

# **SARISSA RESOURCES INC.**

(an exploration stage company)

## **Consolidated Financial Statements**

**For the 3 months ended March 31, 2009**

**(unaudited)**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**SARISSA RESOURCES INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in Canadian dollars)  
AS AT MARCH 31

	March 31, 2009 (unaudited)	December 31, 2008 (unaudited)
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,535	\$ 7,481
Accounts receivable	274	197
Subscription receivable	60,000	60,000
Due from related parties (note 6(i))	<u>26,441</u>	<u>26,441</u>
	88,250	119,826
<b>Other Assets</b>		
Mineral property interests (Note 4)	569,960	569,960
Investment in private company	25,707	25,707
Purchase of subsidiary	1,000	1,000
Capital assets (Note 5)	<u>5,122</u>	<u>4,192</u>
	<u>\$ 690,039</u>	<u>\$ 694,978</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 245,062	\$ 405,842
Loan payable (Note 6(ii))	756,824	592,200
Note payable (Note 6(ii))	<u>6,500</u>	<u>6,500</u>
	<u>1,008,386</u>	<u>1,004,542</u>
<b>Long Term Liabilities</b>		
Loan payable (Note 6(iii))	247,737	247,737
Notes payable (Note 6(ii))	<u>-</u>	<u>62,500</u>
	<u>247,737</u>	<u>310,237</u>
<b>Shareholders' equity</b>		
Capital stock (Note 5)	74,832	73,412
Contributed surplus (Note 5)	2,088,708	1,855,329
Foreign currency translation	73,412	65,014
Deficit	<u>(2,803,036)</u>	<u>(2,613,556)</u>
	<u>(566,084)</u>	<u>(619,801)</u>
	<u>\$ 690,039</u>	<u>\$ 694,978</u>

**Nature and continuance of operations** (Note 1)

**Commitments and contingencies** (Note 7)

**On behalf of the Board:**

\_\_\_\_\_  
"Scott Keevil" Director      \_\_\_\_\_  
"Alan Hawke" Director

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

**SARISSA RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
(Expressed in Canadian dollars)  
**THREE MONTH PERIOD ENDED March 31**

	March 31, 2009 (unaudited)	March 31, 2008 (unaudited)
<b>EXPENSES</b>		
Investor relations	\$ 7,678	\$ 75,000
Geological and consulting	162,346	15,825
General and administration	16,956	19,008
Professional fees	2,500	12,124
Travel	-	246
	<u>-</u>	<u>246</u>
<b>Loss before other items</b>	(189,480)	(122,203)
<b>OTHER ITEMS</b>		
Loss on investment	<u>-</u>	<u>(18,500)</u>
<b>Net loss for the period</b>	(189,480)	(140,703)
<b>Deficit, beginning of year</b>	<u>(2,613,556)</u>	<u>(741,057)</u>
<b>Deficit, end of period</b>	<u>\$ (2,803,036)</u>	<u>\$ (881,760)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.0025)</u>	<u>\$ (0.0002)</u>
<b>Weighted average number of common shares outstanding</b>	<u>738,186,464</u>	<u>725,866,058</u>

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

**SARISSA RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)  
**THREE MONTH PERIOD ENDED MARCH 31**

	March 31, 2009 (unaudited)	March 31, 2008 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (189,480)	\$ (140,703)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(77)	-
Increase (decrease) in accounts payable and accrued liabilities	(160,780)	57,197
(Increase) decrease in loan payable – current	164,624	95,000
	<u>(185,713)</u>	<u>11,494</u>
Net cash used in operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Addition) to mineral property interests	-	18,500
(Addition) to capital assets	(930)	-
	<u>(930)</u>	<u>18,500</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase(decrease) in loan payable – long term	(62,500)	(30,000)
Issuance of common stock	1,420	-
Increase in paid up capital	233,379	-
Increase(decrease) in foreign currency translation	8,398	-
	<u>180,697</u>	<u>(30,000)</u>
Net cash provided by financing activities		
<b>Increase (decrease) in cash for the period</b>	<b>(5,946)</b>	<b>(6)</b>
<b>Cash, beginning of year</b>	<b>7,481</b>	<b>78</b>
<b>Cash, end of period</b>	<b>\$ 1,535</b>	<b>\$ 72</b>

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

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Sarissa Resources Inc. (the "Company") was incorporated in the State of Delaware on November 8, 2005 as Ecological Recycling Co. Inc. On November 14, 2005, the name was changed to Michigan Mining Investment Inc. On December 5, 2006 the Company changes its name to Sarissa Resources Inc. and changed jurisdiction from the State of Delaware to the State of Nevada.

