ASTORIUS RESOURCES LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2008 AND THE PERIOD FROM
INCORPORATION ON MAY 4, 2007
TO SEPTEMBER 30, 2007

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of
Astorius Resources Ltd.

We have audited the balance sheets of Astorius Resources Ltd. as at September 30, 2008 and 2007 and the statements of operations, comprehensive loss and deficit and cash flows for the year ended September 30, 2008 and the period from incorporation on May 4, 2007 to September 30, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2008 and 2007, and the results of its operations and its cash flows for the year ended September 30, 2008 and the period from incorporation on May 4, 2007 to September 30, 2007 in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

January 9, 2009

ASTORIUS RESOURCES LTD.

BALANCE SHEETS

SEPTEMBER 30, 2008 AND 2007

		2008		2007
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 4)	$	940,295	$	–
GST recoverable		1,321		530
		941,616		530
Deferred share issue costs		–		13,000
	$	941,616	$	13,530
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	5,655	$	14,819
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		913,965		–
Contributed surplus (Note 6)		115,722		–
Deficit		(93,726)		(1,289)
		935,961		(1,288)
	$	941,616	$	13,530

Approved on behalf of the Board:

/s/ "Malcolm Powell"
Malcolm Powell, Director

/s/ "Carl Jonsson"
Carl Jonsson, Director

ASTORIUS RESOURCES LTD.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

		Year Ended September 30, 2008		From Incorporation on May 4, 2007 to September 30, 2007
EXPENSES				
Directors fees - Stock-based compensation	$	70,823	$	–
Filing and transfer agent fees		14,013		–
Accounting fees		14,000		–
Legal fees		12,074		1,289
Office and miscellaneous		9,057		–
		119,967		1,289
LOSS BEFORE OTHER INCOME		(119,967)		(1,289)
OTHER INCOME				
Interest income		27,530		–
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(92,437)		(1,289)
DEFICIT, BEGINNING OF PERIOD		(1,289)		–
DEFICIT, END OF PERIOD	$	(93,726)	$	(1,289)
NET LOSS PER SHARE – Basic and diluted	$	(0.01)	$	(1,289.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		7,447,945		1

ASTORIUS RESOURCES LTD.

STATEMENT OF CASH FLOWS

		Year Ended September 30, 2008		From Incorporation on May 4, 2007 to September 30, 2007
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$	(92,437)	$	(1,289)
Add item not involving cash:				
Stock-based compensation		70,823		–
		(21,614)		(1,289)
Changes in non-cash working capital balances:				
GST recoverable		(791)		(530)
Accounts payable and accrued liabilities		3,836		1,819
		(18,569)		–
FINANCING ACTIVITY				
Proceeds from shares issued, net		958,864		–
INCREASE IN CASH DURING THE PERIOD		940,295		–
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		–		–
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	940,295	$	–
SUPPLEMENTAL INFORMATION:				
Interest paid in cash		–		–
Income taxes paid in cash		–		–

1. Nature of Operations

Astorius Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia on May 4, 2007 and is a Capital Pool Company as defined by Policy 2.4 of the TSX Venture Exchange (the "TSX-V").

The Company is in the process of identifying and evaluating business opportunities with the objective of completing a "Qualifying Transaction" under TSX-V rules. Under these rules, a Qualifying Transaction must be entered into within 24 months of listing.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within twenty-four months from the date the Company's shares are listed for trading, at which time the TSX-V may suspend or de-list the Company's shares from trading.

These financial statements have been prepared 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 forced liquidation. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of 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 expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of future income tax assets and liabilities and assumptions used in valuing options and warrants in stock-based compensation calculations. Actual results could differ from those reported.

(b) Financial Instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountant ("CICA") Handbook Section 3840 – Related Party Transactions.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

(c) Cash Equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

2. Summary of Significant Accounting Policies (continued)

(d) Share Issue Costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

(e) Stock-based Compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

(f) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

(g) Comprehensive Loss

Comprehensive loss reflects net loss and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

(h) Loss per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

3. Change in Accounting Policy and Recent Pronouncements

Effective October 1, 2007, the Company adopted the CICA Handbook Section 1506, "Accounting Changes", to make accounting policy changes only in the event that a change is made within a primary source of generally accepted accounting principles, or where a change is warranted to provide more relevant and reliable information. All accounting policy changes are to be applied retroactively, unless there is no specific transition provision or it is impracticable to do so. Any prior period errors identified also require retroactive application. The adoption of the section did not have any significant impact on the Company's financial statements.

Effective October 1, 2007, the Company adopted the CICA Handbook Section 3862 ("CICA 3862"), "Financial Instruments – Disclosure", and Section 3863 ("CICA 3863"), "Financial Instruments – Presentation. CICA 3862 and CICA 3863 increase the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. These sections relate to disclosure and presentation only and did not have any impact on the Company's financial results or position.

Effective October 1, 2007, the Company adopted the CICA Handbook Section 1535, "Capital Disclosures", to disclose its objectives, policies and processes for managing capital, and compliance with externally imposed capital requirements, if any. The adoption of this standard did not have any significant impact on the Company's financial statements.

Recent accounting pronouncements

In February 2008, the Accounting Standards Board issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces CICA 3062, "Goodwill and Intangible Assets", and CICA 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Company's interim and annual financial statements commencing October 1, 2008. The Company is currently assessing the impact of the new standard and has not yet determined its effect on the Company's financial statements.

