# MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

## INTERIM FINANCIAL STATEMENTS
## FOR THE SIX MONTHS ENDED JANUARY 31, 2009
(Unaudited - Prepared by Management)

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

**MAGNA RESOURCES LTD.**
An Exploration Stage Enterprise

INTERIM BALANCE SHEETS
(Unaudited – Prepared by Management)

| | | As at January 31 2009 | | As at July 31 2008 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current** | | | | |
| Cash and cash equivalents | $ | **302,003** | $ | 114,836 |
| GST receivable | | **9,895** | | 4,900 |
| | | **311,898** | | 119,736 |
| **Deferred Charges** | | **-** | | 48,500 |
| **Mineral Properties** (Note 3) | | **-** | | 48,500 |
| **Deferred Exploration Expenditures (**Note 3) | | **-** | | 18,972 |
| | $ | **311,898** | $ | 235,708 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | $ | **3,277** | $ | 750 |
| **Shareholders' Equity** | | | | |
| Share capital (Note 4b)) | | **1,218,594** | | 1,001,250 |
| Contributed surplus (Note 4e)) | | **17,159** | | |
| Deficit | | **(927,132)** | | (766,292) |
| | | **308,621** | | 234,958 |
| | $ | **311,898** | $ | 235,708 |

**Nature of Operations** (Note 1)
**Subsequent Events** (Note 8)

**On behalf of the Board:**

"*Rudy de Jonge*" President "*C. Michael O'Brian*" Director
Rudy de Jonge C. Michael O'Brian

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

**MAGNA RESOURCES LTD.**
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INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

| | **Three Months Ended January 31 2009** | **Six Months Ended January 31 2009** | Three Months Ended January 31 2008 | Six Months Ended January 31 2008 |
|---|---|---|---|---|
| **EXPENSES**: | | | | |
| Accounting and legal fees | **$ 15,074** | **$ 27,541** | $ 10,982 | $ 31,122 |
| Office and general | **595** | **672** | 51 | 289 |
| Transfer agent and filing fees | **9,537** | **10,693** | 165 | 551 |
| Consulting fees (Note 5) | **8,800** | **8,800** | - | - |
| **LOSS BEFORE OTHER INCOME & OTHER EXPENSES** | **(34,006)** | **(47,706)** | (11,198) | (31,962) |
| Other income | | | | |
| Interest income | **183** | **542** | 1,362 | 3,234 |
| Other Expenses | | | | |
| Write off of mineral property (Note 3) | **(113,676)** | **(113,676)** | | |
| **NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD** | **(147,499)** | **(160,840)** | (9,836) | (28,728) |
| **DEFICIT, BEGINNING OF THE PERIOD** | **(779,633)** | **(766,292)** | (711,620) | (692,728) |
| **DEFICIT, END OF PERIOD** | **$ (927,132)** | **$ (927,132)** | $ (721,456) | $ (721,456) |
| **Basic and diluted loss per share** | **$ (0.015)** | **$ (0.018)** | $ (0.001) | $ (0.004) |
| **Weighted average number of common shares – basic and diluted** | **10,010,000** | **9,177,568** | 7,970,000 | 7,970,000 |

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

**MAGNA RESOURCES LTD.**
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INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

| | **Three Months Ended January 31 2009** | **Six Months Ended January 31 2009** | Three Months Ended January 31 2008 | Six Months Ended January 31 2008 |
|---|---|---|---|---|
| **CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:** | | | | |
| Net loss for the period | **$ (147,499)** | **$ (160,840)** | $ (9,836) | $ (28,728) |
| Adjustment for items not involving cash: | | | | |
| Contributed surplus | **-** | **17,159** | - | - |
| Write off of mineral property and deferred exploration expenses (Note 3) | **113,676** | **113,676** | - | - |
| Changes in non-cash operating working capital: | | | | |
| (Increase) decrease in GST receivables | **(1,882)** | **(4,995)** | (1,233) | (2,036) |
| (Increase) decrease in prepaid expenses | **10,000** | **-** | - | - |
| Increase (decrease) in accounts payable and accrued liabilities | **(40,981)** | **2,527** | 2,037 | 18,666 |
| (Increase) decrease in deferred exploration expenses | **(20,655)** | **(46,204)** | (16,949) | (16,949) |
| **Net cash flows used in operating activities** | **(87,341)** | **(78,677)** | (25,981) | (29,047) |
| **CASH FLOWS USED IN INVESTING ACTIVITIES:** | | | | |
| Mineral properties acquisition | **-** | **-** | - | - |
| **Net cash flows used in investing activities** | **-** | **-** | **-** | **-** |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | | |
| Deferred charges | **-** | **48,500** | (2,000) | (48,500) |
| Proceeds of share issuances | **-** | **320,000** | - | - |
| Share Issuance costs | **5,300** | **(102,656)** | - | - |
| **Net cash flows from financing activities** | **5,300** | **265,844** | (2,000) | (48,500) |
| Net change in cash and cash equivalents for the period | **(82,041)** | **187,167** | (27,981) | (77,547) |
| Cash and cash equivalents, beginning of period | **384,044** | **114,836** | 227,278 | 276,844 |
| **Cash and cash equivalents, end of period** | **$ 302,003** | **$ 302,003** | $ 199,297 | $ 199,297 |

