

ABBASTAR RESOURCES CORP.

(formerly ABBASTAR URANIUM CORP.)

Vancouver, BC

INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2009

(Unaudited – Prepared by Management)

ABBASTAR RESOURCES CORP.

(formerly ABBASTAR URANIUM CORP.)

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 in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"John B. Good"

President and Chief Executive Officer

"Patrick Lavin"

Chief Financial Officer

November 26, 2009

ABBASTAR RESOURCES CORP. (formerly ABBASTAR URANIUM CORP.)

INTERIM BALANCE SHEETS

(Unaudited – Prepared by Management)

	September 30, 2009	December 31, 2008
	\$	\$
Assets		
Current		
Cash	168,393	482,025
Amounts receivable	7,266	24,744
Prepaid travel expenses	7,222	-
	<u>182,881</u>	<u>506,769</u>
Equipment (Note 4)	401	472
Mineral interests (Note 5)	100,000	100,000
	<u>283,282</u>	<u>607,241</u>
Liabilities		
Current		
Payables and accruals (Note 7)	122,412	69,757
Due to related parties (Note 6)	-	26,242
	<u>122,412</u>	<u>95,999</u>
Shareholders' equity		
Share capital (Note 7)	10,562,448	10,383,908
Contributed surplus	711,607	566,682
Deficit	(11,113,185)	(10,439,348)
	<u>160,870</u>	<u>511,242</u>
	<u>283,282</u>	<u>607,241</u>

Nature of operations (Note 1)

Commitments (Note 5)

See notes to the interim financial statements.

ABBASTAR RESOURCES CORP. (formerly ABBASTAR URANIUM CORP.)

INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited – Prepared by Management)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
Expenses				
Amortization	24	30	71	89
Bank charges	102	84	316	227
Consulting fees	95,291	13,287	175,491	61,361
Corporate communications	15,480	30,440	60,961	37,815
Management fees	-	29,250	25,000	80,250
Mineral exploration expenditures (Note 8)	1,905	556	12,956	38,465
Mineral property payment (Note 9)	-	-	-	75,000
Office and miscellaneous	17,284	10,243	32,723	35,158
Professional fees	5,566	75	9,573	8,090
Regulatory and transfer agent fees	6,044	12,162	16,748	22,856
Salaries	39,612	25,555	90,477	76,920
Stock-based compensation	23,116	44,831	217,902	55,690
Travel and promotion	6,384	2,127	31,619	10,859
Loss from operations	(210,808)	(168,640)	(673,837)	(502,780)
Other items				
Interest income	-	2,945	-	7,059
Future income tax recovery	-	-	-	232,500
Net loss for the period	(210,808)	(165,695)	(673,837)	(263,221)
Basic and diluted loss per common share	(\$0.01)	(\$0.01)	(\$0.04)	(\$0.02)
Weighted average number of common shares outstanding	15,383,509	13,670,439	15,127,986	13,090,823

See notes to the interim financial statements.

ABBASTAR RESOURCES CORP. (formerly ABBASTAR URANIUM CORP.)

INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited – Prepared by Management)

	Common Shares		Contributed Surplus \$	Accumulated Deficit \$	Shareholders' Equity \$
	Number	Amount \$			
Balances, January 1, 2008	12,797,830	10,396,395	353,697	(10,362,684)	387,408
Tax deductions on flow-through share issuances	-	(232,500)	-	-	(232,500)
Private placement – July 2008	2,000,000	193,904	126,096	-	320,000
Stock options exercised	90,000	18,000	-	-	18,000
Fair value of stock options exercised	-	8,109	(8,109)	-	-
Stock-based compensation	-	-	94,998	-	94,998
Net loss for the year	-	-	-	(76,664)	(76,664)
Balances, December 31, 2008	14,887,830	10,383,908	566,682	(10,439,348)	511,242
Stock options exercised	526,250	105,563	-	-	105,563
Fair value of stock options exercised	-	72,977	(72,977)	-	-
Stock-based compensation	-	-	217,902	-	217,902
Net loss for the period	-	-	-	(673,837)	(673,837)
Balances, September 30, 2009	15,414,080	10,562,448	711,607	(11,113,185)	160,870

See notes to the interim financial statements.

ABBASTAR RESOURCES CORP. (formerly ABBASTAR URANIUM CORP.)

