Consolidated Financial Statements
(Expressed in Canadian dollars)

ASIAN MINERAL RESOURCES LIMITED

Three month period ended September 30, 2009 and 2008

(Unaudited)

These financial statements have not been reviewed by the Company's auditors

ASIAN MINERAL RESOURCES LIMITED

Consolidated Balance Sheets
(Expressed in Canadian dollars)

September 30, 2009 and 2008

	September 30 2009 (unaudited)	December 31 2008 (audited)	September 30 2008 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 1,202,731	$ 5,110,688	$ 10,596,400
Accounts receivable, inventory and prepayments	3,266,056	4,709,790	6,148,659
	4,468,786	9,820,478	16,745,059
Property, plant and equipment (note 3)	40,940,650	41,249,804	36,833,375
Mineral property interest (note 4)	1,864,587	1,864,587	1,864,587
	$ 47,274,023	$ 52,934,869	$ 55,443,021
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	1,270,575	4,896,727	4,289,493
Shareholders' equity:			
Share capital (note 5)	84,527,824	83,381,227	83,380,124
Contributed surplus	2,841,449	2,480,363	2,597,728
Deficit	(41,365,825)	(37,823,448)	(34,824,324)
	46,003,448	48,038,142	51,153,528
Nature of operations (note 1)			
Contingency and going concern (note 11)			
	$ 47,274,023	$ 52,934,869	$ 55,443,021

See accompanying notes to consolidated financial statements.

ASIAN MINERAL RESOURCES LIMITED

Consolidated Statements of Operations, Comprehensive Loss and Deficit
(Expressed in Canadian dollars)
(Unaudited)

Three months ended September 30, 2009 and 2008

	Three months ended Sept 30 2009	Three months ended Sept 30 2008	Nine months ended Sept 30 2009	Nine months ended Sept 30 2008
Expenses:				
Amortization and depreciation	$ 212,239	$ 159,308	$ 667,136	$ 236,225
Directors fees (note 7(b))	29,629	58,847	109,302	145,167
Exploration	34,234	247,122	(56,863)	1,078,265
Vietnam office expenses (note 6)	510,919	2,871,792	1,613,629	6,218,447
Interest expense	-	-	-	3,020
Legal, audit and accounting	35,626	18,629	93,185	30,997
Listing and filing fees	4,584	8,955	37,717	38,033
Office and administration	64,506	82,153	311,167	788,632
Stock based compensation (note 5(d))	126,426	206,107	361,086	773,514
Travel and conferences	13,208	210,643	21,911	338,028
Loss before the following	1,031,371	3,863,556	3,158,270	9,650,328
Other income (expenses):				
Interest income	1,351	161,130	4,466	443,119
Foreign exchange gain (loss)	(239,958)	807,247	(388,573)	(366,234)
	(238,607)	968,377	(384,107)	76,885
Loss and comprehensive loss for period	1,269,978	2,895,179	3,542,377	9,573,443
Deficit, beginning of period	40,095,847	31,929,145	37,823,448	25,250,881
Deficit, end of period	$ 41,365,825	$ 34,824,324	$ 41,365,825	$ 34,824,324
Basic and diluted loss per share	$ 0.01	$ 0.03	$ 0.03	$ 0.10
Weighted average number of common shares outstanding	104,495,757	94,403,313	104,495,757	94,403,313

See accompanying notes to consolidated financial statements.

ASIAN MINERAL RESOURCES LIMITED

Consolidated Statements of Cash flows
(Expressed in Canadian dollars)
(Unaudited)