**Supplemental disclosure with respect to cash flows** (Note 4b)

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

**MAGNA RESOURCES LTD.**
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SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES
(Unaudited – Prepared by Management)

| | **Three Months Ended January 31 2009** | **Six Months Ended January 31 2009** | Three Months Ended January 31 2008 | Six Months Ended January 31 2008 |
|---|---|---|---|---|
| **Acquisition Expenditures** | | | | |
| Balance, beginning of period | **$ 48,500** | **$ 48,500** | $ 27.500 | $ 27.500 |
| Write off of mineral property (Note 3) | **(48,500)** | **(48,500)** | - | - |
| **Balance, end of period** | **$ -** | **$ -** | $ 27,500 | $ 27,500 |
| **Deferred Exploration Expenditures** | | | | |
| Balance, beginning of period | **$ 44,521** | **$ 18,972** | $ - | $ - |
| Geological studies | **-** | **24,175** | 14,989 | 14,989 |
| Assaying | **4,732** | **4,732** | - | - |
| Professional fees | **15,923** | **17,297** | 1,960 | 1,960 |
| | **65,176** | **65,176** | 16,949 | 16,949 |
| Write off of deferred exploration expenditures (Note 3) | **(65,176)** | **(65,176)** | - | - |
| **Balance, end of period** | **$ -** | **$ -** | $ 16,949 | $ 16,949 |

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

## 1. NATURE OF OPERATIONS

Magna Resources Ltd. (the "Company") was incorporated on June 5, 2006 under the laws of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral properties.

The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principles ("GAAP") applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in future resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop properties and establish future profitable production from properties, or from the proceeds of their disposition. The Company has not earned any revenues to date and is considered to be in the exploration stage.

These unaudited 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.

## 2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

a) These interim financial statements have been prepared using the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2008. In management's opinion, all adjustments necessary for fair presentation have been included in these interim financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year. Certain comparative figures have been reclassified to conform to the current period's presentation.

b) These financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquation. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company are primarily dependent upon its ability to raise exploration financing from equity markets or by selling or optioning its mineral properties. Recovery of the capitalized carrying costs shown for mineral properties will likely require establishment of economically recoverable reserves, the securing of development financing or profitable production. The Company had the following deficits and working capital as at the following dates:

| Date | Deficit | Working Capital |
|---|---|---|
| January 31, 2009 | $ 927,132 | $ 308,621 |
| July 31, 2008 | $ 766,292 | $ 118,896 |

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Cont'd)

c) The Company adopted the following new accounting policies on a prospective basis as of August 1, 2008:

CICA Handbook Section 1400 General Standards of Financial Statement Presentation: The CICA amended section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after April 1, 2008. The adoption of this amendment hasn't had a significant impact on the Company's financial result or position.

CICA Handbook Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The changes are effective for interim and annual financial statements beginning January 1, 2008. The Company has not been affected by the adoption of this change on the disclosure in its financial statements.

CICA Handbook Section 3862 Financial Instruments – Disclosures and 3863 Financial Instruments – Presentation: This new standard replaces accounting standard 3861 Financial Instruments – Disclosure and Presentation and is effective for annual and interim periods beginning on or after October 1, 2007. Presentation requirements have not changed. Enhanced disclosure is required to assist users of financial statements in evaluating the significance of financial instruments on the Company's financial position and performance, including qualitative and quantitative information about the Company's exposure to risks arising from financial instruments. The new accounting standards cover disclosure only and will have no effect on the financial results or position of the Company.

CICA Handbook Section 1535 Capital Disclosures, is effective for annual and interim periods beginning on or after October 1, 2007 and requires disclosure of the Company's objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and has not had an effect on the financial results or position of the Company.

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian GAAP, as used by public companies, with International Financial Reporting Standards ("IFRS") over a transition period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

## 3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

### Mining claims – Dent Township, Ontario

During the fiscal 2007, the Company signed an assignment agreement with Triple Dragon Resources Inc. (Assignor) and Rubicon Minerals Inc. (Optionor) on October 27, 2006. The Optionor is the owner of three mining claims: #4200361 to #4200363 inclusive located in Dent Township, claim map M-2155, Red Lake Mining Division, Ontario. On March 14, 2006, the Optionor granted an option to the Assignor to acquire an undivided 100% interest in and to the Property. The exercise terms of the Shanty Bay Option Agreement are $96,000 and 100,000 shares to the Optionor as follows:

| Date | Cash | | Shares | |
|---|---|---|---|---|
| Upon signing | $8,000 | (paid) | 30,000 | (issued at $0.125 per share) |
| First anniversary of signing (3/14/07) | $12,000 | (paid) | 30,000 | (issued at $0.125 per share) |
| 2nd anniversary of signing (3/14/08) | $16,000 | (paid) | 40,000 | (issued at $0.125 per share) |
| 3rd anniversary of signing (3/14/09) | $20,000 | | | |
| 4th anniversary of signing (3/14/10) | $40,000 | | | |
| | $96,000 | | 100,000 | |

During the six months ended January 31, 2009 the Company completed a trenching program on the property, incurring expenditures of $65,176. Based on the results of this program, the Company decided to drop the option for the property and as a result, during the three months ended January 31, 2009, the Company wrote off $48,500 in property acquisition costs and $65,176 in deferred exploration expenses incurred on the property.

