The Company is also negotiating to purchase the remaining 15% of the company for approximately 5,000,000 Rand (\$850,000) in total, to be paid in both shares and cash.

Calcining is a process whereby anthracite coal is fed through a rotary kiln (at temperatures between 1000 and 1200 degrees centigrade and devolatilisation takes place- sulphur content is lowered and gases such as nitrogen are burnt off. The final product is calcine which is a coke substitute with a high carbon content - 82 - 85%. The final product is used as a reductant in the manufacture of steel and manganese. Quantum, through its wholly owned subsidiary Southern Coal (Proprietary) Limited, ("Southern Coal") has been profitably carrying on this business for the last 3 years.

The Company expects that it will be able to expand the current business of Southern Coal, who have as current customers some of the largest steel and manganese producing companies in the world, including BHP Billiton and Mittal Steel.

Mineral Properties

Zombabwe, South Africa

Indirama Property

On May 7, 2007, the Company signed a three part arms-length agreement to acquire:

- a 100% interest in the INDIRAMA Mining Lease located in the central Zimbabwean gold belt.
- majority interest in an operating diamond drill company owning and operating four drills located on the lease.
- majority interest in three claim groups covering a diamantiferous pipe and other areas anomalous in indicator minerals located in southern Zimbabwe adjoining the Botswana diamond fields.

The Company has paid US\$100,000 on the signing of this agreement and on closing will pay US\$5,500,000 and will issue 300,000 share options for the interests set out above. The agreement calls for 120 days to carry out due diligence, which will consist of completion of a 43-101 standard reports on the gold property and on the diamond concessions, as well as obtaining all necessary regulatory approvals.

The Indirama Mining Lease is a consolidation of more than 18 historical gold mines and showings. It consists of 56 claims and covers 16 square kilometers. Current surface infrastructure consists among other things, of two mills rated at 600 tonnes per day and 120 tonnes per day and other associated recovery facilities. The mines are fully permitted both for surface and underground mining and for expanded operations.

The property was worked in the 1990s by Consolidated Trillion Resources Ltd. (now Viceroy Exploration Ltd.). That company produced from some of the mines on the property and carried out a substantial amount of diamond drilling that formed part of the basis for tonnage and grade calculations. These calculations were done using the Australian Institute of Mining and Metallurgy definitions, which are essentially the same as 43-101 definitions but with more detail. The results are summarized as follows:

- Open Pit - 5 million tonnes grading 2.05 g/tonne gold—measured and indicated
- Under ground - 1.2 million tonnes grading 2.48 g/tonne gold - measured and indicated
- 900 000 tonnes grading 5.02 g/tonne gold - measured and indicated
- 300 000 tonnes grading 7.9 g/tonne gold - measured and indicated
- A resource exceeding one million ounces

A historical scoping study suggested that a production rate of 3000 tonnes per day would be the most economical. Consolidated Trillion Resources terminated its interest in the property in 1999 due to very low gold prices. The mines have been on care and maintenance since then. Currently there are 120 men on the site operating a 600 tonne per day tailings leach plant.

British Columbia, Canada

Bonaparte Property

The Company acquired six mining claims in July 2002 located approximately 45 kilometres west of the Thompson River in the Kamloops Mining Division of British Columbia, in consideration for \$10 and the issuance of 50,000 common shares of the Company valued at US\$3,288.

On February 21, 2003, the Company signed an option agreement with Clan Resources Inc. ("Clan") whereby Clan could have acquired a 100% interest in the property for total consideration to the Company of CDN \$60,000 and 200,000 common shares of Clan. The Company received CDN\$30,000

and 150,000 common shares and was notified during the current year that Clan had returned the property to the Company.

In the fall of 2003, 200 meters of mechanical trenching and 15 diamond drill holes were completed. A new quartz vein containing gold was discovered.

This property has multiple parallel gold bearing quartz veins over an exposed area of 300 meters by 300 meters. In 1995, 4,000 tons of 0.8 ozs. gold of ore was shipped to the Trail smelter from one vein. In 2005, the mining claims were converted to MTO cells and additional cells were acquired. The property is approximately 870 hectares in size.

In December 2005 the Company, added 13.4 sq. km to its mineral tenures for a total of 22.1 sq. kilometres covering the Bonaparte gold occurrences. The additional mineral tenure covers potential extensions of the gold bearing structures to the south. Historical diamond drilling has traced to the south several gold bearing quartz veins to a point where lava flows cover the veins. South of the main showings a stream silt survey program gave anomalous gold values in four creeks draining a portion of the recently acquired mineral tenure. Gold analyses of 453.8 ppb, 59.7 ppb, 118.8 ppb and 190.6 ppb were obtained. The Company intends to carry out further exploration.

In the summer and fall of 2007, the exploration will consist of the geological mapping, sampling, trenching by excavator and diamond drilling. The main focus will be on extending the main vein system to the south where exposure of the veins stopped at the lava cap. Historical diamond drilling has indicated that quartz veins with significant mineralization are open to depth and to the south.

Alaska, USA

Bowser Creek Property

The Company has signed a option agreement to earn up to 75% interest in the Bowser Creek property located in Alaska. In order for the Company to earn a 50% interest it must spend CDN\$1,500,000 in exploration expenditures and a further \$1,000,000 in exploration expenditures to earn the remaining 25%.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles, is derived from the Company's audited financial statements for the years ended October 31, 2006, 2005 and 2004.