INTERIM STATEMENTS OF CASH FLOWS

(Unaudited – Prepared by Management)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash flows from operating activities				
Net loss for the period	(210,808)	(165,695)	(673,837)	(263,221)
Items not involving cash:				
Amortization	24	30	71	89
Stock-based compensation	23,116	44,831	217,902	55,690
Future income tax recovery	-	-	-	(232,500)
Changes in non-cash working capital				
Amounts receivable	(4,202)	2,401	17,478	76,306
Prepaid travel expenses	2,778	(62,000)	(7,222)	(57,000)
Payables and accruals	68,807	18,581	52,655	53,390
Due to related parties	-	(11,130)	(26,242)	10,702
Net cash used in operating activities	(120,285)	(172,982)	(419,195)	(356,544)
Cash flows from financing activities				
Issue of common shares	6,563	320,000	105,563	338,000
Net cash provided by financing activities	6,563	320,000	105,563	338,000
Cash flows from investing activities				
Short-term investments	-	70,000	-	175,000
Promissory notes receivable	-	-	-	11,000
Net cash provided by investing activities	-	70,000	-	186,000
(Decrease) increase in cash	(113,722)	217,018	(313,632)	167,456
Cash, beginning of period	282,115	19,272	482,025	68,834
Cash, end of period	168,393	236,290	168,393	236,290
Supplementary cash flow information				
Interest received	-	2,730	-	7,281
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

See notes to the interim financial statements.

ABBASTAR RESOURCES CORP. (formerly ABBASTAR URANIUM CORP.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

September 30, 2009

Note 1 Nature and Continuance of Operations

Abbastar Resources Corp. (the “Company”) was incorporated in the Province of British Columbia under the name 424025 B.C. Ltd. on April 13, 1992. On June 14, 2006, the Company adopted new Articles and changed its authorized capital to an unlimited number of common shares without par value. On July 28, 2009, the Company changed its name to Abbastar Resources Corp. There was no consolidation of capital.

The Company is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has incurred operating losses and has a cumulative deficit of \$11,113,185 at September 30, 2009. The ability of the Company to continue as a going concern is dependent upon a number of factors including obtaining additional financing as required and seeking profitable operations.

Note 2 Interim Financial Statements – Basis of Presentation

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly, certain information and note disclosures normally included in the audited annual financial statements have been omitted. As a result, these unaudited interim financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2008 (“Annual Financial Statements”).

These unaudited interim financial statements have been prepared using the same accounting principles as set out in the Annual Financial Statements of the Company for the year ended December 31, 2008, with the exception of those described in Note 3.

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

Note 3 Changes in Accounting Policies

On January 1, 2009, the Company adopted a new accounting standard issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to “Goodwill and Intangible Assets” (Section 3064). This Section replaces Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of this section had no impact on the Company’s financial statements.

ABBASTAR RESOURCES CORP. (formerly ABBASTAR URANIUM CORP.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

September 30, 2009

Note 3 Changes in Accounting Policies (continued)

The Accounting Standards Board ("AcSB") issued EIC-173 which requires the Company to consider its own credit risk as well and the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. This new standard is effective for the Company's interim and annual financial statements for the period ended September 30, 2009. The adoption of this standard did not have a material impact on the Company's financial statements.

Future accounting changes

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. For the Company, the transition date will be effective January 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Note 4 Equipment

	September 30, 2009			December 31, 2008		
	Cost \$	Accumulated Amortization \$	Net \$	Cost \$	Accumulated Amortization \$	Net \$
Office equipment	<u>2,000</u>	<u>1,599</u>	<u>401</u>	<u>2,000</u>	<u>1,528</u>	<u>472</u>

Note 5 Mineral Interests

Talbot Lake Project – Ontario, Canada

On September 21, 2009, the Company and Denison Mines Inc. ("Denison") entered into an option agreement (the "Talbot Lake Agreement") wherein the Company has been granted the right to earn a 70% undivided interest (the "Talbot Lake Transaction") in the Talbot Lake project ("Talbot Lake Project") situated in the Talbot Lake Area in Northern Ontario.

The Company will earn its interest in the Talbot Lake Project by incurring \$4,000,000 in aggregate exploration expenditures as follows:

- \$400,000 on or before September 30, 2010;
- \$600,000 on or before September 30, 2011 (provided the Talbot Lake Agreement is not terminated before such date);
- \$1,000,000 on or before September 30, 2012 (provided the Talbot Lake Agreement is not terminated before such date);

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September 30, 2009

Note 5 Mineral Interests (continued)

- \$1,000,000 on or before September 30, 2013 (provided the Talbot Lake Agreement is not terminated before such date); and
- \$1,000,000 on or before September 30, 2014 (provided the Talbot Lake Agreement is not terminated before such date).

