AURAMEX
RESOURCE CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
June 30, 2009 and 2008 *(Unaudited prepared by Management*)

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

AURAMEX RESOURCE CORP.
Interim Consolidated Balance Sheets
June 30, 2009 and December 31, 2008 *(Unaudited – Prepared by Management)*

	June 30 2009	December 31 2008
ASSETS		
Current		
Cash and cash equivalents	**$ 203,801**	$ 16,660
Amounts receivable and prepaid expenses	**25,073**	30,641
	228,874	47,301
Reclamation Deposits (Note 5)	**5,039**	5,045
Equipment	**3,838**	3,838
Interests In Mineral Properties (Note 6)	**1,656,972**	1,644,476
	$ 1,894,723	$ 1,700,660
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 224,029**	$ 146,852
	224,029	146,852
STOCKHOLDERS' EQUITY		
Capital Stock (Note 7)	**10,615,824**	10,324,740
Share Subscriptions Received	**-**	31,000
Contributed Surplus	**576,723**	576,723
Deficit	**(9,521,853)**	(9,378,655)
	1,670,694	1,553,808
	$ 1,894,723	$ 1,700,660

Subsequent Events (Note 11)

Approved on Behalf of the Board:

Director

Director

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

AURAMEX RESOURCE CORP.

Interim Consolidated Statements of Operations and Deficit

For the three and six months ended June 30, 2009 and 2008 *(Unaudited – Prepared by Management)*

	Three month period ended		Cumulative six month period ended	
	June 30, 2009	**June 30, 2008**	**June 30, 2009**	**June 30, 2008**
Expenses				
Investor relations	**$ -**	4,500	**$ 3,000**	10,500
Management consulting fees	**25,639**	21,639	**49,119**	44,780
Marketing	**-**	3,000	**-**	6,362
Office and sundry	**2,294**	2,489	**2,657**	4,883
Professional fees	**23,035**	31.928	**31,685**	47,159
Shareholders communications	**-**	103	**-**	377
Stock based compensation	**-**	-	**-**	158
Transfer agent and filing fees	**6,655**	4,521	**8,733**	10,313
Travel	**325**	1,305	**325**	3,188
Loss before the following	**(57,948)**	(69,485)	**(95,519)**	(127,720)
Interest Income	**41**	64	**186**	112
Loss Before Income Tax	**(57,907)**	(69,421)	**(95,323)**	(127,608)
Future Tax Liability	**-**	-	**(47,865)**	90,100
Loss for period	**(57,907)**	(69,421)	**(143,198)**	(37,509)
Deficit, beginning of period	**(9,463,946)**	(7,992,621)	**(9,378,655)**	(8,242,495)
Deficit, end of period	**$ (9,521,853)**	$ (8,210,583)	**(9,521,853)**	$ (8,280,004)
Earnings (loss) per share – basic	**$ (0.002)**	$ (0.002)	**(0.004)**	$ (0.005)
Earnings per share – fully diluted	**$ n/a**	$ n/a	**$ n/a**	$ n/a
Weighted average number of shares used in the calculation of basic earnings(loss) per share	**37,206,370**	35,152,249	**36,769,238**	23,591,163
Weighted average number of shares used in the calculation of fully diluted earnings per share	**n/a**	n/a	**n/a**	n/a

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

AURAMEX RESOURCE CORP.

Interim Consolidated Statements of Cash Flows

For the six months ended June 30, 2009 and 2008 *(Unaudited – Prepared by Management)*

