JALNA MINERALS LTD.

FINANCIAL STATEMENTS

JUNE 30, 2009

AUDITORS' REPORT

To the Shareholders of
Jalna Minerals Ltd.

We have audited the balance sheets of Jalna Minerals Ltd. as at June 30, 2009 and 2008 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

October 19, 2009

JALNA MINERALS LTD.
BALANCE SHEETS
AS AT JUNE 30

	2009	2008
ASSETS		
Current		
Cash	$ 109,143	$ 412,251
Prepaids	1,250	7,052
Receivables	4,197	10,972
	114,590	430,275
Mineral property interest (Note 3)	-	390,433
	$ 114,590	$ 820,708
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 377,855	$ 20,792
Shareholders' equity (deficiency)		
Capital stock (Note 4)	7,217,912	7,092,398
Subscriptions received in advance	-	100,000
Deficit	(7,481,177)	(6,392,482)
	(263,265)	799,916
	$ 114,590	$ 820,708

Nature and Continuance of Operations (Note 1)

On behalf of the Board

"Dev Randhawa"___________________Director

"Steve Khan"______________________Director

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

JALNA MINERALS LTD.
STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED JUNE 30

	2009	2008
EXPENSES		
Advertising and promotion	$ -	$ 1,250
Business development	488	3,802
Consulting and management fees	224,898	210,589
Insurance	7,052	5,948
Office and miscellaneous	8,416	13,454
Professional fees	41,272	70,454
Rent	13,565	8,482
Shareholder communications	2,277	5,847
Telephone and communications	5,870	4,941
Transfer agent and regulatory fees	15,792	21,298
	(319,630)	(346,065)
OTHER ITEMS		
Flow-through settlement (Note 5)	(243,674)	-
Interest income	7,671	17,976
Write-off of mineral property (Note 3)	(407,548)	-
	(643,551)	17,976
Loss before income taxes	(963,181)	(328,089)
Future income tax recovery (expense) (Note 6)	(125,514)	159,340
Loss and comprehensive loss for the year	(1,088,695)	(168,749)
Deficit, beginning of year	(6,392,482)	(6,223,733)
Deficit, end of year	$ (7,481,177)	$ (6,392,482)
Basic and diluted (loss) per common share	$ (0.09)	$ (0.01)
Weighted average number of common shares outstanding	12,515,103	11,732,516

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

JALNA MINERALS LTD.
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the year	$ (1,088,695)	$ (168,749)
Items not involving cash		
Future income tax (recovery) expense	125,514	(159,340)
Write-off of mineral property	407,548	-
Changes in non-cash working capital items:		
(Increase) decrease in prepaids	5,802	(5,802)
(Increase) decrease in receivables	6,775	(8,520)
Increase in accounts payable and accrued liabilities	257,063	7,406
Cash used in operating activities	(285,993)	(335,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property interest	(17,115)	(390,433)
Cash used in investing activities	(17,115)	(390,433)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	-	467,000
Share issuance costs	-	(8,381)
Subscriptions received in advance	-	100,000
Cash provided by financing activities	-	558,619
Change in cash during the year	(303,108)	(166,819)
Cash, beginning of year	412,251	579,070
Cash, end of year	$ 109,143	$ 412,251

Supplemental disclosure with respect to cash flows (Note 8)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Jalna Minerals Ltd. (the "Company") is a Canadian Company incorporated under the Business Corporation Act of British Columbia. The Company's primary business is the acquisition and exploration of mineral property interests.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis with the assumption 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. Continued operations of the Company are dependent on its ability to receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue as a going concern.

The following table highlights the Company's history of losses and working capital (deficit):

	June 30, 2009	June 30, 2008
Deficit	$ (7,481,177)	$ (6,392,482)
Working capital (deficit)	$ (263,265)	$ 409,483

The Company has a shareholders' deficiency. Additional funding of the Company is required to continue operations and to acquire mineral property interest. The Company is seeking capital through share issuances and continued support from related parties and creditors. There is no assurance that such funding will be available.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, the 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 fair value of financial instruments, future income taxes and the impairment of assets. Actual results could differ from these estimates.

Stock-based compensation

The Company uses the fair value method to record all stock-based payments.

The fair value of stock options granted is determined using the Black-Scholes option pricing model and recorded as stock-based compensation expense over the period of vesting.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future income taxes

Future income taxes are recorded using the asset and liability method under which future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Mineral property interests

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition and exploration of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The recorded cost of mineral exploration interests is based on cash paid, the value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of long-lived asset exceeds its fair value. For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group, at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The Company records a future income tax liability and a reduction in capital stock for the estimated tax benefits transferred to shareholders.