Three months ended September 30, 2009 and 2008

	Three months ended Sept 30 2009	Three months ended Sept 30 2008	Nine months ended Sept 30 2009	Nine months ended Sept 30 2008
Cash provided by (used in):				
Operations:				
Loss for the period	$ (1,269,978)	$ (2,895,179)	$ (3,542,377)	$ (9,573,443)
Items not involving cash				
Stock based compensation	126,426	206,107	361,086	773,514
Depreciation	212,239	159,308	667,136	236,225
Loss on disposal of fixed assets	23,520	-	23,520	-
Accretion of fair value	-	-	-	3,020
Changes in non-cash operating working capital				
Accounts receivable, inventory and prepayments	207,614	(2,653,355)	1,443,735	(4,815,640)
Accounts payable and accrued liabilities	(581,246)	1,715,039	(3,626,151)	481,395
Funds held in trust	-	(7,000,000)	-	-
	(1,281,425)	(10,468,080)	(4,673,051)	(12,894,929)
Investments:				
Adjustment/(Purchase) of property, plant and equipment	79,980	(14,145,476)	(381,503)	(29,818,851)
Financing:				
Issuance of common shares and warrants, net of issue costs	91,920	6,740,142	1,146,597	20,862,231
Decrease in cash and cash equivalents	1,109,525	17,873,414	3,907,957	21,851,549
Cash and cash equivalents, beginning of period	2,312,256	28,469,814	5,110,688	32,447,949
Cash and cash equivalents, end of period	$ 1,202,731	$ 10,596,400	$ 1,202,731	$ 10,596,400
Supplemental information:				
Interest received	$ 1,351	$ 161,130	$ 4,466	$ 443,119
Non-cash financing and investing transactions:				
Fair value of stock options transferred from contributed surplus to share capital on options exercised	$ -	$ -	$ -	$ 44,119

See accompanying notes to consolidated financial statements.

1. Nature of operations and going concern:

Asian Mineral Resources Limited (the "Company") is incorporated under the laws of the Province of British Columbia by a certificate of continuance as of December 31, 2004, having previously been incorporated and registered under the *New Zealand Companies Act 1993*. On April 19, 2004, the Company became listed on the TSX-Venture Exchange ("TSX-V"). The Company's principal business activity is the exploration and development of mineral property interests. Its principal mineral property interest, held through a joint venture, is in the Ban Phuc Project Area located 160 km west of Hanoi in Son La Province, in northwestern Vietnam.

The Company completed a definitive feasibility study in November 2005, updated in 2007, which supported mine development within a portion of the Ban Phuc Project Area. On December 17, 2007, the Company received a mining license to develop and mine the Ban Phuc deposit from the Vietnamese Ministry of Natural Resources and Environment. Project development commenced in late 2007, with production initially anticipated to commence in the second quarter of 2009. On October 1, 2008, unable to raise necessary financing, the Company suspended project development activities at Ban Phuc and subsequently placed the project on care and maintenance.

As at September 30, 2009 the Company has cash of $1.2 million. This will be used to pay outstanding commitments and care taking activities at the Ban Phuc development site and to fund administrative costs at the Toronto and Hanoi offices, where a core group of employees have been retained. It is anticipated that this cash along with additional inflows from a variety of sources, including an insurance claim and VAT/GST rebates, will cover expected costs to the end of 2009. An equity financing will be needed to ensure the Company has sufficient cash to cover 2010 requirements.

These financial statements are prepared on the basis that the Company will continue as a going concern. Management recognizes that additional financing will be needed, in the short term to cover on-going administrative requirements and subsequently to finance completion of construction of the Ban Phuc Nickel Mine. However, there can be no assurances that the Company will continue to obtain such additional financing and/or achieve profitability or positive cash flows. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis.

2. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries, AMR Nickel Limited and Asian Nickel Exploration Limited and its 90%-owned invested Ban Phuc Nickel Mines Limited Liability Company ("BPNM") joint venture. All material inter-company balances and transactions have been eliminated upon consolidation.

2. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash and highly liquid investments, having maturity dates of three months or less from the date of acquisition, that are readily convertible to known amounts of cash.

(c) Prepayments:

Prepayments to suppliers and contractors are based on the contract progress, with payments made during the stages of works.

(d) Property, plant and equipment:

Property, plant and equipment are used in the Company's exploration and site activities and are recorded at cost less accumulated depreciation. Depreciation from exploration activities is included in exploration expense and depreciation from site activities is included in operating expenses. Depreciation is recorded at various rates over the estimated useful lives of the related property, plant and equipment as follows:

Building, plant, machinery, motor vehicles	14% - 25%, straight-line
Furniture and office equipment	11% - 33%, straight-line
Licenses and franchises	11% - 33%, straight-line

Construction in progress represents the cost of plant and mines which are under construction. No depreciation is provided for construction in progress during the period of construction.

The Company reviews and evaluates the carrying value of its development property for impairment when events or circumstances indicate that the carrying amounts may not be recoverable. If the total estimated future cash flows on an undiscounted basis for mining properties are less than the carrying amounts of the assets, an impairment loss is measured and assets are written down to fair value, which is normally the discounted value of future cash flows, with a provision being charged to earnings. Future cash flows are estimated based on estimated future recoverable mine production, expected sales price of metal, production levels, cash costs of production, capital and reclamation costs, all based on life of mine plans. Future recoverable mining production is determined from proven and probable reserves and measured and indicated mineral resources after taking into account estimated dilution and recoveries during mining and the accountable amount of metal to be recovered after ore processing, smelting and refining. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. It is possible that changes in estimates could occur which would affect the expected recoverability of the Company’s investment in mineral properties.