	Three month period Ended		Cumulative six month period ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Cash flows from operating activities				
Net income/(loss)	$ **(57,907)**	$ (69,421)	$ **(143,198)**	$ (37,509)
Items not involving cash				
Shares issued for other than cash	**-**	-	**-**	23,850
Stock based compensation	**-**	-	**-**	158
Recovery of future income tax	**-**	-	**47,865**	(90,100)
	(57,907)	(69,421)	**(95,333)**	(103,601)
Changes in operating assets and liabilities				
Accounts receivable	**(1,066)**	3,742	**6,609**	(3,239)
Prepaid expenses	**4,814**	1,888	**(1,039)**	1,735
Accounts payable and accrued liabilities	**37,125**	29,224	**77,177**	1,821
	(17,034)	(35,567)	**(12,586)**	(103,284)
Cash flows from investing activities				
Acquisition costs – Mineral claims	**-**	(370)	**-**	(25,369)
Exploration expenditure	**(2,241)**	(204,480)	**(12,499)**	(310,753
Reclamation deposit	**(6)**	2,046	**7**	2,025
Other	**-**	-	**-**	-
	(2,247)	(112,644)	**(12,492)**	(334,097)
Cash flows from financing activities				
Repayment of long term debt	**-**	-	**-**	-
Share subscriptions received	**(28,000)**	50,000	**(31,000)**	50,000
Shareholder loan subscriptions received	**-**	-	**-**	-
Shares issued for cash	**250,000**	-	**250,000**	343,200
Share issuance costs	**(6,781)**	-	**(6,781)**	(33,947)
	215,219	50,000	**212,219**	359,253
Increase (decrease) in cash	**195,938**	(188,371)	**187,141**	(78,128)
Cash, beginning of period	**8,120**	226,887	**16,660**	116,644
Cash, end of period	$ **203,801**	$ 358,516	$ **203,801**	$ 38,516
Supplemental Disclosure of Cash Flow Information				
Interest received	$ **64**	$ 64	$ **112**	$ 112
Interest paid	$ **-**	$ -	$ **-**	$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities				
Shares issued as consideration for interest in mineral properties	$ **-**	$ -	$ **-**	$ **23,850**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Auramex Resource Corp. ("Auramex" or "the Company") is a Canadian company incorporated in the province of British Columbia and trades on the TSX Venture Exchange. The Company is currently active in the acquisition, exploration and development of mineral properties.

The Company is developing its mineral properties and has not yet determined whether the reserves of its properties are economically recoverable. The recoverability of the amounts shown for mineral properties 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 consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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 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 on 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 on the balance sheets. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

		June 30, 2009		December 31, 2008
Working capital (deficiency)	$	4,845	$	(99,551)
Deficit		(9,521,853)		(9,378,655)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Exploración Auramex S.A. de C.V. (incorporated in Mexico). All significant intercompany transactions and balances have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Cash and cash equivalents

Cash and cash equivalents consist of cash and short term deposits with maturities of 90 days or less when acquired. As at June 30, 2009 and 2008, the Company does not have any cash equivalents.

c) Equipment

Equipment is recorded at cost. Amortization is recorded annually on the diminishing balance basis over the estimated useful lives of the assets as follows:

Exploration equipment	30%
Computer and office equipment	30%

d) Interests in Mineral Properties

The Company follows the method of accounting for its interests in mineral properties whereby all costs related to acquisition, exploration and development are capitalized by area of interest. These expenditures are carried forward where rights to tenure of the areas of interest are current, and it is expected the expenditure will be recovered through successful development and exploitation of the area of interest or alternatively by its sale, and/or the activities are continuing in the area of interest but have not yet reached a stage of development which permits reasonable assessments of existence or otherwise of economically recoverable reserves. Expenditures which no longer satisfy the above criteria are written off. The carrying value of each of its interests in mineral properties is reviewed on a regular basis.

Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. Mineral property interest option payments are recorded when receivable and are charged against the related mineral properties.

On commencement of commercial production, net costs will be charged to operations on the unit-of-production method by property based upon estimated recoverable reserves.

Recorded costs of mineral properties and capitalized exploration and development expenditures are not intended to reflect present or future values of resource properties. The Company does not accrue the estimated future costs of maintaining its mineral property interests in good standing. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recorded amounts.

e) Asset Retirement Obligations

The follows the recommendations of the CICA Handbook Section 3110 – “Asset Retirement Obligations” with respect to asset retirement obligations. Under Section 3110, legal obligations associated with the retirement of tangible long-lived assets are recorded as liabilities. The liabilities are calculated using the net present value of the cash flows required to settle the obligation. A corresponding amount is capitalized to the related asset. Asset retirement costs are charged to earnings in a manner consistent with the depreciation, depletion and amortization of the underlying asset. The liabilities are subject to accretion over time for changes in the fair value of the liability through charges to accretion which is included in cost of sales and operating expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Asset Retirement Obligations (continued)