Upon the Company's notification to Denison of having expended \$4,000,000 and earning the 70% interest in the Talbot Lake Project, the Company may elect to earn an additional 30% interest by making a payment of \$250,000 and expending an additional \$3,000,000 on the Talbot Lake Project on or before September 30, 2017. If the Company elects not to earn an additional 30%, a Joint Venture of the Company (70%) and Denison (30%) will be formed and governed by a committee of 2 people from each party. The Company has a right of first refusal should Denison wish to divest all or part of its royalty interest in the Talbot Lake Project and will have the right at any time to buy back 1% of the NSR for \$1,000,000. If a Joint Venture has been formed either party may get diluted down to the point of conversion to a 2% NSR and the party holding 51% or more will be the operator/manager of the Talbot Lake Project.

Upon the Company's notification to Denison of having expended \$7,000,000 and earning a 100% undivided interest in the project, subject to a 2% NSR to Denison, the Company will make an additional payment of \$250,000 to Denison.

To September 30, 2009, the Company has incurred \$1,302 in mineral property exploration expenditures as defined in the Talbot Lake Agreement.

Pursuant to the Talbot Lake Agreement, while the Company is earning its interest in the Talbot Lake Project, it will be the operator/manager of the Talbot Lake Project and have the right to make all exploration and development decisions. The Company may at any time elect to withdraw from the project with no interest earned and no further rights or obligations.

Pursuant to the Talbot Lake Agreement, the Company is to maintain the obligations of an underlying agreement between G.S.W. Bruce & Associates ("Bruce") and Denison ("Bruce Agreement"). Per the Bruce Agreement, as expenditures are incurred on the Talbot Lake Project, Bruce will be paid amounts as follows:

- for any part of the first \$500,000 of expenditures (exclusive of staking or other acquisition costs incurred by the Company or Denison) , 5% thereof; and
- with respect to each full \$1,000,000 of expenditures thereafter, 3%.

These payments are to be made quarterly within 30 days after the end of the quarter in which any such amount becomes payable. At such time Bruce has been paid an aggregate of \$300,000, the payment conditions outlined above shall terminate and the Company or Denison will have no further obligations to Bruce with regards to expenditures on the Talbot Lake Project. If a positive feasibility study recommending the production of minerals in commercial quantities from the Talbot Lake Project is prepared or if a decision to produce minerals in commercial quantities from the Talbot Lake Project is made the Company and Denison shall so advise Bruce and Bruce shall immediately be paid a lump sum payment of \$100,000 which is in addition to the payment structure outlined above. To September 30, 2009, Denison has expended \$357,312 and paid Bruce \$17,866.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

September 30, 2009

Note 5 Mineral Interests (continued)

Doran Property – Quebec, Canada

On February 13, 2007, the Company and Entourage Mining Ltd. (“Entourage”) entered into an option agreement (the “Doran Agreement”) wherein the Company has been granted the sole option and right to acquire up to 70% of Entourage’s interest (the “Doran Transaction”) in the Doran uranium property (the “Doran Property”) situated in Costebelle Township, on the north shore of the Gulf of St. Lawrence in south-eastern Quebec.

On February 16, 2007, the Company advanced Entourage \$100,000 in the form of a promissory note with interest at 8% per annum. In May 2007, the promissory note was converted into the cash payment required pursuant to the Doran Agreement in order to exercise and acquire the interest in the Doran Property.

The Company will earn its interest in the Doran Property as follows:

- 20% interest by expending not less than \$500,000 on exploration within one year from the date of the Doran Agreement (this expenditure requirement has been met);
- 15% additional interest by expending an additional \$1,000,000 on exploration within two years from the date of the Doran Agreement (this expenditure requirement has been met);
- 15% additional interest by expending an additional \$1,500,000 on exploration within three years from the date of the Doran Agreement; and
- 20% additional interest by expending an additional \$2,000,000 on exploration within four years from the date of the Doran Agreement.

To September 30, 2009, the Company has incurred \$1,519,078 in mineral property exploration expenditures as defined in the Doran Agreement.

Pursuant to the Doran Agreement, the Company has acquired the sole and exclusive right to manage the Doran Property. The Company may at any time elect to abandon its interest in the Doran Property. The Doran Agreement also provides that the Company and Entourage will enter into a joint venture agreement after the Company makes all of the above expenditures and earns the 70% interest or elects not to acquire any further interest after making the \$100,000 payment and expending \$500,000 on the Doran Property.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from potential aboriginal claims and frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to the Doran Property and to the best of its knowledge title to the Doran Property is in good standing.

