

Sarissa Resources Inc.

**FINANCIAL STATEMENTS
(UNAUDITED)**

AS OF DECEMBER 31, 2007

Sarissa Resources Inc.
FINANCIAL STATEMENTS
(UNAUDITED)

TABLE OF CONTENTS

Financial Statements	<u>Page No</u>
Balance Sheet at December 31, 2007 (unaudited)	1
Statement of Operations For Twelve Months Ended December 31, 2007 (unaudited) and from January 1, 2006 to December 31, 2007 (unaudited)	2
Statement of Changes in Stockholders' Equity For the Period December 31, 2006 to December 31, 2007 (unaudited)	3
Statement of Cash Flows For Twelve Months Ended December 31, 2007 (unaudited) and from January 1, 2006 to December 31, 2007 (unaudited)	4
Notes to Financial Statements (Unaudited)	5-8

Sarissa Resources Inc.
BALANCE SHEET
(UNAUDITED)

ASSETS

	<u>December 31,</u> <u>2007</u>
Current Assets:	
Cash	\$ 78
Note Receivable	60,000
Stock in Creso Resources Inc.	25,707
Total Current Assets	<u>85,785</u>
Other Assets:	
Properties	
Deadmoose property	162,200
Niobium property	387,372
Pacaud property	2,549
Peru Anita project	18,500
Timmins property	17,840
Total Property	<u>588,460</u>
 TOTAL ASSETS	 \$ <u><u>674,246</u></u>

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities:	
Accounts payable	\$ 51,234
Advances from stockholders	22,324
Note payable	6,500
Total Current Liabilities	<u>80,058</u>
Long Term Liabilities:	
Loan Payable - Niobium purchase	<u>387,372</u>
Total Long Term Liabilities	<u>387,372</u>
Total Liabilities	<u>467,430</u>
Stockholders' Equity:	
Common stock, par value \$0.0001; 850,000,000 shares authorized	
725,866,058 issued and outstanding on December 31, 2007	72,587
Additional paid in capital	875,287
Accumulated deficit	(741,057)
Total Stockholders' Equity	<u>206,816</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ <u><u>674,246</u></u>

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

Sarissa Resources Inc.
STATEMENT OF OPERATIONS
(UNAUDITED)

	For Twelve Months Ended December 31, 2007	From January 1, 2006 to December 31, 2007
Operating Expenses:		
Advertising expenses	\$ 10,655	\$ 12,130
Geological and consulting expenses	247,345	281,698
General and administrative	52,117	499,017
Professional fees	20,501	36,248
Travel	1,098	1,403
Total Operating Expense	<u>331,716</u>	<u>830,496</u>
Loss from Operations	(331,716)	(830,496)
Other Income:		
Early payment discounts	5,184	5,184
Gain on sale of asset	84,255	84,255
Total Other Income	<u>89,439</u>	<u>89,439</u>
Net Loss	<u>\$ (242,277)</u>	<u>\$ (741,057)</u>
Basic loss per common share	\$ (0.0004)	\$ (0.0018)
Weighted average shares outstanding	654,478,658	413,588,995

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

Sarissa Resources Inc.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD DECEMBER 31, 2006 TO DECEMBER 31, 2007
(UNAUDITED)

	Common Stock		Additional		Accumulated	
	Shares	Value	Paid in	Capital	Deficit	Total
Balance as of December 31, 2006	448,566,048	\$ 448,566	\$ 57,577	\$ (498,780)	\$ 7,363	
Shares Issued for Services February-March 2007	185,000,000	185,000	20,000	-	205,000	
Shares Issued for Ecological Certificate	10	-	-	-	-	
Shares Issued for Note Receivable May 2007	60,000,000	60,000	173,500	-	233,500	
Decrease in Par Value from \$0.001 to \$0.0001	-	(624,209)	624,209	-	-	
Shares Issued for Services December 2007	32,300,000	3,230	-	-	3,230	
Net Loss	-	-	-	(242,277)	(242,277)	
Balance as of December 31, 2007	<u>725,866,058</u>	<u>\$ 72,587</u>	<u>\$ 875,287</u>	<u>\$ (741,057)</u>	<u>\$ 206,816</u>	

