GEODEX MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

August 24, 2009

To the Shareholders of
Geodex Minerals Ltd.

Re: Responsibility for Financial Statements

The interim consolidated financial statements of Geodex Minerals Ltd. have been prepared by and are the responsibility of the Company's management. They include the selection of appropriate accounting principles, judgements and estimates necessary to comply with Canadian generally accepted accounting principles.

The auditors of Geodex Minerals Ltd. have not performed a review of these unaudited consolidated interim financial statements.

Yours Truly

"Mark Fields"

Mark Fields
CEO

GEODEX MINERALS LTD.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	June 30, 2009	March 31, 2009
ASSETS		
Current		
Cash and equivalents	$ 1,549,741	$ 2,111,493
Receivables	68,369	55,139
Marketable securities (Note 3)	77,202	38,601
	1,695,312	2,205,233
Equipment (Note 4)	97,147	115,522
Mineral properties (Note 5)	7,240,927	7,228,430
Deferred exploration costs (Note 6)	15,033,445	14,656,514
Mineral property advances (Note 5)	39,000	14,000
	$ 24,105,831	$ 24,219,699
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 307,882	$ 277,779
Loan payable (Note 15)	27,062	27,062
Convertible promissory note (Note 5)	500,000	500,000
	834,944	804,841
Loan payable (Note 14)	26,475	33,776
Future income tax liability	3,948,000	3,948,000
	4,809,419	4,786,617
Shareholders' equity		
Capital stock (Note 7)	35,777,417	35,770,417
Contributed surplus (Note 7)	2,749,801	2,724,211
Deficit	(19,230,806)	(19,061,546)
	19,296,412	19,433,082
	$ 24,105,831	$ 24,219,699

Nature of operations and going concern (Note 1)
Commitments (Note 14)

On behalf of the Board:

"Jack Maris" Director "Jack Marr" Director

The accompanying notes are an integral part of these consolidated financial statements.

GEODEX MINERALS LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
PERIOD ENDED JUNE 30

	Three months ended June 30, 2009	Three months ended June 30, 2008
EXPENSES		
Accounting and audit	$ 20,000	$ 26,150
Amortization	19,183	6,798
Consulting	8,200	7,100
Investor relations	31,312	99,368
Legal	4,646	3,735
Management fees	15,000	6,750
Office	8,174	8,515
Rent	21,724	10,838
Salaries and benefits	35,011	19,123
Stock-based compensation (Note 8)	25,589	150,514
Transfer agent and regulatory fees	2,429	1,928
Travel and promotion	3,389	1,885
	(194,657)	(342,704)
OTHER ITEMS		
Interest income	927	4,257
Gain on marketable securities - unrealized	38,601	51,640
Write-off of mineral properties (Note 5)	(3,136)	(143,793)
Write-off of deferred exploration costs (Note 6)	(10,995)	(163,277)
	25,397	(251,173)
Loss and comprehensive loss for the period	(169,260)	(593,877)
Deficit, beginning of period	(19,061,546)	(16,225,606)
Deficit, end of period	$ (19,230,806)	$ (16,819,483)
Basic and diluted loss per share	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	87,680,964	65,193,422

The accompanying notes are an integral part of these consolidated financial statements.

GEODEX MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
PERIOD ENDED JUNE 30

	Three months ended June 30, 2009	Three months ended June 30, 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (169,260)	$ (593,877)
Items not affecting cash:		
Amortization	19,183	6,798
Stock-based compensation	25,589	150,514
Write-off of mineral properties	3,136	143,793
Write-off of deferred exploration costs	10,995	163,277
Gain on marketable securities - unrealized	(38,601)	(51,640)
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(13,229)	(285,620)
Increase (decrease) in accounts payable and accrued liabilities	30,103	696,402
Net cash used in operating activities	(132,084)	(800,887)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral properties	(8,633)	(47,229)
Mineral property advances	(25,000)	60,000
Deferred exploration costs	(387,926)	(2,309,651)
Equipment acquired	(808)	(3,300)
Loan payable	(7,301)	(7,301)
Net cash used in investing activities	(429,668)	(2,307,481)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued	-	466,500
Net cash provided by financing activities	-	466,500
Change in cash and equivalents during the period	(561,752)	(1,040,094)
Cash and equivalents, beginning of period	2,111,493	3,216,083
Cash and equivalents, end of period	$ 1,549,741	$ 2,175,989
Cash and equivalents consist of:		
Cash	$ 1,549,741	$ 93,473
Bankers acceptance	-	2,082,516
	$ 1,549,741	$ 2,175,989