When the Company renounces flow-through expenditures, a portion of the Company’s future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will be recognized as a recovery of income taxes in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Section 3855 establishes standards for the recognition and measurement of all financial instruments, provides a characteristics-based definition of a derivative financial instrument, provides criteria to be used to determine when a financial instrument should be recognized, and provides criteria to be used when a financial instrument is to be extinguished. Under this standard, all financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, held-to-maturity, available-for-sale, loans and receivables, or other financial liabilities. The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as held-for-trading.
b) Receivables have been classified as loans and receivables and measured at amortized cost.
c) Accounts payable and accrued liabilities have been classified as other financial liabilities and are measured at amortized cost.

Comprehensive income

Section 1530 establishes standards for reporting and displaying comprehensive income. Comprehensive income is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that, in accordance with primary sources of GAAP, are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale. As of June 30, 2009, no financial instruments have been classified as available-for-sale.

Change in Accounting Policies

Effective July 1, 2008, the Company adopted the following new standards issued by the Canadian Institute of Chartered Accountants (“CICA.”). These accounting policies were adopted on a prospective basis without restatement of prior year financials. The new standards and accounting policy changes are as follows:

Section 1400 – Assessing going concern

This Section was amended to include requirements for management to assess and disclose an entity’s ability to continue as a going concern.

Section 1535 – Capital disclosures

This Section establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the entity's key management personnel (See also Note 10):

(i) qualitative information about its objectives, policies and processes for managing capital,

(ii) summary quantitative data about what it manages as capital.

(iii) whether during the period it complied with any externally imposed capital requirements to which it is subject.

(iv) when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in Accounting Policies (continued)

Section 3862 – Financial instruments – disclosures

This Section requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments.

The Section requires specific disclosures to be made, including the criteria for:
(i) designating financial assets and liabilities as held-for-trading;
(ii) designating financial assets as available-for-sale; and
(iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

Section 3863 – Financial instruments - presentation

This Section was issued to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. See Note 11 for additional disclosure.

Recent Accounting Pronouncements

Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and intangible assets", replacing Section 3062, "Goodwill and other intangible assets", and Section 3450, "Research and development costs". This 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 the previous Section 3062. The new section is effective for years beginning on or after October 1, 2008.

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") 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 IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies 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. The transition date of the Company will be July 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. 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.

3. MINERAL PROPERTY INTEREST

Title to mineral property interests 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 property interests. The Company investigated title to its mineral property interest and, to the best of its knowledge, title to all of its properties was in good standing.

Nonacho Basin, Canada

On August 21, 2007, the Company acquired an option to earn a 100% interest in a uranium property located in Northwest Territories, Canada. The Company paid an initial $125,000 and was required to issue 2,000,000 common shares, pursuant to the execution of the agreement that was subject to TSX-Venture Exchange ("TSX-V") approval. The property was subject to a 3% net smelter returns ("NSR") royalty. To earn its first 50% interest in the property, the Company was required to make a cash payment of $275,000, spend a minimum of $250,000 on property expenditures, and issue another 2,000,000 common shares on or before the first anniversary of the option. To earn an additional 25% interest in the property, the Company was required to incur a minimum of $250,000 on property expenditures and issue 2,000,000 additional common shares, on or before the second anniversary of the option. During the third year of the option, the Company could have acquired its 100% interest and eliminate the 3% NSR royalty by expending a minimum of $250,000 on the property and issuing an additional 2,000,000 common shares.

During the year ended June 30, 2009, the Company terminated its option agreement to acquire the Nonacho Basin mineral property. Accordingly, $407,548 of acquisition and exploration costs has been written-off.

		Nonacho Basin
Acquisition costs		
Balance, June 30, 2007	**$**	**-**
Cash payments		125,000
Staking		141,551
Balance, June 30, 2008	$	266,551
Write-off of acquisition costs		(266,551)
Balance, June 30, 2009	$	-
Exploration costs		
Balance, June 30, 2007	**$**	**-**
Compilation and analysis		22,135
Geologists and consultants		93,134
Field technician expenses		2,255
Travel		6,358
Balance, June 30, 2008	**$**	123,882
Airborne studies		10,000
Field study		7,115
Write-off of exploration costs		(140,997)
Balance, June 30, 2009	**$**	-
Total Balance, June 30, 2009	$	-

4. CAPITAL STOCK

	Number of Shares		Amount
Authorized			
Unlimited number of common shares without par value			
Issued and outstanding:			
As at June 30, 2007	10,958,436	$	6,793,119
Tax benefits renounced to flow-through share subscribers	-		(159,340)
Private placement	1,556,667		467,000
Share issuance costs	-		(8,381)
As at June 30, 2008	12,515,103		7,092,398
Amendment of tax benefits renounced to flow-through share subscribers	-		125,514
As at June 30, 2009	12,515,103	$	7,217,912

On December 31, 2007, the Company completed a non-brokered private placement consisting of 1,556,667 flow-through common shares of the Company at a price of $0.30 per share for gross proceeds of $467,000.