2. Significant accounting policies (continued):

(e) Mineral property interests:

Exploration expenses incurred prior to determination of the feasibility of mining operations and issuance of a mining license are expensed as incurred. Mineral property acquisition costs and exploration and development expenditures incurred subsequent to the determination of the feasibility of mining operations and issuance of a mining license are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests, pursuant to the terms of the agreement. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned or when an impairment of value has occurred.

(f) Share capital:

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted price on the date the agreement to issue the shares was reached and announced for business combinations and the date of issuance for other non-monetary transactions.

(g) Stock-based compensation:

The Company has a stock option plan as described in note 5(d). The Company records all stock-based compensation using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable and are charged to operations over the vesting period. The offset to the recorded cost is to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

(h) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, generally using the substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the date of substantive enactment.

Future income tax assets also result from unused loss carry forwards and other deductions. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

2. Significant accounting policies (continued):

(i) Foreign currency translation:

The Company's foreign operations are integrated. Monetary assets and liabilities of the Company denominated in a foreign currency and its integrated foreign subsidiaries are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates unless such items are carried at market, in which case they are translated at the exchange rates in effect on the balance sheet date. Revenue and expenses, except depreciation, are translated using the average quarterly exchange rate. Depreciation is translated at the same exchange rate as the assets to which it relates. Foreign currency gains and losses are recorded in the statement of operations as incurred.

(j) Loss per share:

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. For all periods presented, loss available to common shareholders equals the reported loss.

Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares issued and outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. For all periods presented, diluted loss per share is the same as basic loss per share since the effect of the outstanding options (note 5(d)) and warrants (note 5(e)) would be anti-dilutive.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the balance sheet date, and the amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of the recoverability of mineral property interests, reclamation obligations, valuation allowance for future income taxes and the assumptions used in the stock-based compensation calculations. Actual results could differ from those estimates.

(l) Asset retirement obligations:

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. At September 30, 2009, the Company has no asset retirement obligation.

2. Significant accounting policies (continued):

(m) Segment disclosures:

The Company operates in a single segment, being the exploration and development of its mineral property within the geographic areas disclosed in note 8.

(n) Financial Instruments:

The Company's financial instruments are comprised of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Financial instruments are measured and classified as follows:

- Held-for-trading financial assets and liabilities are initially measured at fair value and subsequent changes in fair value are recognized in the statements of operations. Cash and cash equivalents are designated as held-for-trading;
- Available-for-sale financial assets are initially measured at fair value, plus any transaction costs, and subsequent changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recorded in the statement of operations; or
- Held-to-maturity investments, loans and receivables, or other financial liabilities - all of which are initially measured at fair value plus any transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment. Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities. The Company does not hold any held-to-maturity investments;
- Derivatives embedded in other financial instruments or non-financial contracts (the "host instrument") are treated as separate derivatives with fair value changes recognized in the statement of operations when their economic characteristics and risks are not clearly and closely related to those of the host instrument, and the combined instrument or contract is not held for trading. No reportable embedded derivatives were indentified in a review of the Company's contracts.

In accordance with this standard, financial instruments have been classified as follows:

- Cash and cash equivalents are classified as Held-for-trading and are marked-to-market through net income at each period end.

2. Significant accounting policies (continued):

(o) Adoption of new accounting standards:

Effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Goodwill and intangible assets:

CICA Handbook Section 3064, *Goodwill and Intangible Assets* (Section 3064) replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets* and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. CICA Handbook Section 1000, *Financial Statement Concepts* is amended to clarify criteria for recognition of an asset. CICA Handbook Section 3450, *Research and Development Costs* is replaced by guidance in Section 3064. EIC 27 *Revenues and Expenditures During the Pre-Operating Period* is no longer applicable for entities that have adopted Section 3064. A number of other EIC abstracts have consequential amendments. CICA Accounting Guideline 11 *Enterprises in the Development Stage* is also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. These changes are effective for the Company commencing January 1, 2009.