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Geodex Minerals Ltd. (the "Company") is incorporated under the British Columbia Business Corporations Act. The Company's primary business is the acquisition and exploration of mineral properties. The Company is considered to be in the exploration stage.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The amounts shown for mineral properties and related deferred exploration costs represent costs incurred to date and do not reflect present or future values. Accordingly, the recoverability of the capitalized costs shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is reducing expenditures to conserve cash and will consider various alternatives to raise additional working capital including optioning off an interest in one or more of its properties, or completing a financing.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of annual financial statements. The accounting policies used in the preparation of the accompanying unaudited interim financial statements is the same as those described in the annual financial statements and the notes thereto for the year ended March 31, 2009. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements including the notes thereto for the year ended March 31, 2009.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its 52.3% owned subsidiary, Champlain Resources Incorporation, from the date of acquisition onward. All inter–company balances and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in accordance 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 amount of revenues and expenses during the year. Significant estimates include the fair value of mineral properties and deferred exploration costs, asset retirement obligations, stock based compensation and future income taxes. Actual results could differ from the estimates.

3. MARKETABLE SECURITIES

Marketable securities consist primarily of shares held in publicly traded companies with a market value at June 30, 2009 of $77,202 (2008 - $184,260).

4. EQUIPMENT

	June 30, 2009			March 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 45,468	$ 25,699	$ 19,769	$ 44,660	$ 24,161	$ 20,499
Furniture and fixtures	47,434	38,827	8,607	47,434	38,373	9,061
Vehicles	116,808	48,037	68,771	116,808	30,846	85,962
	$ 209,710	$ 112,563	$ 97,147	$ 208,902	$ 93,380	$ 115,522

5. MINERAL PROPERTIES

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 the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

	June 30, 2009	March 31, 2009
Teck Cominco Properties, New Brunswick		
Kedron Property	$ 15,281	$ 14,357
Mount Pleasant Ridge Property	103,842	103,842
Mount Pleasant West Property	32,960	32,960
Murgor Property	146,176	146,176
Pershing Property	1,498,199	1,498,199
Union Property	243,183	243,183
	2,039,641	2,038,717
Flume Ridge Property, New Brunswick	10,100	-
Armstrong Brook Property, New Brunswick	64,652	62,393
Harry Brook Property, New Brunswick	5,312	5,312
Sisson Brook Property, New Brunswick	5,121,222	5,118,872
Lepreau Road	-	3,136
	$ 7,240,927	$ 7,228,430

Teck Cominco Properties, New Brunswick

During the year ended March 31, 2008 the Company entered into an agreement with Teck Cominco Limited ("Teck") on certain of its Mount Pleasant West properties.

In a non-brokered private placement the Company issued 1,500,000 common shares to Teck for proceeds of $1,500,000 with the proceeds to be expended on exploration on the Mount Pleasant properties.

Teck also provided an additional $1,000,000 in exploration funding for this project consisting of $500,000 under a convertible grid promissory note and $500,000 for expenditures incurred on Teck's behalf. The convertible promissory note is exercisable at a 50% premium to market or at $2.00 per share, whichever is greater. Teck has 90 days after receipt of a technical report, on the Mount Pleasant properties, to exercise the convertible promissory note.

The Company has granted Teck an option, exercisable up to the latter of July 1, 2009 or 90 days after the receipt by Teck of the Initial Program Completion Notice from the Company on the Mount Pleasant properties, to elect to acquire a 51% interest in the Company's Mount Pleasant properties by spending $6,500,000 on exploration over four years and a further 14% interest by spending a further $15,000,000 within five years or by sole funding and completing a Feasibility Study within five years.