Management estimates may be subject to material adjustment as a result of changes in regulations, or changes in the means and extent of environmental remediation. Changes in estimates are accounted for prospectively from the period the estimate is revised. As at June 30, 2009 and June 30, 2008, the Company does not have any asset retirement obligations.

f) Long-lived Assets Impairment

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 a 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.

g) Stock Based Compensation

The Company's Option Plan provides for granting of stock options to directors, officers and employees. The Company uses the fair value method for valuing stock option grants. Compensation costs attributable to share options granted are measured at fair value at the grant date and are expenses over vesting periods with a corresponding increase to contributed surplus. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

h) Flow-Through Common Shares

Resource expenditure deductions for Canadian income tax purposes related to Canadian exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company follows the accounting prescribed by the CICA Emerging Issues Committee (EIC) in EIC-146 "Flow-through Shares". On the date the expenditures are renounced, the Company records the income tax benefit arising from the renunciation as a recovery of income taxes in the statement of operations and a corresponding reduction in the share capital amounts recorded from the sale of the flow-through shares proceeds.

i) Share Issuance Costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are presented as other assets until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to operations if the shares are not issued.

j) Loss Per Share

Loss per share computations are based upon the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per share is not disclosed, as the effect of conversion of outstanding options and warrants is anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Foreign currency transactions

Transactions denominated in Mexican pesos and in American dollars have been translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the year-end exchange rate. Exchange gains and losses are included in annual operating results.

l) Financial Instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet either at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. Taxes recoverable are classified as loans and receivables, and accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

m) Use of Estimates

The preparation of financial statements in conformity with 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 amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, resource property carrying values, future income tax assets, and determination of fair value for stock based compensation and transactions. Due to the inherent uncertainty involved with making such estimates, actual results as determined by actual events could differ from those estimates.

n) Changes in Accounting Policies

Effective January 1, 2008, the Company adopted the following new standards issued by the CICA

Capital Disclosures (Section 1535)

This standard establishes standards for the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements and (iv) if it has not complied, the consequences of such non-compliance. The new disclosure is provided in Note 9.

Financial Instruments – Disclosures (Section 3862) and Financial Instruments - Presentation, (Section 3863)

These two standards replace the current standard *"Financial Instruments –Disclosure and Presentation" (Section 3861)*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new Sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The new disclosures are provided in Note 10.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Changes in accounting policies (continued)

General Standards of Financial Statement Presentation (Section 1400)

In June 2007, the CICA issued amendments to Section 1400, "General Standards of Financial Statement - Presentation" to include requirements to assess and disclose an entity's ability to continue as a going concern. The amendments are effective for interim and annual financial statements beginning on or after January 1, 2008. The Company has applied the new amendments at the beginning of its fiscal year. The implementation did not have a significant impact on the Company's results of operations, or financial position. The new disclosure is provided in Note 1.

Goodwill and intangible assets (Section 3064)

In February 2008, the CICA issued Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Other Intangible Assets”. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC 27, “Revenue and Expenditures in the Pre-operating Period”, will be withdrawn. The Company does not expect the adoption of this section to have a significant effect on its financial statements. This section was adopted effective January 1, 2009.

Credit Risk and the Fair Value of Financial Assets and Liabilities (EIC-173)

In January 2009, the Emerging Issues Committee (“EIC”) issued EIC -173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. This new standard is effective for the Company’s interim and annual consolidated financial statements commencing January 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

Future Accounting Changes

Business combinations (Section 1582)

In January 2009, the CICA issued Section 1582 “Business Combinations” to replace Section 1581. Prospective application of the standard becomes effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The Company does not expect the adoption of this section to have a significant effect on its financial statements.

Consolidated Financial Statements (Section 1601) and Non-Controlling Interests (Section 1602)

The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” which replace Section 1600 “Consolidated Financial Statements.” Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. Theses standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations.” The Company does not expect the adoption of this section to have a significant effect on its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mining Exploration Costs (EIC-174)

On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after March 2009.