	2006	2005	2004
	\$	\$	\$
Net Income	4,660	4,656	Nil
Net loss for the period	656,862	472,487	121,748
Basic and diluted per shares	0.10	0.03	0.01
Total Assets	103,393	1,926,965	301,077
Total long term liabilities	Nil	Nil	Nil
Cash dividend	Nil	Nil	Nil

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

RESULTS OF OPERATIONS

During the period ended April 30, 2007, the Company recorded a loss of \$205,717 or \$0.01 diluted loss per compared to \$1,933,369 or \$0.01 diluted per share for the same period last year. The loss is due to the stock-based compensation of \$132,092 expensed in connection with the fair value of stock options during the period. The compensation expense amount was offset to contributed surplus.

For the six months period ended April 30, 2007, expenses decreased to \$205,717 from \$210,418. Management fees of \$Nil (2006-\$20,817) were paid to a company controlled by a director of the Company. Also, the Company incurred office rent of \$2,236 (2006-\$4,157), transfer agent and filing fees of \$13,150 (2006-11,563), and telephone of \$2,732 (2006-\$5,093).

The Company also incurred property exploration expenses in Rwenzori, Uganda property of \$27,845.

Current liabilities are \$93,648 and \$340,211 is owed to related parties for a total debt of \$433,859 US.

SUMMARY OF QUARTERLY REPORTS

The selected consolidated information set out below has been gathered from quarterly financial statements for the period ending April 30, 2007:

	Three Months Ended			
	April 30, 2007 \$	January 31 2007 \$	October 31 2006 \$	July 31 2006 \$
Interest Income	Nil	Nil	22	6
Net earnings (loss)	(45,308)	(160,409)	(169,166)	(272,618)
Basic and diluted per shares	(0.01)	(0.01)	(0.01)	(0.01)

	Three Months Ended			
	April 30 2006 \$	January 31 2006 \$	October 31 2005 \$	July 31 2005 \$
Interest Income	1,410	3,222	2,794	1,862
Net earnings (loss)	(2,007,549)	(136,238)	(209,644)	(120,154)
Basic and diluted per shares	(0.08)	(0.01)	(0.01)	(0.00)

Significant items is the recognition of stock-based compensation costs in respect of stock options granted and the mineral properties and deferred exploration write down.

LIQUIDITY AND CAPITAL RESOURCES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Company is dependent upon the continuing financial support of creditors and stockholders, refinancing debts payable, obtaining additional long term debt or equity financing, as well as achieving

and maintaining a profitable level of operations. As the outcome of these matters cannot be predicted at this time, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's working deficiency position at April 30, 2007 was \$222,314 compared to working deficiency of \$392,694 at October 31, 2006.

During the period ended April 30, 2007, the Company:

- received \$144,419 from the flow-through private placement for 1,758,260 shares at Cdn\$0.115.
- issued 453,000 common shares upon exercise of 453,000 stock options at \$0.10 for proceeds of \$38,321.
- received \$85,807 from a private placement of 1,000,000 shares at Cdn\$0.10.

TRANSACTIONS WITH RELATED PARTIES

During the period ended April 30, 2007, the Company entered into the following transactions with related parties:

- a) Accrued and paid management fees and expense reimbursements of \$172 (2006 - \$20,817) to a corporation controlled by a director and former president of the Company.
- b) Accrued and paid consulting fees and expense reimbursements of \$41,282 (2006 - \$45,000) to another director of the Company. Reclassifying \$282,418 due to a private company of which a director is a fifty percent shareholder and assume the debt. At April 30, 2007, the aggregate balance due to this director is \$321,014.
- c) Accrued drilling expenses of \$Nil (2006 - \$248,577) to a private company of which a director is a fifty percent shareholder

All these related party transactions were in the normal course of operations and are measured at fair value as determined by management.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Flow-through Shares

Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and shareholders' equity is reduced. If the Company has sufficient unused tax loss carry-forwards to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these carry-forwards, a portion, of such unrecognized losses, is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of current assets and current liabilities. The fair values of the current assets and liabilities approximate their carrying amounts due to the short-term nature of these instruments.

INVESTOR RELATIONS

June 14, 2007, the Company retained Ascenta Capital Partners Inc. of Vancouver, BC, to provide investor relations services. Ascenta will receive a monthly retainer of \$6,000 for a 12-month term, subject to termination by either party with 30 days written notice. The Company will also issue as compensation to Ascenta an option to purchase 200,000 common shares, which will be effective for a period ending 30 days after the termination of the contract. The options granted will vest in accordance with TSX Venture Exchange guidelines and the Company's stock option plan.

Ascenta is a leading provider of investor relations services to public companies in Canada. Ascenta's strength is its disciplined approach to the development and execution of strategic, customized investor relations programs and services.

OUTSTANDING SHARES

As at June 29, 2007, the Company had the following securities issued and outstanding:

Common shares outstanding:		29,076,805	
	Number	Exercise	
Type	Outstanding	Price (Cdn)	Expiry Date
Options	360,000	\$0.10	June 7, 2009
Options	135,000	\$0.25	November 26, 2009
Options	40,000	\$0.45	February 1, 2010
Options	167,000	\$0.32	March 28, 2010
Options	2,550,000	\$0.10	November 26, 2011
Warrants	1,758,260	\$0.15/\$0.20	December 29, 2007/ December 29, 2008
Warrants	1,000,000	\$0.15	January 30, 2009

DIRECTORS AND OFFICERS

David Way	<i>Director, Chief Executive Officer</i>
Mike Hopley	<i>Director, Chief Financial Officer</i>
Al Beaton	<i>Director, President</i>
Brad Jefferson	<i>Director</i>
Zeny Manalo	<i>Director</i>

OTHER REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com and the Company's website.

On Behalf of the Board,

CanAfrican Metals and Mining Corp

“David Way”

David Way
Chief Executive Officer

“Mike Hopley”

Mike Hopley
Chief Financial Officer