Annapolis Valley Goldfields Property

During the year ended March 31, 2007 the Company entered into an option agreement to earn a 90% interest in certain mineral claims. To earn its interest, the Company is required to pay $45,000 (paid - $25,000) and issue 300,000 common shares (issued 150,000 valued at $79,000) issue 150,000 warrants (issued 150,000 valued at $39,793) and incur expenditures of $350,000 over three years. The optionor will retain a 2.0% net smelter return ("NSR"), half of which is subject to buyback for $1,000,000.

The Annapolis Valley Goldfields Property was abandoned during the year ended March 31, 2009 and all related property and deferred exploration costs in the amount of $317,574 have been written off.

Kedron Property

During the year ended March 31, 2006 the Company acquired by staking, certain mineral claims in the Kedron, Beech Hill and Mag River properties.

Mount Pleasant Ridge Property

During the year ended March 31, 2006 the Company acquired an option to earn a 100% interest in certain mineral claims. To earn its interest the Company paid $30,000 issued 150,000 common shares valued at $72,500 and incurred expenditures of $200,000. The optionors will retain a 2.0% NSR, half of which is subject to buyback at $500,000 per 0.5%. The Company also acquired by staking additional claims on the property.

Mount Pleasant West Property

During the year ended March 31, 2006 the Company acquired by staking, certain mineral claims.

Murgor Property

During the year ended March 31, 2007 the Company entered into an option agreement to earn a 60% interest in certain mineral claims. To earn its interest the Company paid $30,000, issued 200,000 common shares valued at $131,000. The optionor retains a 1.0% NSR.

Pershing Property

During the year ended March 31, 2007 the Company entered into an option agreement to earn a 60% interest in certain mineral claims. To earn its interest the Company paid $200,000, issued 2,000,000 common shares valued at $1,284,000 and incurred aggregate exploration expenditures of $500,000. The optionor retains a 2.5% NSR, 1% of which is subject to buyback at $1,000,000.

Union Property

During the year ended March 31, 2006 the Company acquired an option to earn a 60% interest in certain mineral claims. To earn its interest the Company issued 500,000 common shares valued at $238,000 and incurred aggregate expenditures of $300,000. The Company can increase its ownership to 80% in the following two years by issuing an additional 500,000 common shares. The optionor retains a 1.5% NSR, 0.75% of which is subject to buyback at $750,000

Annidale Property, New Brunswick

During the year ended March 31, 2004 the Company acquired by staking, certain mineral claims.

During the year ended March 31, 2009 the Annidale Property was abandoned and all related property and deferred exploration costs in the amount of $35,645 have been written off.

Armstrong Brook Property, New Brunswick

Pursuant to an option agreement entered into during the year ended March 31, 2004 the Company acquired a 100% interest in the Armstrong Brook Property by issuing 600,000 common shares at a value of $90,000, paying $30,000 and expending in excess of $300,000 on the property. The vendors retained a 1.5% royalty with certain buy back rights by the Company.

During the year ended March 31, 2006, the Company granted an option to purchase which was subsequently terminated and received $15,000 and 100,000 common shares valued at $50,000. Thereafter the Company entered into a new option to purchase with a company (the "Purchaser") whereby the Company granted an option to the Purchaser to acquire up to 65% of the Armstrong Brook Property. The Purchaser paid $15,000 and issued 50,000 common shares valued at $36,000 and is required to pay $50,000, issue 150,000 common shares and incur expenditures of $1,000,000 by December 31, 2008. The Purchaser can increase its interest to 75% by financing all of the exploration and development costs up to a feasibility study. A 1.5% NSR is payable to the original owners of the claims.

Harry Brook Property, New Brunswick

During the year ended March 31, 2006, the Company acquired by staking certain mineral claims.

Sisson Brook Property, New Brunswick

During the year ended March 31, 2005, the Company acquired an option to earn a 70% interest in certain mineral claims. To earn its interest the Company paid $200,000 and incurred exploration expenditures of $2,000,000. The Company also staked additional claims.