International Financial Reporting Standards ("IFRS")

In 2006, the 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 changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 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.

o) Comparative figures

Certain comparative figures have been reclassified in order to conform to the current period's financial statement presentation.

3. FINANCIAL INSTRUMENT RISK EXPOSURE

a) *Credit risk* - Cash is held in high-quality financial institutions. GST receivable is generated on the purchase of supplies and services in Canada, and IVA receivables are generated on the purchase of supplies and services, refundable from the Mexican government.

b) *Liquidity risk* - The Company tries to maintain sufficient capital to meet short term business requirements.

c) *Foreign Currency Risk* – The Company operates in Canada and Mexico and is therefore subject to foreign currency fluctuations. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

4. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

		June 30, 2009		June 30, 2008
GST Receivable	$	**3,617**	$	5,613
IVA Receivable		**18,507**		13,295
Prepaids and Advances		**2,948**		2,875
	$	**25,072**	$	**24,295**

5. RECLAMATION DEPOSITS

As at June 30, 2009, the company had reclamation deposits with the province of British Columbia totalling $5,038 (2008 - $5,044) with regard to the Brandywine property.

6. INTERESTS IN MINERAL PROPERTIES

Brandywine Property

The Company holds a 100% interest, subject to a net smelter returns royalty of 0.5% with minimum annual royalty payments of $50,000 following commencement of commercial production. The property is located in the Vancouver Mining Division of British Columbia.

Magenta Property

El Fierro Concession

The Company, through its Mexican subsidiary, entered into an option agreement, as amended, to acquire an 85% interest in the El Fierro concession, an exploration concession located in Culiacan, Sinaloa State, Mexico, by the payment of back taxes of $8,810 (paid), the issuance of 20,000 common shares (issued), and the incurring of exploration expenses of US$200,000 over five years commencing on January 1, 2003. During 2008, the Company issued 25,000 common shares to acquire a one year extension to the option, such that the work had to be completed by January 1, 2009. The Company considers that the 85% interest has been earned, but formal completion of the acquisition is not yet completed.

Upon the Company earning its interest, the Optionor may either participate in a joint venture for the remaining 15% or convert to a 2% NSR. The Optionor will automatically convert to a 2% NSR in the event that its interest under the joint venture is diluted to 10% or less. The NSR may be purchased for the sum of US $2,000,000.

Magenta Concessions

The Company, through its Mexican subsidiary, has acquired by staking, 4,954 hectares located in Culiacan, Sinaloa State, Mexico. The staked ground encompasses the El Fierro exploration concession.

Ana Concession

The Company, through its Mexican subsidiary, has purchased a mining concession within the boundaries of the Magenta property in Mexico. The terms of the acquisition were the payment of US$10,000 to the vendor and the payment of back taxes of approximately $US18,000.

La Perla II Concession

The La Perla II mining concession, consisting of 300 hectares in northern Sinaloa State, Mexico, was acquired by staking at a cost of $2,831.

6. INTERESTS IN MINERAL PROPERTIES – (continued)

Bear River Properties

The Bear River properties are located in the Skeena Mining Division, British Columbia, and consist of four mineral claim blocks covering approximately 28,240 hectares, The properties included are the Bear property extending roughly 25 kilometres north and 15 kilometres east of Stewart, Georgie River, 25 kilometres south of Stewart, Surprise Creek, 40 kilometres northeast of Stewart and Tide North 45 kilometres north northwest of Stewart. The property has been acquired under various option agreements. The Company is required to issue a further 50,000 common shares to one optionor on or before November 22, 2009 to complete the final purchase. Two Net Smelter Return Royalty interests of 1% apply to various of the tenures, each of which can be purchased for $2,000,000. A third Net Smelter Return royalty is for 2% and can be purchased for $1,000,000.

