



**ROSS RIVER MINERALS INC.**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2009**

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**THE ACCOMPANYING INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2009 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.**

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**NOTICE OF AUDITORS' REVIEW OF  
INTERIM CONSOLIDATED 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 an auditor has not reviewed the interim financial statements.

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

**ROSS RIVER MINERALS INC.**  
(An Exploration Stage Company)

**ROSS RIVER MINERALS INC.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
(Unaudited – Prepared by Management)

	March 31, 2009	December 31, 2008
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 6,608	\$ 626
Receivables	7,744	9,139
Prepaid expenses	<u>-</u>	<u>5,000</u>
	14,352	14,765
<b>Mineral properties</b> (Note 2)	<u>7,206,767</u>	<u>7,175,022</u>
	<u>\$ 7,221,119</u>	<u>\$ 7,189,787</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 279,573	\$ 234,425
Convertible loan to related party	247,095	241,480
Due to related parties (Note 3)	<u>703,721</u>	<u>656,646</u>
<b>Total liabilities</b>	<u>1,230,389</u>	<u>1,132,079</u>
<b>Shareholders' equity</b>		
Capital stock (Note 4)	9,504,109	9,504,109
Contributed surplus (Note 4)	1,727,884	1,727,884
Share subscriptions	155,000	139,000
Equity component of convertible loan	28,108	28,108
Deficit	<u>(5,424,371)</u>	<u>(5,341,393)</u>
	<u>5,990,730</u>	<u>6,057,708</u>
	<u>\$ 7,221,119</u>	<u>\$ 7,189,787</u>

**Nature and continuance of operations** (Note 1)

**Going concern** (Note 1)

**Subsequent Event** (Note 7)

**On behalf of the Board:**

"Marcus N. Foster"

Director

"Robert Jamieson"

Director

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

**ROSS RIVER MINERALS INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
(Unaudited – Prepared by Management)

	Three Month Period Ended March 31, 2009	Three Month Period Ended March 31, 2008
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting and audit	\$ 10,500	\$ 10,500
Administration fees	2,928	5,050
Foreign exchange (gain)/loss	872	8,657
Interest	14,087	10,058
Legal	15	107
Management fees	37,500	37,500
Rent	9,394	10,294
Salaries and consulting fees	623	6,424
Stock-based compensation	-	13,051
Shareholder communications and regulatory fees	6,903	10,319
Travel and entertainment	<u>156</u>	<u>1,058</u>
<b>Loss and comprehensive for the period</b>	<b>\$ (82,978)</b>	<b>\$ (113,018)</b>
<b>Deficit, beginning of period</b>	<b>(5,341,393)</b>	<b>(4,798,002)</b>
<b>Loss for the period</b>	<b><u>(82,978)</u></b>	<b><u>(113,018)</u></b>
<b>Deficit, end of the period</b>	<b>\$ (5,424,371)</b>	<b>\$ (4,911,020)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>45,586,994</b>	<b>45,038,093</b>

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

**ROSS RIVER MINERALS INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by Management)

	Three Month Period Ended March 31, 2009	Three Month Period Ended March 31, 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (82,978)	\$ (113,018)
Items not affecting cash:		
Accrued interest and accretion	14,087	10,058
Stock-based compensation	-	13,051
Net changes in non-cash working capital items	<u>32,125</u>	<u>39,067</u>
Cash flows used in operating activities	<u>(36,766)</u>	<u>(50,842)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash advances from related parties	8,700	32,000
Sale of mineral exploration equipment	18,048	-
Share subscriptions	16,000	(120,000)
Proceeds from issuance of capital stock	<u>-</u>	<u>160,000</u>
Cash flows provided by financing activities	<u>42,748</u>	<u>72,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Mineral properties	<u>-</u>	<u>(22,896)</u>
Cash flows used in investing activities	<u>-</u>	<u>(22,896)</u>
<b>Increase (decrease) in cash during the period</b>	5,982	(1,738)
<b>Cash, beginning of period</b>	<u>626</u>	<u>2,674</u>
<b>Cash, end of period</b>	<u>\$ 6,608</u>	<u>\$ 936</u>

Supplemental disclosure with respect to cash flows (Note 5)

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

**ROSS RIVER MINERALS INC.**  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTH PERIOD ENDED MARCH 31, 2009  
(Unaudited – Prepared by Management)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Ross River Minerals Inc. (the “Company”) was incorporated on June 12, 1996 under the laws of the Province of British Columbia as 521844 B.C. Ltd. The Company changed its name to Panamex Resources Inc. on September 4, 1996. The Company consolidated its share capital on a one new for five old basis and concurrently changed its name to Ross River Minerals Inc. and completed a reverse take-over on May 22, 2002 whereby the former shareholders of Ross River Gold Ltd. acquired control of the Company through a share-for-share exchange.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in audited consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period statements should be read together with the Company’s audited consolidated financial statements and the accompanying notes for the year ended December 31, 2008. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