Sisson Brook Property, New Brunswick (cont'd…)

During the year ending March 31, 2008 the Company increased its working interest in the Sisson Brook property to 85.7% by acquiring a 52.3% controlling interest in Champlain Resources Inc., whose principal asset is a 30% carried interest in the Sisson Brook property, by paying $4,164,250 and issuing 550,000 common shares valued at $544,500.

The Company has advanced $14,000 (2008 - $275,910) on mineral property advances for exploration work to be completed on the property.

Manzerbrooke Property

During the year ended March 31, 2007 the Company acquired by staking certain mineral claims.

Nashwaak River, New Brunswick

During the year ended March 31, 2008 the Company entered into an option agreement to earn a 90% interest in certain mineral claims. To earn its interest the Company is required to pay $35,000 (paid $15,000) and issue 150,000 (100,000 common shares issued valued at $46,000) common shares over a two year period. The optionors will retain a 2% NSR and is subject to buyback at $1,000,000. The Company has minimum work commitments of $25,000 to be incurred within one year, $50,000 within second year and $100,000 within third year.

Hayden Brook, New Brunswick

During the year ended March 31, 2008 the Company entered into an option agreement to earn a 50% interest in certain mineral claims. To earn its interest the Company paid $30,000 and was required to pay $20,000 or issue 50,000 common shares by September 30, 2008, pay $20,000 or issue 50,000 common shares by September 30, 2009 and pay $10,000 or issue 25,000 common shares by September 30, 2010. The optionors will retain a 2% NSR on gold/silver and 1% on all other metals and is subject to buyback at $750,000 for half and the other half for $1,000,000. The Company has minimum work commitments of $100,000 incurred within one year, $200,000 within second year and $300,000 within third year. Upon completion of the 50% option the Company can earn an additional 20% by funding $1,000,000 in exploration by September 30, 2012.

During the year ended March 31, 2009 the Hayden Brook Property was abandoned and all related property and deferred exploration costs in the amount of $87,467 have been written off.

Mount Pleasant West Properties, New Brunswick

The Company acquired additional mineral claim groups by staking and through option agreements which are not subject to the Teck Joint Venture agreement.

Cranberry Lake, New Brunswick

During the year ended March 31, 2008, the Company acquired by staking certain mineral claims.

During the year ended March 31, 2009 the Cranberry Lake Property was abandoned and all related property and deferred exploration costs in the amount of $3,755 have been written off.

Tamarack Lake, New Brunswick

During the year ended March 31, 2008, the Company acquired by staking certain mineral claims.

During the year ended March 31, 2009 the Tamarack Lake Property was abandoned and all related property and deferred exploration costs in the amount of $8,382 have been written off.

Lepreau Road, New Brunswick

During the year ended March 31, 2007, the Company acquired by staking certain mineral claims.

During the period ended June 30, 2009 the Lepreau Road Property was abandoned and all related property and deferred exploration costs in the amount of $14,131 have been written off.

Foster Lake Property, New Brunswick

During the year ended March 31, 2007 the Company entered into an option agreement to earn a 90% interest in certain mineral claims. To earn its interest the Company paid $27,500 (2008 - $27,500) and issued 100,000 (2008 – 100,000) common shares valued at $65,000 (2008 - $65,000). The optionors will retain a 2% NSR and 1% is subject to buyback at $1,000,000. The Company has minimum work commitments of $150,000.

During the year ended March 31, 2009 the Foster Lake Property was abandoned and all related property and deferred exploration costs in the amount of $255,686 have been written off.

Victoria Lake, New Brunswick

During the year ended March 31, 2008 the Company entered into an option agreement to earn a 90% interest in certain mineral claims. To earn its interest the Company paid $5,000 and issued 50,000 (2007 – Nil) common shares valued at $50,000 and was required to pay $25,000 and issue 100,000 common shares over a two year period. The optionors will retain a 2% NSR and 1% is subject to buyback at $1,000,000. The Company had minimum work commitments of $25,000 within first year, $50,000 within second year, and $100,000 within third year.

During the year ended March 31, 2009 the Victoria Lake Property was abandoned and all related property and deferred exploration costs in the amount of $255,938 have been written off.