FIRST SIX MONTHS 2009 ACQUISITION AND DEFERRED EXPLORATION COSTS

	BRANDYWINE PROPERTY	MAGENTA PROPERTY	LA PERLA II CONCESSION	GRACIAS A DIOS (ESCOBAL)	BEAR RIVER PROPERTIES	TOTAL
Acquisition Costs						
Balance, beginning of year	$ 40,066	$ 94,727	$ 4,559	$ -	$ 124,429	$ 263,781
Additions	-		-	-		
Balance, end of period	40,066	94,727	4,559	-	124,429	263,781
Deferred Exploration						
Balance, beginning of year	54,231	780,259	18,047	-	528,158	1,380,695
Geological, mapping and field expenses	150	-	-	-	930	1,080
Permits, taxes and assessment fees	-	10,230	1,189	-	-	11,419
Balance, end of period	54,381	790,489	19,236	-	529,088	1.393.194
Total	$ 94,447	$ 885,216	$ 23,795	$ -	$ 652,587	$ 1,656,975

FIRST SIX MONTHS 2008 ACQUISITION AND DEFERRED EXPLORATION COSTS

	BRANDYWINE PROPERTY	MAGENTA PROPERTY	LA PERLA II CONCESSION	GRACIAS A DIOS (ESCOBAL)	BEAR RIVER PROPERTIES	TOTAL
Acquisition Costs						
Balance, beginning of year	$ 40,066	$ 92,763	$ 4,559	$ 192,185	$ 99,774	$ 429,347
Additions	-	1,964	-	-	23,406	25,370
Balance, end of period	40,066	94,727	4,559	192,185	123,180	454,717

6. INTERESTS IN MINERAL PROPERTIES – (continued)

	FIRST SIX MONTHS 2008 ACQUISITION AND DEFERRED EXPLORATION COSTS					
	BRANDYWINE PROPERTY	MAGENTA PROPERTY	LA PERLA II CONCESSION	GRACIAS A DIOS (ESCOBAL)	BEAR RIVER PROPERTIES	TOTAL
Deferred Exploration						
Balance, beginning of year	**47,575**	**693,964**	**15,678**	**514,954**	**510,787**	**1,782,958**
Geological, mapping and field expenses	**5,386**	**66,948**		**214,692**	**5,986**	**293,012**
Permits, taxes and assessment fees	**1,093**	**9,677**	**1,184**	**143**	**5,643**	**17,740**
Balance, end of period	**54,054**	**770,589**	**16,862**	**729,789**	**522,416**	**2,093,710**
Total	**$ 94,120**	**$ 865,516**	**$ 21,421**	**$ 761,242**	**$ 645,596**	**$ 2,548,427**

7. CAPITAL STOCK

a) Authorized

Unlimited number of common shares without par value

b) Issued

	NUMBER OF SHARES	AMOUNT	CONTRIBUTED SURPLUS
Balance, December 31, 2008	36,327,249	$ 10,324,740	$ 576,723
Shares issued for cash – private placements	10,000,000	250,000	
Shares issued for cash – warrants exercised			
Shares issued on acquisition of mineral property			
Fair value of stock options			
Future Income Tax Liability on flow-through shares		47,865	
Share issuance costs		(6,781)	
Balance, June 30, 2009	**46,327,249**	**$ 10,615,824**	**576,723**

7. CAPITAL STOCK (continued)

c) Share Purchase Warrants

At June 30, 2009, the following share purchase warrants are outstanding:

	EXERCISE PRICE	NUMBER OUTSTANDING	EXPIRY DATE
$	0.15	2,000,000	17 Jul 09
$	0.15	2,500,000	6 Sept 09
$	0.20	2,000,000	6 Sept 09
$	0.10	3,000,000	11 Mar 10
$	0.10	1,150,000	8 Jul 10
$	0.05 year 1, $0.10 year 2	10,000,000	22 Jun 11
		20,650,000	

A summary of share purchase warrant activity for the six months ended June 30, 2009 is as follows:

	SHARES		WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2008	14,150,000		0.160
Granted	10,000,000		0.075
Exercised	-		
Expired	(3,500,000)		
Balance, June 30, 2009	20,650,000	$	0.130

d) Stock Options

The Company's stock option plan provides for the granting of incentive stock options for up to 7,260,450 common shares to employees, consultants, officers and directors of the Company. Options are granted for a term of up to five years from the date granted. Stock options granted generally vest over a period of eighteen months.