At the date of these interim consolidated financial statements, the Company has not been able to identify a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

These interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

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	March 31, 2009	December 31, 2008
Working capital deficiency	\$ (1,216,037)	\$ (1,117,314)
Deficit	\$ (5,424,371)	\$ (5,341,393)

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**ROSS RIVER MINERALS INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Unaudited – Prepared by Management)

**2. MINERAL PROPERTIES**

**Title to 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 mining properties. The Company has diligently investigated rights of ownership of all of the mineral concessions in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, the concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

	Balance December 31, <u>2008</u>	<u>Changes</u>	Balance March 31, <u>2009</u>
El Pulpo - Mexico	\$ 5,796,247	\$ 31,334	\$ 5,827,581
Tay-LP - Yukon	<u>1,378,775</u>	<u>411</u>	<u>1,379,186</u>
	<u>\$ 7,175,022</u>	<u>\$ 31,745</u>	<u>\$ 7,206,767</u>

Details of the Company's mineral property costs are provided in the attached consolidated schedules of mineral property costs.

El Pulpo Project - Mexico

- a) By option agreement dated April 10, 2003, the Company had the right to acquire up to a 60% interest in two mineral titles located in the State of Sinaloa, Mexico (the "El Pulpo Project") for the issuance of 425,000 common shares (225,000 shares issued) and exploration expenditures of \$2,000,000 (incurred) by 2008. Additional properties contiguous to the two mineral titles were staked and are subject to the terms of the agreement. On December 21, 2004, the Company entered into an agreement to acquire 100% of the right, title and interest in the El Pulpo mineral titles and accordingly, the original option agreement terminated. Terms of the agreement require the issuance of 2,200,000 common shares (issued in fiscal 2005). If exploration expenditures exceed US\$10,000,000, the Company will issue a further 1,000,000 common shares to the optionor. If a positive bankable feasibility study recommends commercial production on any part of the property, the Company will issue a further 1,000,000 common shares and the optionor retains a 2% NSR royalty which may be reduced to 1% for consideration equal to the fair market value as determined by an internationally recognized engineering firm mutually acceptable to both parties.
- b) By agreement dated June 3, 2004, the Company acquired a 100% interest in one mineral title for US\$10,000 and the issuance of 15,000 common shares. The vendor retains a 1% NSR royalty which may be purchased for US\$300,000.

**ROSS RIVER MINERALS INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Unaudited – Prepared by Management)

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**2. MINERAL PROPERTIES (cont'd...)**

Tay-LP project - Yukon

By an option agreement dated June 14, 1999 and amended July 25, 2003, the Company's wholly-owned subsidiary, Ross River Gold Ltd. ("RRG") acquired a 100% undivided interest in 143 quartz claims located in the Yukon Territory, (the "Tay-LP claims") by the payment of \$20,000 cash and the issuance of \$200,000 in the equivalent number of common shares. The Company staked a further 201 claims which were included in this option agreement.

Under the terms of the option, the Company incurred exploration expenditures in the amount of \$1,000,000. The property is subject to a 2.5% net smelter return ("NSR") royalty which can be purchased for \$3,000,000 and pre-production royalty payments of \$25,000 payable annually in either cash or shares commencing May 31, 2004. The Company has fulfilled its obligations under the terms of the option agreement.

By agreement dated December 18, 2007, RRG acquired a 100% interest in 69 claims (known as the RAM Claims) contiguous to the Tay-LP claims for the issuance of 100,000 common shares valued at \$9,000. The vendor retains a 2% NSR royalty.

Subsequent to March 31, 2009, the Company optioned its wholly owned Tay-LP property to Canarc Resource Corp. ("Canarc"). Canarc can acquire a 100-per-cent interest in Tay-LP from the Company by paying \$1-million in cash and/or stock and spending \$1.5-million on exploration over a three-year period. Canarc can initially earn a 51-per-cent interest as a stage I option by paying \$150,000 in cash and spending \$900,000 on exploration over a two-year period. If Canarc proceeds with the stage II option, then the final \$850,000 payment can be made in cash or common shares at Canarc's election. If Canarc does not proceed with the stage II option, then a 51/49 joint venture will be formed with the Company.