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

Sarissa Resources Inc.
STATEMENT OF CASH FLOWS
(UNAUDITED)

	For Twelve Months Ended December 31, 2007	From January 1, 2006 to December 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (242,277)	\$ (741,057)
Adjustments to reconcile net loss to net cash used in operating activities:		
Note receivable	(60,000)	(60,000)
Stock in Creso Resources Inc.	(25,707)	(25,707)
Accounts payable	(4,950)	51,234
Advances from shareholders	(5,143)	22,324
Loan payable	(69,440)	-
Note payable	6,500	6,500
Net Cash Used in Operating Activities	(401,018)	(746,706)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property: Deadmoose	(1,800)	(162,200)
Property: Niobium property	(387,372)	(387,372)
Property: Pacaud property	(2,549)	(2,549)
Property: Peru Anita project	(18,500)	(18,500)
Property: Timmins property	(17,840)	(17,840)
Net Cash Used in Investing Activities	(428,060)	(588,460)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan Payable - Niobium purchase	387,372	387,372
Additional paid in capital	817,709	875,286
Common stock	(375,979)	72,587
Net Cash Provided by Financing Activities	829,102	1,335,245
NET INCREASE IN CASH AND CASH EQUIVALENTS	24	78
CASH AND CASH EQUIVALENTS		
Beginning of year	54	-
End of year	\$ 78	\$ 78

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

Sarissa Resources Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 – NATURE OF BUSINESS

Ecological Recycling Co. Inc. was incorporated in the State of Delaware on November 8, 2005. On November 14, 2005, they effected a name change to Michigan Gold Mining Investment Inc. On December 5, 2006, Michigan Gold Mining Investment Inc. changed jurisdiction from Delaware to the State of Nevada and effected a name change to Sarissa Resources Inc.

Sarissa Resources Inc. (the “Company”) is an exploration company engaged in the process of exploring its mineral properties in Canada and Peru. The Company has not yet determined whether these properties contain reserves that can be economically mined. As an exploration stage company, the recoverability of amounts show for exploration expenditures is dependent upon the discovery of reserves that can be economically mined, the securing and maintenance of the interests in the properties, the ability of the Company to obtain the necessary financing to complete the development, and future production or proceeds from the disposition thereof.

On November 30, 2007, Scott Keevil was elected Director, President and CEO, Benedetto Fuschino was elected Director, Secretary and Treasurer, and Dr. Cam Chariton was elected Director.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. However, it has sustained continued operating losses and lacks sources of revenue, which creates uncertainty about the Company’s ability to continue operations as a going concern.

The Company’s ability to continue operations as a going concern, to realize its assets and discharge its liabilities is dependent upon obtaining financing sufficient for continued operations as well as the achievement and maintenance of a level of profitable operations. It expects to raise capital in order for it to continue operations.

Management believes that the current business plan if successfully implemented may provide the opportunity for the Company to continue as a going concern.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unit of Measurement

United States of America currency is being used as the unit of measurement in these financial statements. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rates in effect at the balance sheet date and non-monetary assets and liabilities at the exchange rate in effect at the time of the transactions. Revenues and expenses denominated in foreign currencies are translated using the average exchange rates prevailing throughout the year. Realized gains and losses from foreign currency translations are included.

Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles and generally accepted in the United States of America, requires

Sarissa Resources Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash deposited with financial institutions.

Stock Based Compensation

The Company enters into transactions in which goods or services are the consideration received for the issuance of equity instruments. The value of these transactions are measured and accounted for, based on the fair value of the equity instrument issued or the value of the services, whichever is more reliably measurable. The services are expensed in the periods during which the services are rendered.

Net Loss per Common Share

The Company calculates net loss per share based on SFAS No. 128, "Earning per Share." Basic loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Incomes Taxes

The Company provides for incomes taxes in accordance with SFAS 109, Accounting for Income Taxes. SFAS 109 prescribes the use of the liability method. Deferred tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted statutory tax rates in effect at the balance sheet date. The Company records a valuation allowance to reduce its deferred tax assets when uncertainty regarding their realize-ability exists. There have been no material income tax transactions during the development stage of the business.

NOTE 3 – OTHER ASSETS

In 2006, \$24,603 was invested in a mining option in Peru. Subsequently, it was determined that a clean title to the mineral options was not available and the investment was written off.

