

Sarissa Resources Inc.
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
AS OF DECEMBER 31, 2008

Sarissa Resources Inc.

**CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

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Sarissa Resources Inc.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

ASSETS

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Current Assets:		
Cash	\$ 7,481	\$ 78
Note receivable	60,000	60,000
Stock in Creso Resources Inc.	25,707	25,707
Total Current Assets	<u>93,188</u>	<u>85,785</u>
Fixed Assets:		
Vehicles	3,887	-
Total Fixed Assets	<u>3,887</u>	<u>-</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	-
Software	305	-
Total Other Assets	<u>571,265</u>	<u>588,460</u>
TOTAL ASSETS	\$ <u>668,340</u>	\$ <u>674,245</u>

LIABILITIES & SHAREHOLDERS' EQUITY/(DEFICIT)

Current Liabilities:		
Accounts payable	\$ 405,843	\$ 51,234
Advances from shareholders	(26,441)	22,324
GST/HST payable	(197)	-
Loan payable	592,200	-
Note payable	6,500	6,500
Share reversal costs	-	-
Total Current Liabilities	<u>977,905</u>	<u>80,058</u>
Long Term Liabilities:		
Loan payable - Nemegosenda purchase	247,737	387,372
Long-term notes payable	62,500	-
Total Long-Term Liabilities	<u>310,237</u>	<u>387,372</u>
Stockholders' Equity/(Deficit):		
Common stock, par value \$0.0001; 850,000,000 shares authorized; 734,116,058 issued and outstanding on December 30, 2008 and 725,866,058 on December 31, 2007	73,412	72,587
Foreign currency translation	65,014	-
Additional paid in capital	1,855,329	875,287
Accumulated deficit	(2,613,556)	(741,057)
Total Stockholders' Equity/(Deficit)	<u>(619,801)</u>	<u>206,816</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)	\$ <u>668,340</u>	\$ <u>674,245</u>

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

Sarissa Resources Inc.
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	For Three Months Ended December 31,		For Twelve Months Ended December 31,		From January 1, 2006 to December 31,
	2008	2007	2008	2007	2008
Operating Expenses:					
Investor relations	\$ 35,829	\$ 1,720	\$ 274,925	\$ 2,040	\$ 287,055
Geological and consulting	153,437	5,200	372,135	28,700	653,833
General and administrative	191,055	17,320	268,598	23,802	767,616
Professional fees	9,936	4,500	66,269	9,000	102,517
Stock options	855,667	-	855,667	-	855,667
Travel	3,176	603	16,404	603	17,807
Total Operating Expenses	<u>1,249,100</u>	<u>29,343</u>	<u>1,853,998</u>	<u>64,145</u>	<u>2,684,495</u>
Operating Loss	(1,249,100)	(29,343)	(1,853,998)	(64,145)	(2,684,495)
Other Income/(Loss):					
Early payment discounts	-	5,184	-	-	5,184
Gain on sale of asset	-	-	-	84,255	84,255
Loss on investment	-	-	(18,500)	-	(18,500)
Total Other Income/(Loss)	<u>-</u>	<u>5,184</u>	<u>(18,500)</u>	<u>84,255</u>	<u>70,939</u>
Net Income/(Loss)	<u>\$ (1,249,100)</u>	<u>\$ (24,159)</u>	<u>\$ (1,872,498)</u>	<u>\$ 20,110</u>	<u>(2,613,556)</u>
Earnings Per Share	(0.00170)	(0.00003)	(0.00257)	0.00003	(0.00504)
Weighted Average Shares	734,116,058	704,251,928	729,224,665	654,478,659	518,992,877

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 DECEMBER 31, 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>Adjustment</u>		<u>Paid in</u>		<u>Deficit</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>\$ -</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 Translation	-	-	65,014	-	-	-	-	-	65,014
Stock Options Granted	-	-	-	-	855,667	-	-	-	855,667
Net Loss	-	-	-	-	-	-	(1,872,498)	-	(1,872,498)
Balance as of December 31, 2008	<u><u>734,116,058</u></u>	<u><u>\$ 73,412</u></u>	<u><u>\$ 65,014</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,855,329</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,613,556)</u></u>	<u><u>\$ -</u></u>	<u><u>(619,801)</u></u>