**3. RELATED PARTY TRANSACTIONS**

The Company has entered into the following transactions with directors, companies with common directors and a legal firm where a director of the Company is a partner:

	March 31, 2009	December 31, 2008
Working capital advances and accrued interest	\$ 335,869	\$ 319,169
Management fees	260,475	221,100
Legal services	107,377	107,377
Shareholder loan	-	4,000
Pre-production royalty	-	5,000
	<u>\$ 703,721</u>	<u>\$ 656,646</u>

**ROSS RIVER MINERALS INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Unaudited – Prepared by Management)

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**3. RELATED PARTY TRANSACTIONS (cont'd...)**

Trade payables to related parties are non-interest bearing, with no fixed terms of repayment. The Company entered into the following transactions with related parties:

- a) Management fees of \$37,500 (2008 - \$37,500) to a company controlled by a director of the Company.
- b) Interest of \$14,087 (2008 - \$10,058) to director of the Company.
- c) Rent and administrative fees of \$4,399 (2008 - \$9,315) from a company with common directors.

Accounts receivable at March 31, 2009 is \$4,399 (2008 - \$9,315) due from a company with common directors for rent and administrative fees.

Advances due to a related parties in the amount of \$270,350 (2008 - \$177,500) plus accrued interest of \$65,519 (2008 - \$36,569) are unsecured, bear interest at 10% per annum compounded monthly and are payable on demand.

The transactions with related parties were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the parties.

**4. CAPITAL STOCK AND CONTRIBUTED SURPLUS**

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	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Balance, December 31, 2007	43,736,994	\$ 9,324,109	\$ 1,682,131
Issued for non-brokered private placement	1,600,000	160,000	-
Issued for mineral properties	250,000	20,000	-
Stock-based compensation	-	-	45,753
Balance, December 31, 2008 and March 31, 2009	45,586,994	\$ 9,504,109	\$ 1,727,884

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On January 17, 2008, the Company issued 1,600,000 units for a price of \$0.10 per unit for gross proceeds of \$160,000 of which \$120,000 was received as of December 31, 2007. Each unit consisted of one common share of the Company and one-half share purchase warrant. Each whole warrant entitles the holder to acquire an additional share for twelve months at \$0.15 on or before January 17, 2009.

**ROSS RIVER MINERALS INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Unaudited – Prepared by Management)

**4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)**

**Share subscriptions**

As at March 31, 2009, the Company received \$155,000 (December 31, 2008 - \$139,000) in share subscriptions towards a private placement. The proposed non-brokered private placement will consist of 3,500,000 units at a price of \$0.05 per unit for total maximum gross proceeds of \$175,000. Each unit will consist of one common share and one-half non-transferable share purchase warrant. Each full warrant entitles the holder to acquire a common share for a period of two years from closing at a price of \$0.15 per share. The Company will pay a finder's fee on closing of up to 8% on a portion of the gross proceeds, in cash or in units or any combination thereof. This private placement is subject to acceptance by the TSX Venture Exchange.

**Stock options**

The Company has an incentive stock option plan in place under which it is authorized to grant options to executive officers, directors, employees and consultants. The Company at no time may have more than 10% of the outstanding issued common shares reserved for incentive stock options granted to any one individual. Options granted under the plan will have a term not to exceed 5 years, have an exercise price equal to the market price on the date of the grant and be subject to vesting in equal quarterly tranches over a period of not less than 18 months.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Three months ended March 31, 2009		Three months ended March 31, 2008	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,850,000	\$ 0.21	3,125,000	\$ 0.21
Cancelled/expired	(175,000)	0.22	-	-
Granted	-	-	-	-
Exercised	-	-	-	-
Outstanding, end of period	1,675,000	\$ 0.20	3,125,000	\$ 0.21
Options exercisable, end of period	1,675,000	\$ 0.20	2,675,000	\$ 0.18

**ROSS RIVER MINERALS INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Unaudited – Prepared by Management)

**4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)**

The following stock options were outstanding at March 31, 2009:

Number of Options	Exercise Price	Expiry Date
500,000	0.36	August 29, 2010
75,000	0.34	November 22, 2010
<u>1,100,000</u>	0.12	April 26, 2012
1,675,000		

**Stock-based compensation**

The total stock-based compensation calculated under the fair value method was \$Nil (2008 - \$14,095). The Company expensed \$Nil (2008 - \$13,051) and capitalized \$Nil (2008 - \$1,044) leaving an unrecognized balance of \$Nil (2008 - \$35,317).

**Warrants**

At March 31, 2009, there are no share purchase warrants outstanding.

**5. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	March 31, 2009	March 31, 2008
Cash paid during the period for income taxes	\$ -	\$ -
Cash paid during the period for interest	\$ -	\$ -

Significant non-cash transactions during the three month period ended March 31, 2009 were as follows:

- a) Included in mineral property costs is \$49,793 incurred through accounts payable and accrued liabilities.