Included in capital stock at June 30, 2009 are 332,812 (2008 – 332,812) common shares held in escrow to be released in accordance with TSX-V regulations.

Stock option 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 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years. The options vest at the discretion of the board of directors.

There were no stock options or warrant transactions or balances for the years presented.

5. FLOW-THROUGH SETTLEMENT

As part of the flow-through share private placement described in Note 4, the Company agreed to indemnify subscribers for income taxes incurred for any reductions in Canadian Exploration Expenses (CEE) previously renounced to subscribers. The Company raised $467,000 and spent $100,000 on CEE. As a result, the Company has paid or accrued $187,199 to settle the reduction of tax benefits renounced to flow-through share subscribers, recorded an adjustment of $125,514 to share capital and paid or accrued a related tax expense of $56,475.

6. INCOME TAXES

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

		2009		2008
Loss for the year before income taxes	$	(963,181)	$	(328,089)
Expected income tax recovery	$	291,362	$	107,646
Items non-deductible for income tax purposes		(177,119)		(39,505)
Recognised (unrecognized) benefits of non-capital losses and flow-through adjustments		(239,757)		91,199
Income tax recovery (expense)	$	(125,514)	$	159,340

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

		2009		2008
Eligible capital property	$	35,000	$	-
Equipment and financing costs		5,000		8,000
Capital losses		520,000		541,000
Mineral property costs		213,000		87,000
Non-capital losses		299,000		301,000
		1,072,000		937,000
Valuation allowance		(1,072,000)		(937,000)
	$	-	$	-

The Company has non-capital losses carried forward of approximately $1,200,000 which may be utilized to reduce future years' taxable income and expire through to 2029 if unutilized. Subject to certain restrictions, the Company also has resource expenditures available to reduce taxable income for the future years. The benefits of these tax assets have not been recorded in these financial statements and have been offset by a valuation allowance.

During the year ended June 30, 2009, the Company renounced exploration expenditures relating to flow-through shares of $ Nil (2008 - $467,000) resulting in a charge to capital stock of $ Nil (2008 - $159,340) and a future income tax recovery of the same amount.

During the year ended June 30, 2009, as a result of the amendment of tax benefits renounced to flow-through share subscribers, an increase to capital stock of $125,514 (2008 –$ Nil) occurred and a charge to future income tax recovery of the same amount.

7. RELATED PARTY TRANSACTIONS

As at June 30, 2009, accounts payable and accrued liabilities included $220,500 (2008 - $ Nil) owing to an officer and companies controlled by certain directors of the Company.

During the year ended June 30, 2009 the following transactions occurred between related parties:

a) paid or accrued $195,000 (2008 - $174,000) in consulting fees to companies controlled by certain directors of the Company

b) paid or accrued $24,000 (2008 - $30,000) in consulting fees to an officer of the Company

c) paid or accrued $94,171 (2008 - $ Nil) related to flow-through share liabilities to directors and an officer of the Company

These transactions were in the normal course of business and are measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2009	2008
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

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

a) An increase in capital stock of $125,514 due to the amendment of tax benefits renounced to flow through share subscribers;

b) A decrease of $407,548 from mineral property interests write-off; and

c) Reclassification of an advance share subscription of $100,000 as a liability;

The Company's significant non-cash transaction during the year ended June 30, 2008 consisted of a charge to capital stock of $159,340 on the renunciation of flow-through shares.

9. SEGMENTED INFORMATION

The Company operates in Canada and is currently in the process of acquiring a mineral property interest.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquiring an interest in a material asset or business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

10. CAPITAL MANAGEMENT (continued)

The issuance of common shares requires approval of the Board of Directors. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its properties for the benefit of its stakeholders. The Company seeks to place its cash with reputable financial institutions. Accordingly, the Company believes that it is exposed to minimal credit risks at the current time.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair values of financial instruments approximate their fair value unless otherwise noted.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and price risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company's cash was invested in established Canadian banking and federal institutions and the receivable was due from the Canadian federal government, so collection of accounts receivable is relatively certain.

Liquidity Risk

Liquidity is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity by maintaining sufficient cash to meet its anticipated operational needs. Liquidity requirements are managed based on expected cash flow to ensure that there is adequate capital to meet short term and long term obligations. The Company is seeking additional financing.

Currency risk

The Company operates in Canada and presently has no exposure to foreign exchange risks.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal risk as it does not carry interest bearing debt liabilities.

Commodity price risk

The ability of the Company to find and develop mineral properties and the future profitability of the Company are directly related to the market price of base metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.