(p) Future accounting policies:

i. Business combinations:

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 151 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 – *Business Combinations*. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements.* Section 1601, establishes standards for preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 – *Consolidated and Separate Statements* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

(Expressed in Canadian dollars, unless otherwise stated)

2. Significant accounting policies (continued):

(p) Future accounting policies (continued):

ii. 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 accountable companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal year 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. We are currently assessing the financial reporting impact of the transition to IFRS and the changeover date.

3. Property, plant and equipment:

September 30, 2009	Cost	Accumulated depreciation	Net book value
Building, plant, machinery, motor vehicles	$ 3,244,831	$ 1,066,685	$ 2,178,146
Construction in progress	38,533,464	-	38,533,464
Furniture and office equipment, licenses and franchises	426,429	197,389	229,040
	$ 42,204,724	$ 1,264,074	$ 40,940,650

September 30, 2008	Cost	Accumulated depreciation	Net book value
Building, plant, machinery, motor vehicles	$ 3,173,140	$ 281,913	$ 2,891,227
Construction in progress	33,596,543	-	33,596,543
Furniture and office equipment, licenses and franchises	503,948	158,343	345,605
	$ 37,273,631	$ 440,256	$ 36,833,375

(Expressed in Canadian dollars, unless otherwise stated)

3. Property, plant and equipment (continued):

Late in 2008, there was a deterioration of equity, credit and commodities markets. This deterioration, particularly in the market price of nickel was considered a triggering event for purposes of performing impairment testing in accordance with CICA Handbook Section 3063, *Impairment Of Long-Lived Assets* on the carrying value of the Company's investment in the Ban Phuc development project whose life of mine plan was largely completed prior to suspension of development. Therefore at December 31, 2008 a review of the Ban Phuc Development Project was undertaken. There were a number of significant judgments and assumptions in the mine plan and in the assessment of whether an impairment existed. These judgments included the existence of mineral reserves and resources, the recoverable amount of such reserves and resources, the costs that would be incurred to extract the mineralized material and process the concentrate, as well as the ability of the Company to raise the necessary financing to complete the development project and commence production. Critical assumptions included the use of nickel prices between $6 – 7 per pound and the application of a 5% tariff on the export of concentrates. The export tariff, which began 2008 at 5%, was increased in June 2008 to 20% without prior consultation with industries. Management of the Company has initiated discussions with the appropriate Vietnamese government authorities seeking to rescind the tariff increase on various grounds. On the basis of our analysis, including an assumed 5% export tariff, the Ban Phuc cash flows on an undiscounted basis exceed the carrying amount of the asset, therefore no impairment was required. This assessment involved uncertainty and the outcome could differ due to changes in conditions which could result in a material change to the carrying amount of the Ban Phuc related long-lived assets.

4. Mineral property interest:

	2009	2008
Ban Phuc Project Area	$ 1,864,587	$ 1,864,587

The Company's mineral property interest is in the Ban Phuc Project Area in Vietnam. Pursuant to a 1993 joint venture agreement with Mineral Development Company (Mideco), an agency of the Vietnam Ministry of Heavy Industry, and a related Investment License, the Company had the right to acquire a 70% interest in the Ta Khoa concession. In order to complete the earn-in, the Company was required to contribute US$7,000,000 of exploration expenditures, with a US$200,000 annual minimum. As at December 31, 2006, the Company had met its contribution and exploration commitment.

On July 12, 2006, the Company acquired a 20% interest in BPNM from Mideco by paying US$2,000,000, thereby increasing its ownership interest to 90%. A final post-closing payment of US$500,000 due upon issue of the mining license was paid in January 2008.

(Expressed in Canadian dollars, unless otherwise stated)

4. Mineral property interest (continued):

The Company received a mining license for Ban Phuc on December 17, 2007 and development activities commenced immediately thereafter. On October 1, 2008 the Company suspended project activities at Ban Phuc and subsequently the project was placed on a care and maintenance basis. The Company has been unable to obtain the financing required to bring the project to completion as a result of combination of factors, including current market conditions and uncertainties with regard to Vietnamese government policies on nickel concentrates, export tariffs, royalties and taxes.

5. Share capital:

(a) Authorized:

The Company's share capital consists of an unlimited number of common shares without par value.