No stock options were granted during the quarter.

	NUMBER OF OPTIONS		WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2008	1,069,500		0.14
Terminated	(69,500)		
Balance, June 30, 2009	1,000,000	$	0.14

7. CAPITAL STOCK (continued)

d) Stock Options (continued)

The following table summarizes information about the stock options outstanding at June 30, 2009:

OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
EXERCISE PRICE	NUMBER OF SHARES	REMAINING CONTRACTUAL LIFE (YEARS)	NUMBER OF SHARES	EXERCISE PRICE
0.13	50,000	0.13	50,000	0.13
0.13	150,000	0.23	150,000	0.13
0.20	100,000	0.85	100,000	0.20
0.13	600,000	1.73	600,000	0.13
0.13	100,000	2.53	100,000	0.13
	1,000,000		1,000,000	

8. RELATED PARTY TRANSACTIONS

The following related party transactions were in the normal course of operations. In addition to those related party transactions disclosed elsewhere in the financial statements, the Company incurred the following transactions in the six months ended June 30:

RELATED PARTY	TYPE OF TRANSACTION	TERMS AND CONDITIONS	**2009**	2008
Director and Officer	Management Consulting Fees	Normal Commercial	**$ 15,000**	$ 15,000
Business controlled by a Director	Legal fees in connection with private placements	Normal Commercial	**$ 6,781**	$ 6,224
	Legal fees	Normal Commercial	**$ 8,413**	$ 18,118
	Legal fees in connection with mineral property acquisitions	Normal Commercial Normal Commercial	**-**	5,288
	Loan	Due Oct. 8, 2009 at 15%	**$ 2,500**	-
Director	Geological Consulting	Normal Commercial	**$ 4,567**	$ 15,112
	Loan	Due Oct. 8, 2009 at 15%	**$ 2,500**	
Director and Officer	Consulting fees	Normal commercial	**$ 27,000**	$ 27,000
	Expense reimbursement	Cost reimbursement	**$ 1,744**	$ 4,865
	Loan	Due Oct. 8, 2009 at 15%	**$ 2,500**	
Business Related to a Director	Investor relations	Normal commercial	**$ 3,000**	$ 9,000

8. RELATED PARTY TRANSACTIONS (continued)

At June 30, 2009, an amount of $168,293 (2008 - $27,532) included in accounts payable and accrued liabilities represents unpaid amounts relating to fees and expenses owed to related parties.

9. CAPITAL DISCLOSURES

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 resource properties. 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.

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 quarter ended June 30, 2009. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

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 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 June 30, 2009, the Company had a cash balance of $203,801 (2008 - $38,516) to settle current liabilities of $224,029 (2008 - $48,749). The Company expects to fund these liabilities through the issuance of capital stock and loans from related parties.

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.

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 institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of June 30, 2009, the Company did not have any investments invested in investment-grade short-term deposit certificates.

10. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

b) Foreign currency risk

Foreign currency risk is the risk that variation in exchange rates between the Canadian dollar and the Mexican Peso will affect the Company's operating and financial results. The Company does not carry significant balances in foreign currencies.

c) 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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. SIGNIFICANT AND SUBSEQUENT EVENTS

On July 21, 2009, the Company announced a non-brokered private placement of up to 5,000,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.10 for a period of two years from the date of closing. The Company will pay 10% finders' fees to qualified finders. As at August 20, 2009, the placement has not been closed.

On August 18, 2009, the Company received TSX Venture exchange approval of a non-brokered private placement of 2,000,000 flow-through shares at a price of $0.04 per share.

On August 19, 2009, the Company announced it had entered into an option agreement to acquire 100 % of certain mineral claims comprising 1,136 hectares contiguous to the Bear and Surprise Creek claim blocks at Stewart, BC. The terms of the agreement require payment of $5,000 and the issuance of 150,000 common shares in the Company upon Exchange approval, the issuance of 225,000 common shares on or before October 31, 2010 and the issuance of 300,000 common shares on or before October 31, 2011. Upon the Company's exercise of the option, the optionor retains a 1% net smelter returns royalty, which can be purchased by the Company at any time for $1,000,000.