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

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

	For Twelve Months Ended December 31, 2008	December 31, 2007	From January 1, 2006 to December 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	\$ (1,872,498)	\$ (242,277)	\$ (2,613,555)
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	354,480	(4,950)	405,714
Advances from shareholders	(48,253)	(5,143)	(25,929)
GST/HST payable	(2)	-	(2)
Loan payable	600,120	(69,440)	600,120
Note payable	-	6,500	6,500
Net Cash Used in Operating Activities	<u>(966,154)</u>	<u>(401,018)</u>	<u>(1,712,860)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property: Deadmoose	-	(1,800)	(162,200)
Property: Nemegosenda	-	(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)
Purchase of subsidiary	(1,000)	-	(1,000)
Software	(359)	-	(359)
Vehicles	(3,937)	-	(3,937)
Net Cash Used in Investing Activities	<u>13,204</u>	<u>(428,060)</u>	<u>(571,319)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan payable - Nemegosenda purchase	(139,635)	387,372	247,737
Long-term notes payable	62,500	-	62,500
Additional paid in capital	980,042	875,286	1,855,328
Common stock	825	(375,979)	73,412
Foreign currency translation	65,014	-	65,014
Opening balance equity	-	(57,577)	-
Net Cash Provided by Financing Activities	<u>968,746</u>	<u>829,102</u>	<u>2,303,991</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(8,795)</u>	<u>-</u>	<u>(8,795)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,001	24	7,079
CASH AND CASH EQUIVALENTS:			
Beginning of the period	480	54	480
End of the period	<u>\$ 7,481</u>	<u>\$ 78</u>	<u>\$ 7,559</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.

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

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

As of 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.

In June 2008, the Company acquired 1208172 Ontario Ltd. as a wholly owned subsidiary of the Company. (See Note 3)

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.

**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 the generally accepted accounting principles 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 as of 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.

Flow-Through Shares

The issuance of flow-through shares requires the renunciation of Canadian Exploration Expenditures(CEE) in the same tax year and in an amount of equal value to the shares issued for the benefit of those shareholders that purchased those flow-through shares. In accordance with the Income Tax Act (Canada), the Company must incur CEE in the year of renunciation or in the subsequent year. Part XII.6 tax is calculated monthly on any unspent balance in the subsequent year beginning February 1, 2009.

Under the terms of the Company's flow-through shares agreements, the Company is required to spend and renounce expenditures for exploration that are qualifying CEE, as defined by the Income Tax Act (Canada) in the next calendar year. The Company has made sufficient expenditures to satisfy the agreements.

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

Sarissa Resources Inc.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 project was written off to "Loss on Investment."

In March 2008, the two property accounts for Niobium and Nemegosenda were combined in to 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."

Sarissa Resources Inc.

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

NOTE 3 – OTHER ASSETS (continued)

As of 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 December 31, 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.

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.

Sarissa Resources Inc.

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

NOTE 5 – STOCKHOLDERS' EQUITY (continued)

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.

As of 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.

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

As of December 31, 2008, there were 734,116,058 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 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 December 31, 2008, the balance owed to shareholders was (\$26,441), Loan Payable was \$592,200 and the Note Payable was \$6,500.

The "Loan Payable – Nemegosenda Purchase" as mentioned in Note 3 is current and the balance outstanding as of December 31, 2008 is \$247,737.

In October and November of 2008, the Company issued subordinated notes for \$62,500 to certain shareholders. The note holders will receive a total of 3,125,000 restricted shares and a warrant to purchase a further 3,125,000 restricted shares at \$0.02 for 2 years from the date of the note.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Company is not currently aware of any legal proceedings 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.

Sarissa Resources Inc.

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

NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

In December, 2008, the Company issued private placement flow-through shares in two agreements, which are valid for four months from the date of the closing. The Company will issue 10,000,000 flow-through shares at the price of \$0.01 for gross proceeds of \$100,000. The gross proceeds will be used to fund exploration in Canada by the Company, through its wholly owned subsidiary, 1208172 Ontario Limited.

NOTE 9 – SUBSEQUENT EVENTS

On January 27, 2009, the Company issued 3,125,000 shares at \$0.0001 in exchange for loans from three investors.

As of February 18, 2009, an investor loaned \$1,593.80 USD to 1208172 Ontario Limited.

On February 24, 2009, the Company issued 7,377,083 shares at \$0.0176 for debt conversion for three vendors.

In February 2009, Scott Keevil exercised his option to purchase 1,500,000 shares at the exercise price of \$0.02 per share.

As of March 4, 2009, an investor loaned 1208172 Ontario Limited the sum of \$15,516 USD.