Significant non-cash transactions during the three month period ended March 31, 2008 were as follows:

- a) Included in mineral property costs is \$26,327 incurred through accounts payable and accrued liabilities.
- b) Included in mineral property costs is \$1,044 in stock-based compensation.

**ROSS RIVER MINERALS INC.**  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTH PERIOD ENDED MARCH 31, 2009  
(Unaudited – Prepared by Management)

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**6. SEGMENTED INFORMATION**

The Company primarily operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties located in Canada and Mexico. Geographic information is as follows:

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	Mineral Properties
<b>March 31, 2009</b>	
Canada	\$ 1,379,186
Mexico	<u>5,827,581</u>
	<u>\$ 7,206,767</u>
<b>December 31, 2008</b>	
Canada	\$ 1,378,775
Mexico	<u>5,796,247</u>
	<u>\$ 7,175,022</u>

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**7. SUBSEQUENT EVENT**

On August 26, 2009, the Company announced that it optioned its wholly owned Tay-LP property to Canarc Resource Corp. (“Canarc”). Canarc can acquire a 100-per-cent interest in Tay-LP from the Company by paying \$1-million in cash and/or stock and spending \$1.5-million on exploration over a three-year period. Canarc can initially earn a 51-per-cent interest as a stage 1 option by paying \$150,000 in cash and spending \$900,000 on exploration over a two-year period. If Canarc proceeds with the stage II option, then the final \$850,000 payment can be made in cash or common shares at Canarc's election. If Canarc does not proceed with the stage II option, then a 51/49 joint venture will be formed with the Company. The above transaction subject to regulatory and exchange approval.

**ROSS RIVER MINERALS INC.**  
**CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES**  
**MARCH 31, 2009**

	<u>Tay - LP</u>	<u>El Pulpo</u>	<u>Total</u>
Acquisition costs and holding costs			
Balance, December 31, 2008	\$ 556,504	\$ 1,388,884	\$ 1,945,388
Government and maintenance fees	<u>-</u>	<u>40,932</u>	<u>40,932</u>
Total acquisition costs	<u>556,504</u>	<u>1,429,816</u>	<u>1,986,320</u>
Exploration and mining equipment	<u>23,000</u>	<u>258,791</u>	<u>281,791</u>
Deferred Exploration Costs			
Balance, December 31, 2008	892,255	4,331,244	5,223,499
Equipment rental	306	-	306
Geophysical and other consulting	-	3,079	3,079
Legal regulatory	105	-	105
Travel and accommodation	<u>-</u>	<u>4,651</u>	<u>4,651</u>
Total deferred exploration costs	<u>892,666</u>	<u>4,338,974</u>	<u>5,231,640</u>
Total, before recoveries	1,472,170	6,027,581	7,499,751
Yukon Mineral Exploration Tax Credit	(92,984)	-	(92,984)
Option payment received	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Balance, March 31, 2009	<u>\$ 1,379,186</u>	<u>\$ 5,827,581</u>	<u>\$ 7,206,767</u>

**ROSS RIVER MINERALS INC.**  
**CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES**  
**MARCH 31, 2008**

	<u>Tay - LP</u>	<u>El Pulpo</u>	<u>Total</u>
Acquisition costs and holding costs			
Balance, December 31, 2007	\$ 531,434	\$ 1,341,972	\$ 1,873,406
Acquired for cash	-	4,325	4,325
Government and maintenance fees	<u>70</u>	<u>23,000</u>	<u>23,070</u>
Total acquisition costs	<u>531,504</u>	<u>1,369,297</u>	<u>1,900,801</u>
Exploration and mining equipment	<u>23,000</u>	<u>276,119</u>	<u>299,119</u>
Deferred Exploration Costs			
Balance, December 31, 2007	890,988	4,282,183	5,173,171
Assays	42	333	375
Camp and field costs	-	1,439	1,439
Equipment rental	306	-	306
Fuel	-	539	539
Geophysical and other consulting	-	6,482	6,482
Legal regulatory	100	-	100
Miscellaneous	-	4,032	4,032
Reports, drafting and maps	-	180	180
Salaries and benefits	-	6,182	6,182
Travel and accommodation	<u>-</u>	<u>3,237</u>	<u>3,237</u>
Total deferred exploration costs	<u>891,436</u>	<u>4,304,607</u>	<u>5,196,043</u>
Total, before recoveries	1,445,940	5,950,023	7,395,963
Yukon Mineral Exploration Tax Credit	(92,984)	-	(92,984)
Option payment received	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Balance, March 31, 2008	<u>\$ 1,352,956</u>	<u>\$ 5,750,023</u>	<u>\$ 7,102,979</u>