During the fiscal year ended July 31, 2008 the Company incurred expenditures of $18,972 for exploration expenses on the property.

## 4. SHARE CAPITAL

**a) Authorized**: Unlimited common shares with no par value

**b) Issued and Outstanding**

| | Number of Shares | | Amount |
|---|---|---|---|
| Balance, August 1, 2006 | - | | - |
| Shares issued for cash | 7,910,000 | $ | 306,250 |
| Re-valued at $0.125 per share | - | | 682,500 |
| Shares issued for mineral property | 60,000 | | 7,500 |
| Balance, July 31, 2007 | 7,970,000 | | 996,250 |
| Shares returned to treasury at $0.02 per share | (4,070,000) | | (81,400) |
| Re-valued at $0.125 per share cancelled | - | | (427,350) |
| Shares issued for cash at $0.025 per share | 4,070,000 | | 101,750 |
| Re-valued at $0.125 per share | - | | 407,000 |
| Shares returned to treasury at $0.125 per share | (760,000) | | (95,000) |
| Shares issued for cash at $0.10 per share | 760,000 | | 76,000 |
| Re-valued at $0.125 per share | - | | 19,000 |
| Shares issued for mineral property at $0.125 per share | 40,000 | | 5,000 |
| Balance, July 31, 2008 | 8,010,000 | $ | 1,001,250 |
| Shares issued for cash @ $0.16 per share | 2,000,000 | | 320,000 |
| Share issuance costs | - | | (102,656) |
| Balance January 31, 2009 | 10,010,000 | $ | 1,218,594 |

On July 31, 2007 the Company issued 6,560,000 at $0.02 per share, which were re-valued at $0.125 per share and the Company recognized a stock based compensation expense of $682,500 and $6,300 was re-valued in relation to the shares issued for mineral property. The Company also issued 1,410,000 common shares at $0.125 per share.

On February 29, 2008 4,070,000 shares issued at $0.02 and 760,000 shares issued at $0.125 per share were returned to treasury and the Company issued 4,070,000 shares at $0.025 per share and 760,000 shares at $0.10 per share. As a result, the Company recognized a net reduction in stock based compensation expense of $1,350. On March 17, 2008, the Company issued 40,000 shares for mineral property at a deemed value of $0.125 per share.

During the six months ended January 31, 2009 the Company completed an initial public offering for 2,000,000 common shares at a price of $0.16 per share that included cash costs of $90,797 and 200,000 agent options. The agent options were granted to the agent with an exercise price of $0.16 and expire on October 17, 2010. In accordance with CICA Handbook Section 3860, the agent options were valued at fair value of $17,159 determined by using the Black-Scholes option pricing model assuming a risk-free return of 3.66%, volatility of 99.623% and a life of 2 years. These costs have been recorded as share issuance costs.

## 4. SHARE CAPITAL (Cont'd)

### c) Escrow Shares

As at January 31, 2009 the Company has 6,534,000 (July 31, 2008 – 7,260,000) common shares held in escrow by the Company's transfer agent. All of the common shares in escrow will be released as follows: 10% on the date the Company's securities are listed on a Canadian exchange (released) and 15% every six months thereafter.

### d) Stock Options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. As at January 31, 2009 the Company has not granted any stock options.

### d) Agent Options

As at January 31, 2009 there were 200,000 agent options outstanding and exercisable at a price of $0.16, expiring October 16, 2010.

### e) Contributed Surplus

| | |
|---|---|
| Balance July 31, 2008 | $ - |
| Fair value of options granted | 17,159 |
| Balance, January 31, 2009 | $ 17,159 |

## 5. RELATED PARTY TRANSACTIONS

During the six months ended January 31, 2009 the Company paid consulting fees of $5,300 to Westpoint Merchant Ventures Inc. a company in which Darryl Yea, a director of the Company, owns a 50% interest.

During the six months ended January 31, 2009 the Company paid consulting fees of $3,500 to St. Cloud Mining Services Inc., a company wholly owned by Rudy deJonge, a director of the Company.

## 6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

See note 4b.

## 7. CAPITAL DISCLOSURE

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide adequate return to shareholders by maintaining a sufficient level of funds, in order to support the acquisition, exploration and development of mineral 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.

The Company is dependent on external financing to fund its activities. In order to carry out property acquisitions and exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential, and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

## 8. SUBSEQUENT EVENTS

On March 16, 2009 the Company terminated its Option Agreement to acquire the Shanty Bay claims located in Dent Township, 80 kilometers east-northeast of Red Lake, Ontario.