(b) Issued and outstanding:

	Number of shares	Amount
Balance, December 31, 2007	89,270,163	$ 62,473,774
Issued during the year:		
Shares issued on the exercise of stock options	110,000	99,119
Shares issued under private placement	10,799,999	20,808,334
Balance, December 31, 2008	100,180,162	83,381,227
Issued during the year:		
Shares issued on the exercise of stock options	-	-
Shares issued under private placement and debt settlement (note 5(c))	12,554,273	1,146,597
Balance, September 30, 2009	112,734,435	$ 84,527,824

(c) Private placements and debt settlement:

During the quarter ended September 30, 2009 the Company issued 835,636 common shares at a $0.11 per share price to directors in payment of accumulated director fees, representing gross settlement of debt in the amount of $91,920.

During the quarter ended June 30, 2009 the Company issued 11,718,637 common shares at a $0.09 per share price, for gross proceeds of $1,054,677.

5. Share capital (continued):

(c) Private placements (continued):

During the year ended December 31, 2008, the Company made the following private placements:

i. On April 28, 2008, the Company issued 6,799,999 common shares, on the exercise of warrants, at a $2.10 per share price, for gross proceeds of $14,279,997. A finder's fee of $214,500 was paid with regards to this private placement.

ii. On July 11, 2008, the Company issued 4,000,000 units at $1.75 per unit for gross proceeds of $7,000,000. Each unit consisted of one common share and one common share purchase warrant exercisable until September 30, 2008, when it lapsed without being exercised, at an exercise price of $2.10. A finder's fee of $228,125 and the TSX Venture filing cost of $31,733 were paid with regards to this private placement.

(d) Share purchase options:

The Company grants share purchase options pursuant to the policies of the TSX-Venture Exchange with respect to eligible persons, exercise price, maximum term, vesting, maximum options per person and termination of eligible person status. The purpose of the share purchase options is to retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share purchase options, to acquire a proprietary interest in the Company and benefit from its growth.

During the three months ended September 30, 2009, $126,426 (September 30, 2008 – $206,107), representing the fair value of all options granted and vested was recorded as stock-based compensation. For period ended September 30, 2009, the compensation expense was estimated using the Black-Scholes option pricing model assuming a risk free interest rate of 2.67% to 3.27% (September 30, 2008 - 3.65% to 4.21%), an expected volatility of 87% to 97% (September 30, 2008 - 82% to 85%), an expected dividend rate of nil and an expected life of two to three years (September 30, 2008 – five years).

(Expressed in Canadian dollars, unless otherwise stated)

5. Share capital (continued):

(d) Share purchase options (continued):

The continuity of outstanding share purchase options for the nine month period ended September 30, 2009 is as follows:

Expiry dates	Exercise prices	Balance December 31, 2008	Granted	Exercised	Expired/ cancelled	Balance Sept 30, 2009
April 19, 2009	$0.33	150,000	-	-	(150,000)	-
June 30, 2011	$0.50	25,000	-	-	(25,000)	-
September 7, 2011	$0.50	120,000	-	-	-	120,000
January 15, 2012	$1.10	350,000	-	-	(350,000)	-
February 8, 2012	$1.40	240,000	-	-	-	240,000
March 27, 2012	$1.80	450,000	-	-	-	450,000
May 15, 2012	$2.05	500,000	-	-	(500,000)	-
November 26, 2012	$2.00	1,480,000	-	-	(690,000)	790,000
January 23, 2013	$1.55	200,000	-	-	-	200,000
February 11, 2013	$1.40	150,000	-	-	-	150,000
April 7, 2013	$1.55	200,000	-	-	-	200,000
May 1, 2013	$1.38	25,000	-	-	(25,000)	-
May 29, 2013	$1.50	60,000	-	-	(60,000)	-
December 9, 2013	$0.10	500,000	-	-	(500,000)	-
July 1, 2014	$0.11	-	1,450,000	-	-	1,450,000
July 28, 2014	$0.11	-	1,110,000	-	-	1,110,000
		4,450,000	2,560,000	-	(2,300,000)	4,710,000
Weighted average exercise price		$1.49	$0.11	-	$1.32	$0.83
Weighted average remaining life (years)		3.66	4.79	-	2.90	3.94

As at September 30, 2009, 2,755,500 (September 30, 2008 - 1,408,500) share purchase options were exercisable. These options have a weighted average exercise price of $0.94. Vesting of the options are at the discretion of the Board. In the past, the Company granted options which vest either (i) immediately, (ii) over two years or (iii) on the achievement of significant milestones.