Note 6 Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. The year-end balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from the provision of services described.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

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September 30, 2009

Note 6 Related Party Transactions (continued)

During the three and nine months ended September 30, 2009, the Company incurred \$15,000 and \$45,000 in salary (2008 - \$7,500 and \$7,500) and \$nil and \$nil (2008 - \$3,750 and \$3,750) in management fees to its President and at September 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$3,750) for fees.

During the three and nine months ended September 30, 2009, the Company incurred \$6,000 and \$6,000 in salary (2008 - \$nil and \$nil) and \$nil and \$12,000 (2008 - \$12,000 and \$36,000) in management fees to an officer and at September 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$10,500) for fees.

During the three and nine months ended September 30, 2009, the Company incurred \$9,000 and \$9,000 in salary (2008 - \$nil and \$nil) and \$nil and \$13,000 (2008 - \$6,000 and \$18,000) in management fees to an officer and at September 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$8,400) for fees.

During the three and nine months ended September 30, 2009, the Company incurred \$26,768 and \$33,968 in fees (2008 - \$nil and \$nil) from a company owned and controlled by an officer and at September 30, 2009 the Company owes that company an aggregate of \$13,994 (December 31, 2008 - \$nil) for fees and expense reimbursements.

During the three and nine months ended September 30, 2009, the Company incurred \$nil and \$17,500 in salary (2008 - \$15,000 and \$45,000) and \$nil and \$nil (2008 - \$7,500 and \$22,500) in management fees to its former President and at September 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$3,592) for fees and expense reimbursements.

Note 7 Share Capital

Authorized

Unlimited number of common shares, without par value.

Common shares

Finder's Fee

On September 29, 2009 the Company announced that it agreed to issue 250,000 common shares valued at \$0.25 per share to Research Capital Corporation in connection with the Talbot Lake Project (see Note 5). The \$62,500 finder's fee has been recorded as a consulting fee in the statement of operations. As the shares were issued subsequent to quarter-end, on October 20, 2009, the outstanding finder's fee was recorded and included in payables and accruals on the balance sheet.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

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September 30, 2009

Note 7 Share Capital (continued)

Private placements

In August 2008, the Company closed the private placement announced on July 15, 2008, comprised of 2,000,000 shares units ("Units") at a price of \$0.16 per Unit for gross proceeds of \$320,000. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). One Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.21 for a period of one year. The Units were subject to a four-month hold which expired on December 25, 2008. The fair value of the Warrants issued in the private placement was \$126,096 and was allocated to contributed surplus. The proceeds from the financing were used for general working capital purposes. There was no finder's fees payable in connection with this private placement.

On August 21, 2009, the Company made an application to the TSX Venture Exchange (the "Exchange") to extend the expiry date of the Warrants to August 25, 2011. Exchange approval was received on August 24, 2009.

Renounced exploration expenditures

In February 2008, the Company renounced \$750,000 of mineral exploration expenditures under its flow-through share program, resulting in a future income tax liability of \$232,500, which was deducted from share capital. The Company subsequently reduced the future income tax liability by recognizing previously unrecorded future income tax assets equal to the amount of the future income tax liability. This decrease in the valuation allowance has resulted in a future income tax recovery of \$232,500.

Warrants/stock options exercised

During the nine months ended September 30, 2009 526,250 stock options were exercised for proceeds of \$105,563. During the year ended December 31, 2008, 90,000 stock options were exercised at \$0.20 per share for proceeds of \$18,000.

Warrants

As at September 30, 2009 and December 31, 2008 there were 2,000,000 Warrants outstanding exercisable into 2,000,000 common shares at \$0.21 per share expiring August 25, 2011.

Stock-based compensation plan

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 3,000,000 common shares of the Company. Under the plan, the exercise price of each option cannot be less than the discounted market price as defined in Policy 1.1 of the Exchange policies. The options can be granted for a maximum term of five years and the vesting period of each option grant is at the discretion of the board of directors, subject to applicable Exchange policies.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

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Note 7 Share Capital (continued)

Stock-based compensation plan (continued)

Options under the plan are summarized as follows:

	Nine months ended September 30, 2009		Year ended December 31, 2008	
	Options	Weighted Average Exercise Price \$	Options	Weighted Average Exercise Price \$
Outstanding, beginning of period	1,805,000	0.25	930,000	0.38
Granted	995,000	0.20	1,440,000	0.22
Exercised	(526,250)	0.20	(90,000)	0.20
Cancelled	(293,750)	0.28	(475,000)	0.44
Outstanding, end of period	<u>1,980,000</u>	<u>0.23</u>	<u>1,805,000</u>	<u>0.25</u>