Nerepris Cunningham Property, New Brunswick

During the year ended March 31, 2008, the Company acquired by staking certain mineral claims.

During the year ended March 31, 2009 the Nerepris Cunningham Property was abandoned and all related property and deferred exploration costs in the amount of $4,944 have been written off.

Potter Stock, Ontario

During the year ended March 31, 2004, the Company entered into an agreement to earn a 50% interest in the Potter Stock properties. To earn its interest, the Company issued 100,000 common shares at a value of $15,000, and was required to contribute 50% of funds required for staking and exploration. The vendor retains a 1% NSR on all properties staked.

During the year ended March 31, 2009 the Company, with no further work planned, wrote off all related property and deferred exploration costs in the amount of $80,867.

Flume Ridge Property, New Brunswick

During the period ended June 30, 2009 the Company entered into an option agreement to earn a 90% interest in certain mineral claims. To earn its interest the Company must pay $30,000 (paid $2,500) and issue 150,000 (issued 50,000 valued at $7,000) common shares over a three year period. The Company has a minimum work commitment of $20,000 in year one and $100,000 by the end of year three. The vendor retains a 2% NSR and the Company has the right to purchase up to 1% at any time for $500,000 per 0.5%.

6. DEFERRED EXPLORATION COSTS

Deferred exploration costs are comprised of the following:

June 30, 2009	Teck Cominco Properties	Armstrong Brook Property	Harry Brook Property	Sisson Brook Property	Mount Pleasant West Properties	Flume Ridge Property	Total
Balance, March 31, 2009	$ 2,410,064	$ 665,528	$ 54,404	$11,515,522	$ 10,996	$ -	$14,656,514
Drilling	-	-	-	147,587	-	-	147,587
Environmental	-	-	-	18,099	-	-	18,099
Geological	18,921	-	-	34,890	-	7,387	61,198
Mapping	7,855	-	-	3,409	-	406	11,670
Office and field	4,369	-	-	110,771	-	10,681	125,821
Scoping study	-	-	-	17,737	-	-	17,737
Travel	-	-	-	4,768	-	1,047	5,815
	31,145	-	-	337,261	-	19,521	387,927
Written off during period	-	-	-	-	(10,996)	-	(10,996)
Balance, June 30, 2009	$ 2,441,209	$ 665,528	$ 54,404	$11,852,783	$ -	$ 19,521	$15,033,445

6. DEFERRED EXPLORATION COSTS (cont'd…)

Deferred exploration costs are comprised of the following:

March 31, 2008	Teck Cominco Properties	Annidale Property	Armstrong Brook Property	Harry Brook Property	Sisson Brook Property	Mount Pleasant West Properties	Potter Stock Property	Total
Balance, March 31, 2008	$ 2,102,274	$ 31,597	$ 665,528	$ 51,323	$ 6,851,132	$ 294,685	$ 41,879	$10,038,418
Assays	117,499	-	-	735	272,769	8,538	-	399,541
Drilling	228,330	-	-	-	1,485,667	-	14,548	1,728,545
Environmental	-	-	-	-	561,070	-	-	561,070
Geological	205,150	-	-	889	445,846	8,786	-	660,671
Geophysics	42,366	-	-	-	86,351	-	-	128,717
Government assistance	-	-	-	-	(75,335)	-	-	(75,335)
Mapping	30,557	-	-	247	40,838	6,243	-	77,885
Office and field	320,952	-	-	969	1,682,861	3,971	-	2,008,753
Scoping study	-	-	-	-	127,386	-	-	127,386
Travel	36,716	-	-	241	94,104	218	-	131,279
	981,570	-	-	3,081	4,721,557	27,756	14,548	5,748,512
Expense recovery	(500,000)	-	-	-	-	-	-	(500,000)
Written off during year	(173,780)	(31,597)	-	-	(57,167)	(311,445)	(56,427)	(630,416)
Balance, March 31, 2009	$ 2,410,064	$ -	$ 665,528	$ 54,404	$11,515,522	$ 10,996	$ -	$14,656,514

