

Sarissa Resources Inc.

**CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

AS OF SEPTEMBER 30, 2008

Sarissa Resources Inc.

**CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

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Sarissa Resources Inc.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

ASSETS

	September 30,	December 31,
	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash	\$ 400	\$ 78
Note receivable	60,000	60,000
Stock in Creso Resources Inc.	25,707	25,707
Total Current Assets	<u>86,107</u>	<u>85,785</u>
Other Assets:		
Property:		
Deadmoose property	162,200	162,200
Nemegosenda property	387,372	387,372
Pacaud property	2,549	2,549
Peru Anita project	-	18,500
Timmins property	17,840	17,840
Purchase of subsidiary	1,000	-
Total Other Assets	<u>570,960</u>	<u>588,460</u>
TOTAL ASSETS	<u>\$ 657,067</u>	<u>\$ 674,246</u>

LIABILITIES & SHAREHOLDERS' EQUITY/(DEFICIT)

Current Liabilities:		
Accounts payable	\$ 335,305	\$ 51,234
Advances from shareholders	(26,441)	22,324
Loan payable	321,030	-
Note payable	6,500	6,500
Total Current Liabilities	<u>636,394</u>	<u>80,058</u>
Long Term Liabilities:		
Loan payable - Nemegosenda purchase	<u>312,472</u>	<u>387,372</u>
Total Long Term Liabilities	<u>312,472</u>	<u>387,372</u>
Total Liabilities	<u>948,866</u>	<u>467,430</u>
Stockholders' Equity/(Deficit):		
Common stock, par value \$0.0001; 850,000,000 shares authorized; 734,116,058 issued and outstanding on September 30, 2008 and 725,866,058 on December 31, 2007	73,412	72,587
Foreign exchange	(416)	-
Additional paid in capital	999,662	875,287
Accumulated deficit	(1,364,456)	(741,057)
Total Stockholders' Equity/(Deficit)	<u>(291,799)</u>	<u>206,816</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)	<u>\$ 657,067</u>	<u>\$ 674,246</u>

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

Sarissa Resources Inc.
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	For Three Months Ended September 30, 2008	For Three Months Ended September 30, 2007	For Nine Months Ended September 30, 2008	For Nine Months Ended September 30, 2007	From January 1, 2006 to September 30, 2008
Operating Expenses:					
Investor relations	\$ 1,676	\$ 320	\$ 239,096	\$ 320	251,226
Geological and consulting	92,641	23,500	218,698	23,500	500,396
General and administrative	18,196	6,482	77,543	6,482	576,561
Professional fees	17,451	4,500	56,333	4,500	92,581
Travel	12,195	-	13,228	-	14,631
Total Operating Expenses	<u>142,159</u>	<u>34,802</u>	<u>604,898</u>	<u>34,802</u>	<u>1,435,395</u>
Operating Loss	(142,159)	(34,802)	(604,898)	(34,802)	(1,435,395)
Other Income/(Loss):					
Early payment discounts	-	-	-	-	5,184
Gain on sale of asset	-	84,255	-	84,255	84,255
Loss on investment	-	-	(18,500)	-	(18,500)
Total Other Income/(Loss)	<u>-</u>	<u>84,255</u>	<u>(18,500)</u>	<u>84,254.81</u>	<u>70,939</u>
Net Income/(Loss)	<u>\$ (142,159)</u>	<u>\$ 49,453</u>	<u>\$ (623,398)</u>	<u>\$ 49,453</u>	<u>(1,364,456)</u>
Earnings Per Share	(0.0002)	0.0001	(0.0009)	0.0001	(0.0027)
Weighted Average Shares	730,977,471	693,566,058	727,582,299	637,705,250	499,280,394

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

Sarissa Resources Inc.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD DECEMBER 31, 2006 TO SEPTEMBER 30, 2008
(UNAUDITED)

	<u>Common Stock</u>		<u>Foreign</u>		<u>Additional</u>		<u>Accumulated</u>		<u>Total</u>
	<u>Shares</u>	<u>Value</u>	<u>Currency</u>	<u>Adjustment</u>	<u>Paid in</u>	<u>Capital</u>	<u>Deficit</u>		<u>Total</u>
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 07	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>\$ -</u>	<u>\$ -</u>	<u>\$ 875,287</u>	<u>\$ (741,057)</u>	<u>\$</u>		<u>206,816</u>
Shares Issued for Cash	6,250,000	625	-	-	124,375	-	-		125,000
Shares Issued for Services	2,000,000	200	-	-	-	-	-		200
Foreign Currency Adjustment	-	-	(416)	-	-	-	-		(416)
Net Loss	-	-	-	-	-	(623,398)	-		(623,398)
Balance as of September 30, 2008	<u><u>734,116,058</u></u>	<u><u>\$ 73,412</u></u>	<u><u>\$ (416)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 999,662</u></u>	<u><u>\$ (1,364,456)</u></u>	<u><u>\$</u></u>		<u><u>(291,799)</u></u>