The Company's principal business activity is the acquisition, exploration and development of mineral property interests in Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company currently earns no operating revenues. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

Current market conditions make the present environment for raising additional equity financing less favorable. The inability to raise additional financing may impact the future assessment of the Company as a going concern under CICA 1400 General Standards of Financial Statement Presentation.

**2. Accounting presentation and disclosure**

These unaudited consolidated financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual financial statements. These policies are listed below. Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

**Principles of consolidation**

These consolidated financial statements include the accounts of the Company and its 100% interest in 1208172 Ontario Inc., a Canadian company. All inter-company balances and transactions have been eliminated upon consolidation.

**Use of estimates**

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates. Significant accounts that require estimates relate to the impairment of mineral properties, valuation of agents' warrants and units granted as finder's fees, warrants issued as part of private placements and the valuation taken on future income tax assets, and stock-based compensation.

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Investment in private company**

The investment in private company is recorded at the lower of cost and net realizable value.

**Short-term investment**

Short term investment consists of an investment in a privately held company and is not traded in active markets. The short term investment is recorded at fair value using a valuation technique based upon management's estimates. The initial cost of the investment is considered to be the fair value on the date of the purchase transaction. Adjustments to fair value are made when there is persuasive and objective evidence of a change in the value of an investment as indicated by an assessment of the financial condition of the company, forecasts and business developments since the investment was made and subsequent transactions with unrelated third parties subsequent to the initial investment.

**Stock-based compensation**

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock based on its fair value over the period of vesting. Any consideration paid by the option holders to purchase shares is credited to capital stock.

**Future income taxes**

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

**Loss per share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year.

**Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Mineral properties**

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

**Asset retirement obligations**

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The Company currently does not have any asset retirement obligations.

**Capital assets**

Capital assets are recorded at cost.

**Foreign currency translation**

Financial statements of the Company's foreign subsidiaries are translated into Canadian dollar equivalents using the temporal method whereby all monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at exchange rates prevailing at the transaction date. Income and expenses are translated at rates which approximate those in effect on transaction dates. Exchange gains and losses arising from translation are included in the consolidated statement of operations.

**Flow-through common shares**

Resource expenditures for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The Company records a future income tax liability and a reduction in capital stock for the estimated tax benefits transferred to shareholders. When the Company renounces flow-through expenditures, a portion of the Company's future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will be recognized as a recovery of future income taxes in the statement of operations.

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments**

The Company has adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

As a result of the adoption of these new standards, the Company has classified its cash and marketable securities as held-for-trading. Receivables and loans receivable are classified as loans and receivables. Short-term investments are classified as other financial assets, which are measured at amortized cost. Accounts payable and accrued liabilities and due to related party are classified as other liabilities, which are measured at amortized cost.

There were no transitional adjustments on the adoption of the financial instruments standard.

**Accounting changes**

The Canadian Institute of Chartered Accountants (“CICA”) has issued new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. With the exception of the move to International Financial Reporting Standards, the Company will adopt the requirements commencing in the interim period ended March 31, 2009 and is currently considering the impact this will have on the Company’s financial statements.

*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-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of February 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

**Accounting changes** (cont'd...)

*Business combinations, non-controlling interest and consolidated financial statements*

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

*Goodwill and intangible assets*

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs and amendments to Accounting Guideline 11, Enterprises in the Development Stage and CICA 1000, Financial Statement Concepts. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The Company is currently assessing the impact of this new accounting pronouncement on its financial statements.