On March 20, 2006, the Company issued 80,200,000 restricted common shares at a price of \$0.0002 per common share for the options rights to Deadmoose property in the Shillington Township, Northern Ontario, and consists of three claim units that measure approximately four hundred and forty acres.

Sarissa Resources Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 3 – OTHER ASSETS (continued)

In 2007, an investment was made on a mining option at the St. Nick project in Canada. This was subsequently sold for a gain of \$84,255. The company received \$58,458 in cash and 17,000 shares of Creso Resources Inc. valued at \$25,707.

Also in 2007, an investment for \$18,500 was made in Peru, for the Anita project. The exploration of this property is ongoing.

In November 2007, staked claims were purchased in Timmins and Pacaud Townships for \$20,388.

In December 2007, a purchase agreement was signed for the purchase of land and mineral rights known as Niobium Property in Northern Ontario, Canada. The value of this investment is \$387,372 and will be paid for over 4 years. This is reflected as "Loan Payable – Niobium Property. The seller retained a 2% royalty in the mineral rights. Sarissa shall have the option of purchasing these rights.

NOTE 4 – LOSS PER SHARE

As of December 31, 2007, the basic loss per share is (\$0.0004) based on a weighted average of 654,478,658 shares outstanding.

NOTE 5 – STOCKHOLDERS' EQUITY

On March 10, 2006, 80,200,000 common shares were issued to obtain the Deadmoose property in Canada, for mining options, with a value of \$80,200.

From April through December 2006, a total of 368,365,000 shares of common stock were issued for various services rendered with a value of \$368,365.

In June 2006, the Company selected a new transfer agent. At the time the records were received from the previous transfer agent, there were 1,048 shares previously issued and outstanding from the former Michigan Gold Mining Investments Inc. These were valued at \$1 and will be honored if turned in.

On January 1, 2007, the Company was authorized to issue 950,000,000 shares of which 900,000,000 were common shares and 50,000,000 were preferred. The par value was \$0.001.

In February and March 2007, 185,000,000 shares were issued for services provided to the company. These shares were valued at \$185,000.

Also in March 2007, a shareholder turned in an old Ecological Recycling certificate for 10,000 shares. The Board of Directors approved giving 10 shares in Sarissa Resources.

In May 2007, 60,000,000 common shares were issued and sold for \$60,000. These shares have not been paid for and are reflected as a Note Receivable on the Balance sheet.

Sarissa Resources Inc.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 5 – STOCKHOLDERS' EQUITY – (continued)

In November 2007, the shareholders voted to decrease the authorized share capital from 900,000,000 common shares to 850,000,000 common shares; and to cancel the 50,000,000 authorized shares of preferred stock. The par value of the common stock was reduced from \$0.001 to \$0.0001.

An adjustment of \$624,209 was made to reflect this decrease in par value. Common stock was debited and additional paid in capital was credited.

In December 2007, 32,300,000 shares were issued for services provided. These shares were valued at \$3,230.

As of December 31, 2007, there were 725,866,058 common shares issued and outstanding.

NOTE 6- INCOME TAXES

No provision for federal and state taxes has been recorded since the Company incurred net operating losses.

NOTE 7 – RELATED PARTY TRANSACTIONS

The amounts due for Notes Payable and Advances from Shareholders are payable to either shareholders or privately owned companies that are controlled by shareholders, who may also be officers and/or directors of the Company. The amounts payable are non-interest bearing and without fixed terms of repayment.

During the year ended December 31, 2007, the balance owed to shareholders was \$22,324 and the Note Payable was \$6,500.

NOTE 8- COMMITMENTS AND CONTINGENCIES

The Company is not currently aware of any legal proceeding or claims that the Company believes will have individually or in the aggregate, a material adverse effect on the Company's financial position or results of operations.

In November 2007, staked claims were purchased in Timmins and Pacaud Townships.

In December 2007, a purchase agreement was signed for the purchase of land and mineral rights known as Niobium Property in Northern Ontario, Canada. This property will be paid for over 4 years, with the seller retaining a 2% royalty in the mineral rights. Sarissa shall have the option of purchasing these rights.

NOTE 9 – SUBSEQUENT EVENTS

The January payment on the Niobium property was made.