Exercise Price \$	Number Outstanding	Options Outstanding September 30, 2009		Options Exercisable September 30, 2009		Weighted Average Fair Value Granted \$
		Weighted Average Remaining Contractual Life (Yrs)	Expiry Date	Number Exercisable	Weighted Average Exercise Price \$	
0.20	200,000	1.5	31-Mar-11	200,000	0.20	0.17
0.20	75,000	1.9	10-Aug-11	75,000	0.20	
0.20	250,000	3.9	21-Aug-13	187,500	0.20	
0.20	250,000	4.7	04-Jun-14	250,000	0.20	0.19
0.21	625,000	3.8	15-Jul-13	468,750	0.21	
0.21	150,000	4.5	07-Apr-14	56,250	0.21	0.21
0.21	100,000	5.0	25-Sep-14	-	0.21	0.22
0.25	215,000	3.5	15-Apr-13	215,000	0.25	
0.30	75,000	2.4	14-Feb-12	75,000	0.30	
1.00	<u>40,000</u>	<u>2.7</u>	08-Jun-12	<u>40,000</u>	<u>1.00</u>	
	<u>1,980,000</u>	<u>3.6</u>		<u>1,567,500</u>	<u>0.24</u>	<u>0.19</u>

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Note 7 Share Capital (continued)

Stock-based compensation plan (continued)

During the three and nine months ended September 30, 2009, the total compensation expense related to the fair value of stock options granted was \$22,450 and \$184,581 (2008 - \$179,325 and \$213,110). Compensation expense for options granted during 09Q3 was determined using the Black-Scholes option pricing model with the following weighted average assumptions: no dividends were paid, expected volatility of 162.51% (2008 – 97.39%); risk-free rate of return of 2.83% (2008 – 3.20%); and expected lives of 2.5 years (2008 – 2.5 years).

The weighted average fair value of options granted during the nine months ended September 30, 2009 is \$0.19 (2008 - \$0.16).

Note 8 Mineral Exploration Expenditures

A summary of exploration expenditures incurred on the Doran Property for the periods indicated is provided below.

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
Assaying and analysis	-	-	-	1,666
Equipment rental	-	-	-	847
Geological consulting	-	-	10,480	33,497
Shipping, handling and expediting	-	-	-	602
Storage	603	556	1,174	1,853
Incurred during the period	603	556	11,654	38,465
Cumulative expenditures, beginning of period	964,037	1,275,172	952,986	1,237,263
Cumulative expenditures, end of period	964,640	1,275,728	964,640	1,275,728

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Note 8 Mineral Exploration Expenditures (continued)

A summary of exploration expenditures incurred on the Talbot Lake Project for the periods indicated is provided below.

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
Assaying and analysis	1,302	-	1,302	-
Incurred during the period	1,302	-	1,302	-
Cumulative expenditures, beginning of period	-	-	-	-
Cumulative expenditures, end of period	1,302	-	1,302	-

Note 9 Mineral Property Payment

During 08Q1 the Company made the final payment of \$75,000 due to the vendor of the Doran Property on behalf of Entourage. Pursuant to the Agreement (see Note 5) Entourage acknowledges the \$75,000 payment made by the Company as a mineral exploration expenditure

Note 10 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no source of revenues; as such the Company is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2009. The Company is not subject to externally imposed capital requirements.

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Note 11 Financial Instruments

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depend on their initial classification.

- Held for trading financial instruments are measured at fair value. All gains and losses are included in net earnings in the period in which they arise.
- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings.
- Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income until the asset is removed from the balance sheet.
- All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses are included in net earnings in the period in which they arise.

In accordance with this standard, the Company has classified its financial instruments as follows:

Cash is classified as held-for-trading; receivables and prepaid travel expenses are classified as loans and accounts payable are classified as other financial liabilities. All are measured at fair value and gains and losses are included in net earnings in the period in which they arise.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk:

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2009, the Company had a cash balance of \$168,393 (December 31, 2008 - \$482,025) to settle current liabilities of \$122,412 (December 31, 2008 - \$95,999). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

(a) Interest rate risk - the Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

September 30, 2009

Note 11 Financial Instruments (continued)

(b) Foreign currency risk - the Company currently believes it has no significant foreign exchange risk.

(c) Price risk - the Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis:

The carrying amount of cash and accounts payable and accrued liabilities approximates their fair value due to their short term nature. The Company does not have any deposits with fixed interest rates and is therefore does not have significant exposure to changing interest rates.