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

**3. MINERAL PROPERTY INTERESTS**

	March 31, 2009	December 31, 2008
a) Nemegosenda Property, Chewett and Collins Township, Northern Ontario	\$ 387,372	\$ 387,372
b) Deadmoose Property, Shillington Township, Northern Ontario	162,200	162,200
c) Timmons Township, Northern Ontario	17,840	17,840
d) Pacaud Township, Kirkland Lake, Ontario	<u>2,548</u>	<u>2,548</u>
	<u>\$ 569,960</u>	<u>\$ 569,960</u>

a) The Nemegosenda Property comprises approximately 4,800 acres consisting of 1,800 patented, and an additional 3,000 contiguous acres staked in Northern Ontario. The patented claims were purchased in December 2007 for \$380,000 payable over a four year period and are subject to a 2% NSR. The Company can purchase 1.5% of the NSR at any time subject to a predetermined price.

b) The Company owns a 100% interest in the Deadmoose Property located in Shillington Township, Northern Ontario.

c) In November 2007, the Company acquired 1,150 acres in Timmons Township, Northern Ontario.

d) In November 2007, the Company acquired 40 acres in Pacaud Township, Kirkland Lake, Ontario.

**Title to mineral property interests**

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

**4. CAPITAL ASSETS**

	March 31, 2009	December 31, 2008
Automobile	\$ 3,887	\$ 3,887
Other	<u>1,234</u>	<u>305</u>
	<u>\$ 5,122</u>	<u>\$ 4,192</u>

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

**5. CAPITAL STOCK AND CONTRIBUTED SURPLUS**

	Number of Shares	Capital Stock	Additional Paid in Capital
<b>Authorized</b>			
Unlimited common shares, at par value			
<b>Issued</b>			
Balance, January 31, 2007	448,566,048	\$ 448,566	\$ 57,577
Issued for services – February 2007	185,000,000	185,000	20,000
Issued for services – Ecological Certificate	10	-	-
Issued for note receivable	60,000,000	60,000	173,500
Decrease in Par Value from \$0.001 to \$0.0001	-	(624,209)	624,209
Issued for services – December 2007	<u>32,300,000</u>	<u>3,230</u>	<u>-</u>
Balance, December 31, 2007	725,866,058	72,587	875,287
Issued for cash	6,250,000	625	124,375
Issued for services	2,000,000	200	
Stock based compensation	-	-	855,667
Balance, December 31, 2008	<u>734,116,058</u>	<u>73,412</u>	<u>1,855,329</u>
Issued for options	1,500,000	150	29,850
Issued for services	<u>12,211,219</u>	<u>1,270</u>	<u>203,529</u>
Balance, March 31, 2009	<u>746,327,277</u>	<u>74,832</u>	<u>2,088,708</u>

**Common shares issued**

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 that 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 honoured 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 Inc.

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 THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

**Common shares issued (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 shares. 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 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.

As of December 31, 2008 there were 734,116,058 common shares issued and outstanding.

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

On February 24, 2009, the Company issued 7,586,219 shares at \$0.0176 for debt conversion for four vendors.

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

**Stock options**

The Company has a stock option plan under which it 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 stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of the grant. The options can be granted for a maximum term of five years and vest at the discretion of the board.

As at March 31, 2009 the Company had 52,875,000 options outstanding as follows:

- 51,875,000 at a price per share of \$0.02 per share expiring August 4, 2010
- 750,000 at a price per share of \$0.02 per share expiring February 10, 2010; and
- 250,000 at a price per share of \$0.03 per share expiring February 10, 2010.

**6. RELATED PARTY TRANSACTIONS**

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

(i) At March 31, 2009 the balance due from related parties was \$26,441 (2009-\$26,441); Loan Payable was \$756,824 (2009-\$592,200) and Note Payable was \$6,500 (2009- \$6,500).

(ii) The Loan Payable – Nemogosenda Purchase” is current and the balance outstanding at March 31, 2009 is \$247,737 (2009-\$247,737).

**SARISSA RESOURCES INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)  
MARCH 31, 2009

---

---

**6. RELATED PARTY TRANSACTIONS** (continued):

(iii) In October and November 2008, the Company issued subordinated notes for \$62,500 to certain shareholders. The note holders received a total of 3,125,000 restricted shares during the first quarter of 2009 and a warrant to purchase a further 3,125,000 restricted shares at \$0.02 for 2 years from the date of the note.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.