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

Sarissa Resources Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	<u>For Nine Months Ended September 30, 2008</u>	<u>For Nine Months Ended September 30, 2007</u>	<u>From January 1, 2006 to September 30, 2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	\$ (623,398)	\$ (218,119)	\$ (1,364,456)
Adjustments to reconcile net loss to net cash by operating activities:			
Notes receivable	-	(60,000)	(60,000)
Stock in Creso Resources Inc.	-	(25,707)	(25,707)
Accounts payable	283,573	(42,609)	334,807
Advances from shareholders	(48,253)	(7,970)	(25,929)
Loan payable	321,030	(69,440)	321,030
Note payable	-	6,500	6,500
Net Cash Used in Operating Activities	<u>(67,049)</u>	<u>(417,345)</u>	<u>(813,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property: Deadmoose	-	-	(162,200)
Property: Nemegosenda	-	-	(387,372)
Property: Pacaud property	-	-	(2,549)
Property: Peru Anita project	18,500	(18,500)	-
Property: Timmins property	-	-	(17,840)
Purchase of subsidiary	(1,000)	-	(1,000)
Software	(359)	-	(359)
Net Cash Used in Investing Activities	<u>17,141</u>	<u>(18,500)</u>	<u>(571,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan payable - Nemegosenda purchase	(74,900)	-	312,472
Additional paid in capital	124,375	193,500	999,661
Common stock	825	245,000	73,412
Net Cash Provided by Financing Activities	<u>50,300</u>	<u>438,500</u>	<u>1,385,545</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(70)</u>	<u>-</u>	<u>(70)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	322	2,655	400
CASH AND CASH EQUIVALENTS:			
Beginning of the period	78	54	-
End of the period	<u>\$ 400</u>	<u>\$ 2,709</u>	<u>\$ 400</u>

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

Sarissa Resources Inc.

**NOTES TO CONSOLIDATED 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. 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 shown 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.

On May 29, 2008, Alan Hawke consents to act as director of the Company.

On June 10, 2008, the board received the resignation of Ben Fuschino as director of the Company.

On June 10, 2008, the board authorized the implementation of an incentive stock option plan for key management and consultants. Under this plan, the Company issued one-year stock options in August at an exercise price of \$0.02 in the amount of 48,750,000 common shares.

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.

Sarissa Resources Inc.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

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 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.

Sarissa Resources Inc.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

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.

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.

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 the Nemegosenda 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 – Nemegosenda Purchase." The seller retained a 2% royalty in the mineral rights. Sarissa has the right to purchase 1.5% of the 2% royalty.

Also in 2007, an investment for \$18,500 was made in Peru, for the Anita project. However, in March 2008, this investment was deemed to be unsatisfactory and the the project was written off to "Loss on Investment."

In March 2008, the two property accounts for Niobium and Nemegosenda were combined into one account called "Nemegosenda Property" because they are one and the same. This change also affects the loan payable account, which is now called "Loan Payable-Nemegosenda Purchase."

On June 19, 2008, the board authorized the purchase of 100% of a numbered company (1208172 Ontario Limited) for the purchase price of \$1,000 from Scott Keevil. The company was purchased to hold and operate Sarissa's Nemegosenda property. The title to the property was transferred from the original owner to 1208172 Ontario Limited in July, 2008. This payment to Scott Keevil is outstanding and is included in Accounts Payable as of September 30, 2008.

NOTE 4 – LOSS PER SHARE

Earnings (loss) per share are computed by dividing net income or loss by the weighted-average number of shares outstanding for the period.

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.

Sarissa Resources Inc.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

NOTE 5 – STOCKHOLDERS' EQUITY (continued)

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.

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.

On June 11, 2008, the board authorized the issuance of 6,250,000 shares in two private placement transactions at a price of \$0.02 per share. Funds were received June 15 and June 16.

On July 18, 2008, 2,000,000 shares were issued at par value for consulting services. These shares were valued at \$200.00.

As of September 30, 2008, there were 734,116,058 common shares issued and outstanding.

Sarissa Resources Inc.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

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 Advances from Shareholders, Loan Payable and Note Payable 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 period ended September 30, 2008, the balance owed to shareholders was (\$26,441), Loan Payable was \$321,030 and the Note Payable was \$6,500.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The “Loan Payable – Nemegosenda Purchase” as mentioned in Note 3 is current and the balance outstanding as of September 30, 2008 is \$312,472.

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.

NOTE 9 – SUBSEQUENT EVENTS

In October and November, 2008, the Company issued subordinated notes for \$62,500 to certain shareholders. The note holders will receive a total of 3,375,000 restricted shares and a warrant to purchase a further 3,375,000 restricted shares at \$0.02 for 2 years from the date of the note.