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares		Capital Stock		Contributed Surplus
Authorized					
Unlimited common shares without par value					
Unlimited Class A preference shares without par value					
Issued					
At March 31, 2008	64,199,851	$	32,195,584	$	2,303,069
Private placements	21,588,498		3,519,850		-
Finders' fees for private placement	-		(103,785)		-
Warrant exercise	865,000		417,500		-
Stock option exercise	393,000		66,160		-
Mineral property option payments	600,000		394,000		-
Brokers' warrants for private placements	-		(54,858)		54,858
Stock-based compensation	-		-		456,412
Share issuance costs	-		(52,162)		-
Contributed surplus transferred on exercise of options	-		50,335		(50,335)
Contributed surplus transferred on exercise of warrants	-		39,793		(39,793)
Future income taxes on exploration costs renounced to shareholders	-		(702,000)		-
At March 31, 2009	87,646,349	$	35,770,417	$	2,724,211
Mineral property option payments	50,000		7,000		-
Stock-based compensation	-		-		25,590
At June 30, 2009	87,696,349	$	35,777,417	$	2,749,801

On January 5, 2009 the Company completed a non-brokered private placement of 5,418,500 units at a price of $0.10 per unit for gross proceeds of $541,850. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at an exercise price of $0.20 per share until January 5, 2011.

On December 31, 2008 the Company completed a non-brokered private placement of 5,000,000 flow-through shares at a price of $0.20 per share for gross proceeds of $1,000,000. The Company paid an agent a finder's fee of $60,000 and issued 300,000 share purchase warrants valued at $48,274. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 per share until December 31, 2010.

On November 10, 2008 the Company completed a non-brokered private placement of 6,865,000 units at a price of $0.10 per unit for gross proceeds of $686,500. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 per share until November 10, 2010.

On October 9, 2008 the Company completed a non-brokered private placement of 1,805,000 flow-through shares at a price of $0.30 per share for gross proceeds of $541,500. The Company paid an agent a finder's fee of $16,785.

On September 30, 2008 the Company completed a non-brokered private placement of 2,499,998 flow-through shares at a price of $0.30 per share for gross proceeds of $750,000. The Company paid an agent a finder's fee of $27,000 and issued 90,000 share purchase warrants valued at $6,584. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.30 per share until September 30, 2009.

8. STOCK OPTIONS AND WARRANTS

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price, of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years and vesting is determined by the Board of Directors.

As at June 30, 2009, the Company had outstanding stock options, enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
575,000	0.12	October 21, 2009
50,000	0.18	January 19, 2011
150,000	0.23	April 19, 2011
50,000	0.25	June 9, 2011
625,000	0.30	November 24, 2011
850,000	0.75	May 30, 2012
750,000	0.75	October 17, 2012
300,000	1.11	January 3, 2013
50,000	0.70	February 12, 2013
150,000	0.76	March 25, 2013
400,000	0.75	May 15, 2013
1,357,000	0.12	October 31, 2013
600,000	0.17	May 22, 2014
5,907,000		

Stock option transactions were as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2008	5,200,000	0.55
Options granted	1,900,000	0.25
Options expired	(1,400,000)	0.58
Options exercised	(393,000)	0.17
Balance, March 31, 2009	5,307,000	$ 0.46
Options granted	600,000	0.17
Balance, June 30, 2009	5,907,000	$ 0.41
Options exercisable, June 30, 2009	5,507,000	$ 0.42

Stock-based compensation

During the period ended June 30, 2009, the Company granted 600,000 (2008 – 400,000) stock options with a value, using the Black-Scholes option pricing model, of $76,767 (2008 - $150,514), or $0.13 (2008 - $0.38) per option. Stock-based compensation expense was $25,589 (2008 - $150,514) which was credited to contributed surplus.

The following weighted average assumptions were used to value stock options and agent warrants granted using the Black-Scholes option-pricing model:

	June 30, 2009	March 31,2009
Risk-free interest rate	1.87%	2.57%
Expected life of options	5 years	4 years
Annualized volatility	101%	101%
Dividend rate	0.00%	0.00%

Warrants

As at June 30, 2009, the Company had outstanding share purchase warrants, enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
739,784	$ 1.15	January 30, 2010*
90,000	0.30	September 30, 2009
6,865,000	0.20	November 10, 2010
300,000	0.20	December 31, 2010
5,418,500	0.20	January 5, 2011
13,413,284		

* Effective August 26, 2008 the Company received TSX Venture Exchange approval to reduce the exercise price to $1.15 and on December 23, 2008 to extend the expiry date to January 30, 2010. As these warrants were non-compensatory, this had no effect on these financial statements.