(Expressed in Canadian dollars, unless otherwise stated)

5. Share capital (continued):

(d) Share purchase options (continued):

The continuity of outstanding share purchase options for the nine month period ended September 30, 2008 is as follows:

Expiry dates	Exercise prices	Balance December 31, 2007	Granted	Exercised	Expired/ cancelled	Balance Sept 30, 2008
April 19, 2009	$0.33	150,000	-	-	-	150,000
January 26, 2011	$0.35	300,000	-	-	(300,000)	-
June 30, 2011	$0.50	100,000	-	(50,000)	(25,000)	25,000
September 7, 2011	$0.50	180,000	-	(45,000)	-	135,000
January 15, 2012	$1.10	1,200,000	-	-	-	1,200,000
February 8, 2012	$1.40	430,000	-	-	-	430,000
March 27, 2012	$1.80	450,000	-	-	-	450,000
May 15, 2012	$2.05	500,000	-	-	-	500,000
November 26, 2012	$2.00	1,590,000	-	-	-	1,590,000
January 23, 2013	$1.55	-	200,000	-	-	200,000
February 11, 2013	$1.40	-	150,000	-	-	150,000
April 7, 2013	$1.55	-	200,000	-	-	200,000
May 1, 2013	$1.38	-	100,000	-	-	100,000
May 29, 2013	$1.50	-	240,000	-	-	240,000
		4,900,000	890,000	(95,000)	(325,000)	5,370,000
Weighted average exercise price		$1.48	$1.49	$0.50	$0.36	$1.56
Weighted average remaining life (years)		4.21	4.50	2.84	2.36	3.71

(e) Share purchase warrants:

The continuity of outstanding share purchase warrants for the nine month period ended September 30, 2009 is as follows:

Expiry dates	Exercise prices	Balance December 31, 2008	Granted	Exercised	Expired/ cancelled	Balance Sept 30, 2009
August 14, 2009	$3.25	704,225	-	-	(704,225)	-
October 16, 2009	$2.50	3,499,999	-	-	-	3,499,999
		4,204,224	-	-	(704,225)	3,499,999
Weighted average exercise price		$2.63	-	-	$3.25	$2.63
Weighted average remaining life (years)		0.76	-	-	-	0.04

(Expressed in Canadian dollars, unless otherwise stated)

5. Share capital (continued):

(e) Share purchase warrants (continued):

The continuity of outstanding share purchase warrants for the nine month period ended September 30, 2008, is as follows:

Expiry dates	Exercise prices	Balance December 31, 2007	Granted	Exercised	Expired/ cancelled	Balance Sept 30, 2008
April 30, 2008	$2.10	6,799,999	-	(6,799,999)	-	-
September 30, 2008	$2.10	-	4,000,000		(4,000,000)	-
August 14, 2009	$3.25	704,225	-	-	-	704,225
October 16, 2009	$2.50	3,499,999	-	-	-	3,499,999
		11,004,223	4,000,000	(6,799,999)	(4,000,000)	4,204,224
Weighted average exercise price		$2.30	$2.10	$2.10	$2.10	$2.62
Weighted average remaining life (years)		0.88	-	(0.42)	-	1.01

6. Vietnamese office expenses:

	2009	2008
Salary costs	$ 354,053	$ 1,411,661
Rent	12,199	90,468
Travel expense	24,888	310,811
Insurance	1,829	35,442
Office expenses	29,290	134,847
Freight charges	3,293	7,584
Consulting fees	47,947	102,527
Loss on disposed of fixed assets	22,380	-
Storage cost	12,375	-
Consumables	-	61,205
Licenses and permits	-	69,073
Security	-	14,300
Foreign contractor tax	-	617,845
Others	2,365	16,029
	$ 510,619	$ 2,871,792

7. Related party transactions:

(a) Balances payable:

The amounts due to related parties included in accounts payable and accrued liabilities, are non interest bearing, unsecured and due on demand, and comprise the following:

	2009	2008
Due to directors	$ 74,006	$ 138,433

(Expressed in Canadian dollars, unless otherwise stated)

7. Related party transactions (continued):

(b) Related party expenditure:

A summary of the amounts charged, to the Company by officers, directors and by companies controlled by directors is as follows:

	2009	2008
Consulting fees (included in office and administration)	$ 29,100	$ 40,100
Directors fees	29,629	58,847
	$ 58,729	$ 98,947

8. Segmented information:

The Company considers that it operates in a single reportable operating segment, being the exploration and development of mineral properties. Geographical information is as follows:

September 30, 2009	Canada	Vietnam	Other	Total
Revenue	$ 1,347	$ -	$ 4	$ 1,351
Loss for the period	323,340	926,604	34	1,249,978
Assets	1,250,402	44,153,458	1,870,163	47,274,023

September 30, 2008	Canada	Vietnam	Other	Total
Revenue	$ 1,334,960	$ -	$ 781,748	$ 2,116,708
Loss for the period	(587,180)	4,343,472	(781,717)	2,974,575
Assets	10,154,757	43,049,752	2,238,512	55,443,021

9. Financial instruments:

(a) Credit risk:

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank guaranteed investment certificates and accounts receivable. The investments are with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The accounts receivable consist of sales tax due from the Vietnamese government of $28,337, an insurance claim of $322,793 and other receivables of $54,616 which are not considered past due.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to aid them in determining the funds required to support normal operating requirements on an ongoing basis, including its capital development and exploration expenditures. This process resulted in the decision in November 2008 to place the Ban Phuc development project on a care and maintenance basis, until there is improvement realized in market conditions and the Vietnamese government imposts. As at September 30, 2009, the Company had a cash and cash equivalent balance of $1.2 million (September 30, 2008 - $10.6 million) to settle accounts payable and accrued liabilities of $1.35 million (September 30, 2008 – $4.3 million). Accounts payable and accrued liabilities are due within the current operating period. See note 1, Nature of operations and going concern, in which there is a discussion about going concern.

(c) Market risk:

The Company's primary market risk is in the areas of metal prices and foreign exchange risk on financial instruments in other than Canadian dollars. At September 30, 2009, the Company had no hedging agreements in place with respect to metal prices or exchange rates.

(i) Currency risk:

The Company is exposed to the financial risks related to the fluctuation of foreign exchange rates. The Company has offices in Canada and Vietnam and holds cash in Canadian, United States and Vietnamese currencies in line with forecasted expenditures. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar and Vietnamese dong could have an effect on the Company's results of operations, financial position or cash flows. At September 30, 2009, the Company had no hedging agreement in place with respect to foreign exchange rates.

9. Financial instruments (continued):

(c) Market risk (continued):

(i) Currency risk (continued):

At September 30, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	September 30, 2009	September 30, 2008
Cash and cash equivalent	US$ 262,563	US$ 615,140
Accounts receivable	381,830	93,248
Accounts payable and accrued liabilities	(1,028,005)	(723,149)
	US$ (383,612)	US$ (14,761)
Canadian dollar equivalent (period end)	$ (410,719)	$ (15,645)

A 10% change in the Canadian dollar against the US dollar at September 30, 2009 would result in a change of $41,072 (September 30, 2008 - $1,565) to net income.

At September 30, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in Vietnamese dong:

	September 30, 2009	September 30, 2008
Cash and cash equivalent	VND 234,234,378	VND 1,643,237,583
Accounts receivable	10,099,473,000	78,503,705,880
Accounts payable and accrued liabilities	-	-
	VND 10,333,707,378	VND 80,146,943,463
Canadian dollar equivalent (period end)	$ 620,022	$ 5,129,404

A 10% change in the Canadian dollar against the Vietnamese dong at September 30, 2009 would result in a change of $62,002 (September 30, 2008 - $512,940) to net income.

At September 30, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in Australian dollars:

	September 30, 2009	September 30, 2008
Accounts receivable	A$ -	A$ 132,383
Canadian dollar equivalent (period end)	$ -	$ 110,874

A 10% change in the Canadian dollar against the Australian dollar at September 30, 2009 would result in no change (September 30, 2008 - $11,087) to net income.

9. Financial instruments (continued):

(c) Market risk (continued):

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low, however the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rate would not be material to the financial statements.

(d) Fair value:

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

10. Capital management:

The Company manages its capital structure and makes adjustment to it, in order to have the funds available to support its exploration, development and activities. The adequacy of the capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, the metals markets, the mining industry, economic condition and the associated risks. The Company has considered utilizing debt for development of its mineral assets, however it has no debt at this time and any decision to incur debt would be dependent on market conditions. The Company's capital management approach is reviewed on an ongoing basis. The Company is not subject to externally imposed capital requirements.

11. Contingency:

The Company is disputing the right of a former director and a company controlled by him to a 0.25% gross royalty on the Company's share of smelter proceeds or other sale of product (less royalties), derived from the BPNM joint venture. The outcome of this dispute is undeterminable.