In June 2007, the Accounting Standards Board issued CICA Handbook Section 1400, "General Standards of Financial Statement Presentation", which provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. This standard is effective for the Company's interim and annual financial statements for fiscal years beginning on or after October 1, 2008. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian generally accepted accounting principles and IFRS.

4. Cash and Cash Equivalents

Cash and cash equivalents include an investment in a redeemable guaranteed investment certificate ("GIC") with interest rate at prime minus 2.05% per annum. At September 30, 2008, the fair value of the GIC was $935,377 (2007 - $Nil).

5. Share Capital

Authorized:

Unlimited number of voting common shares without par value

Issued and Outstanding:

	Number		Amount
Issued on incorporation at $0.10 each	1	$	–
Balance, September 30, 2007	1		–
Share redeemed and cancelled	(1)		–
Issued for cash at $0.075 per share	2,500,000		187,500
Issued for cash at $0.15 per share	6,000,000		900,000
Share issue costs	–		(173,535)
Balance, September 30, 2008	8,500,000	$	913,965

On October 10, 2007, the Company issued 2,500,000 common shares at $0.075 per share for gross proceeds of $187,500.

On December 4, 2007 the Company completed an Initial Public Offering of 6,000,000 common shares at $0.15 per share for gross proceeds of $900,000. The Company paid Leede financial Markets Inc. (the “Agent”) a commission of $90,000, a finance fee of $8,000 and $6,046 for legal fees and expenses incurred. In addition, the Company also granted the Agent options to acquire 600,000 common shares at an exercise price of $0.15 per common share expiring January 8, 2010. The fair value of the options was $44,899. The Company also incurred legal and other listing costs of $24,590 in relation to the initial public offering.

Escrowed Shares:

As at September 30, 2008, 2,500,000 shares issued and outstanding were held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the TSX-V’s acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months 24 months, 30 months and 36 months following the initial release.

Stock Options:

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board of Directors, subject to the pricing policies of the TSX-V. Options vest immediately when granted and expire five years from the date of the grant, unless the Board of Directors establishes more restrictive terms. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the corporation.

5. Share Capital (continued)

Stock Options: (continued)

As of September 30, 2008 the Company had stock options outstanding and exercisable to acquire an aggregate of 1,450,000 common shares summarized as follows. All of these options vested upon grant. The common shares to be issued on the 850,000 directors' options, if exercised prior to the completion of the Qualifying Transaction, are subject to escrow until the issuance of the Final Exchange Bulletin. The options have a weighted average remaining life of 3 years.

	Number of Options	Weighted Average Exercise Price	Expiry Date
Balance, September 30, 2007	–	–	
Granted: Agent	600,000	$0.15	January 8, 2010
Granted: Directors	850,000	$0.15	January 8, 2013
Balance, September 30, 2008	1,450,000	$0.15	

The Company uses the Black-Scholes option valuation model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

During the year ended September 30, 2008, the Company recorded share issue costs of $44,899 for the 600,000 agent's options and stock-based compensation of $70,823 for the 850,000 directors' options. For purposes of the calculation, the following weighted average assumptions were used under the Black-Scholes option pricing model:

	Agent's Options	Directors' Options
Risk free interest rate	3.54%	3.56%
Expected dividend yield	0%	0%
Expected stock price volatility	90%	100%
Expected life of options	2 years	5 years

The weighted average grant date fair value of the stock options was $0.08 per option.

There were no options granted during the period ended September 30, 2007.

6. Contributed Surplus

Balance, September 30, 2007	$	–
Fair value of agent's options granted		44,899
Fair value of directors' options granted		70,823
Balance, September 30, 2008	$	115,722

7. Related Party Transactions

During the year ended September 30, 2008, the Company incurred share issue costs of $15,305 (2007 - $Nil) and legal fees of $12,074 (2007 - $1,289) from a law firm of which a director of the Company is a principal, and paid office services, facilities and rent of $7,600 (2007 - $Nil) to a company with common directors.

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

8. Income Taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2008	2007
Combined statutory tax rate	31.41%	34.12%
Income tax recovery at statutory rate	$ 29,034	$ 440
Non-deductible expenses	(22,246)	(110)
Share issue costs	40,405	–
Reduction in income tax rates	(8,198)	–
Valuation allowance	(38,995)	(330)
	$ –	$ –

Significant components of the Company's future income tax assets are shown below:

	2008	2007
Non-capital loss carry forwards	$ 12,309	$ 110
Incorporation costs	335	330
Share issue costs	26,757	–
Valuation allowance	(39,401)	(440)
Net future income tax asset	$ –	$ –

As at September 30, 2008, the Company has approximately $47,000 of non-capital loss carry forwards available to reduce taxable income for future years. The loss expires in 2028 if unused.

9. Management of Capital

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2008, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

9. Management of Capital (continued)

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its process of identifying and completion of a qualifying transaction.

10. Financial Instruments

Fair Value of Financial Instruments

As at September 30, 2008, the Company's financial instruments consist of cash and cash equivalents and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash and cash equivalents as held-for-trading and its accounts payable as other financial liabilities.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term general and administrative expenditures. The Company's cash equivalents are invested in business guaranteed investment certificates which are immediately available on demand when required. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as its administrative operations are all located in Canada.

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions.

The Company has investments in guaranteed investment certificates. The following table summaries the impact of reasonable possible changes on interest rates for the Company at September 30, 2008 and 2007. The sensitivity analysis is based on the assumption that interest rate changes by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of historical rates for the preceding year.

	2008	**2007**
Impact on net loss:		
1% increase	$ 7,000	$ –
1% decrease	$(7,000)	$ –