8. STOCK OPTIONS AND WARRANTS (cont'd…)

Warrants (cont'd…)

Warrant transactions were as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2008	2,246,859	1.02
Issued	12,673,500	0.20
Expired	(642,075)	1.02
Exercised	(865,000)	0.48
Balance, March 31, 2009	13,413,284	$ 0.25
Issued	-	-
Expired	-	-
Exercised	-	-
Balance, June 30, 2009	13,413,284	$ 0.25

9. RELATED PARTY TRANSACTIONS

As at June 30, 2009, accounts payable and accrued liabilities included $20,156 (2008 - $Nil) owing to directors or companies controlled by directors for services and $Nil (2008 - $40,000) in receivables due from a senior officer of the Company.

During the period ended June 30, 2009, the Company entered into the following transactions with related parties:

a) Paid or accrued $51,898 (2008 - $81,273) for management, consulting and geological services to directors or companies controlled by directors. Of this amount, $22,186 (2008 – $74,523) of geological services was included in deferred exploration costs.

b) Paid or accrued $7,500 (2008 - $12,300) for accounting services to an officer.

c) Paid or accrued $18,000 (2008 - $24,500) for investor relations services to a former senior officer of the Company.

d) Paid or accrued $2,079 (2008 - $141,313) for environmental services, included in deferred exploration costs, to a Company in which a director is a principal.

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

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions of the Company during the period ended June 30, 2009 consisted of:

a) the issuance of 50,000 common shares at a value of $7,000 pursuant to a mineral property acquisition.

b) the accrual of $250,000 of deferred exploration in accounts payable.

The significant non-cash transactions of the Company during the year ended March 31, 2009 consisted of:

a) the issuance of 600,000 common shares at a value of $394,000 pursuant to mineral property acquisitions.

b) the recognition of a fair value component of $90,128 in respect of options and broker warrants exercised.

c) the accrual of $153,971 of deferred exploration costs in accounts payable.

d) the issuance of 390,000 warrants at a value of $54,858 as a finder's fee on a private placement.

e) the reclassification of $224,371 from mineral property advances to deferred exploration costs.

f) the recording of a charge to capital stock of $702,000 with an increase to future income tax liability of $1,061,000 and an increase to future income tax expense of $359,000 on the renunciation of flow-through expenditures.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and equivalents, marketable securities, receivables, accounts payable and accrued liabilities and loan payable approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

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's credit risk is primarily attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

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 of June 30, 2009 and March 31, 2009, the Company had cash and equivalents balance of $1,549,741 and $2,111,493 to settle current liabilities of $834,944 and $804,841, respectively. All of the Company's financial liabilities have contractual maturities of less than 30 days 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 commodity and equity prices.

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 investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars (USD). Amounts exposed to foreign currency risk include cash of $1,583(USD) as of June 30, 2009.

Price risk

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil and natural gas, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

12. 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 the acquisition, exploration and development of oil and gas interests. 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

13. SEGMENTED INFORMATION

The Company operates in one reporting segment, being the acquisition and exploration of mineral properties in Canada.

14. COMMITMENTS

The Company has entered into an operating lease agreement for premises. The annual lease payments under these leases are as follows:

2010	$ 64,845
2011	64,845
2012	28,641
	$ 158,331

The Company entered into a loan agreement in connection with the purchase of three trucks. The loan is repayable by monthly payments of $2,433, including interest at 2.9% per annum until May 2011.

		June 30, 2009		March 31,2009
Total loan payable	$	53,537	$	60,838
Less: current portion		(27,062)		(27,062)
	$	26,475	$	33,776

The annual loan payments are as follows:

2010	27,062
2011	31,330
2012	2,446
	$ 60,838