Currie Rose Resources Inc.

Consolidated Financial Statements

For the years ended December 31, 2009 and 2008

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Contents

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Auditors' Report

To the Shareholders of
Currie Rose Resources Inc.

We have audited the consolidated balance sheets of **Currie Rose Resources Inc.** as at December 31, 2009 and 2008 and the consolidated statements of shareholders' equity, operations and comprehensive loss and cash flows for the years then ended. 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 consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2009 and 2008 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

English & Jones LLP

ENGLISH & JONES LLP
Chartered Accountants
Licensed Public Accountants

St. Catharines, Ontario
April 14, 2010

Currie Rose Resources Inc.
Consolidated Balance Sheets

December 31	2009	2008
Assets		
Current		
Cash	**$ 285,103**	$ 54,204
Short-term investment (Note 5)	**-**	655,510
Accounts receivable	**-**	100,000
Miscellaneous receivables	**22,378**	2,677
Prepaid expenses	**9,622**	3,534
	317,103	815,925
Long-Term Investments (Note 6)	**36,000**	3,400
Resource Properties (Note 7)	**5,558,858**	6,125,565
	$ 5,911,961	$ 6,944,890
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued expenses	**$ 51,450**	$ 69,252
Shareholders' Equity (Note 8)		
Common shares	**12,991,088**	12,494,992
Contributed surplus	**301,426**	285,892
Common share purchase warrants	**82,376**	384
Options	**228,199**	195,154
Deficit	**(7,742,578)**	(6,100,784)
	5,860,511	6,875,638
	$ 5,911,961	$ 6,944,890

On behalf of the Board:

Harold Smith Director
"Signed"

Michael Griffiths Director
"Signed"

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

Currie Rose Resources Inc.

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2009 and 2008

	Common Shares						
	Number Outstanding	Amount	Contributed Surplus	Common Share Purchase Warrants	Stock Options	Deficit	Total
Balance, December 31, 2007	47,404,782	$ 12,478,325	$ 277,945	$ 384	$ 203,101	$ (5,634,043)	**$ 7,325,712**
Issued for resource property (Note 7)	833,333	16,667	-	-	-	-	**16,667**
Stock options expired (Note 8)	-	-	7,947	-	(7,947)	-	**-**
Net comprehensive loss	-	-	-	-	-	(466,741)	**(466,741)**
Balance, December 31, 2008	48,238,115	$ 12,494,992	$ 285,892	$ 384	$ 195,154	$ (6,100,784)	**$ 6,875,638**
Issued for resource property (Note 7)	250,000	8,750	-	-	-	-	**8,750**
Issued in private placement (Note 8)	13,450,000	672,500	-	-	-	-	**672,500**
Issuance costs (Note 8)	-	(102,778)	-	-	-	-	**(102,778)**
Issued as fee for private placement (Note 8)	-	(82,376)	-	82,376	-	-	**-**
Common share purchase warrants expired (Note 8)	-	-	384	(384)	-	-	**-**
Stock options issued (Note 8)	-	-	-	-	13,889	-	**13,889**
Re-pricing of stock options issued (Note 8)	-	-	-	-	34,306	-	**34,306**
Stock options expired (Note 8)	-	-	15,150	-	(15,150)	-	**-**
Net comprehensive loss		-	-	-	-	(1,641,794)	**(1,641,794)**
Balance, December 31, 2009	61,938,115	$ 12,991,088	$ 301,426	$ 82,376	$ 228,199	$ (7,742,578)	**$ 5,860,511**

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

Currie Rose Resources Inc.

Consolidated Statements of Operations and Comprehensive Loss

For the years ended December 31	2009	2008
Revenue		
Production penalty revenue	$ -	$ 100,000
Expenses		
Advertising	1,459	3,808
Director and officer compensation (Note 9)	48,195	-
Investor relations	-	115,649
Listing and filing fees	7,399	18,673
Management compensation (Note 9)	71,500	67,525
Office and admin expense (Note 9)	75,850	127,516
Office rent	10,045	13,192
Professional services	93,823	92,120
Salaries and Benefits	213,796	88,806
Share transfer agent fees	11,835	2,783
Shareholders' information	3,480	535
Travel	12,854	53,168
	550,236	583,775
Loss Before Other Income (Expense)	(550,236)	(483,775)
Other Income (Expense)		
Interest	63	44,976
Change in market value of long-term investments	10,100	(24,600)
Foreign exchange	(15,645)	(3,342)
Write-down of resource property (Note 7)	(1,079,140)	-
Net Loss Before Income Taxes	(1,634,858)	(466,741)
Income Tax Expense (Note 10)	6,936	-
Net Loss for the Year, also representing Comprehensive Loss	$ (1,641,794)	$ (466,741)
Loss per common share: (Note 11)		
Basic and diluted	$ (0.03)	$ (0.01)

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

Currie Rose Resources Inc.

Consolidated Statements of Cash Flows

For the years ended December 31	2009	2008
Cash Provided By (Used In)		
Operating Activities		
Net loss for the year	**$ (1,641,794)**	$ (466,741)
Items not involving cash:		
Director and officer compensation	**48,195**	-
Change in market value of long-term investments	**(10,100)**	24,600
Write-down of resource property	**1,079,140**	-
Changes in non-cash working capital balances:		
Accounts receivable	**100,000**	-
Miscellaneous receivables	**(19,701)**	1,678
Prepaid expenses	**(6,088)**	(205)
Accounts payable and accrued expenses	**(17,802)**	(107,016)
Cash Used In Operating Activities	**(468,150)**	(547,684)
Investing Activities		
Purchase of short-term investments	**(301,222)**	-
Redemption of short-term investments	**956,732**	1,604,110
Resource properties additions	**(641,183)**	(1,052,782)
Recovery of resource properties	**115,000**	-
Cash Provided by Investing Activities	**129,327**	551,328
Financing Activities		
Common shares issued, net of costs	**569,722**	-
Cash Provided By Financing Activities	**569,722**	-
Increase in Cash During the Year	**230,899**	3,644
Cash, beginning of year	**54,204**	50,560
Cash, end of year	**$ 285,103**	$ 54,204

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

1. Nature of the Business

Currie Rose Resources Inc. was incorporated under the Canada Business Corporations Act on August 24, 1973. The company is a development stage company that since its inception has been engaged principally in the acquisition, exploration and development of resource properties and has not earned any significant revenues to date.

2. Going Concern

These financial statements have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles applicable to a going concern which assumes that the company will continue in operation for the foreseeable future and be able to realize assets and satisfy liabilities in the normal course of business. The company believes that it currently has sufficient cash to meet its ongoing commitments and obligations over the next several months. If the company is unable to obtain additional financing, exploration in Tanzania will be delayed. It is management's belief that the company will be able to obtain additional financing in the future given the success of its private placement in 2009.

As at December 31, 2009, the company continues to incur significant expenditures on exploration activities in Tanzania as well as continue to incur significant operating losses and negative cash flow from operations. The application of the going concern concept is dependent on the company's ability to pay its liabilities through future operations of its resource properties and financial support through future equity offerings. There is no assurance that the company can achieve profitable resource operations or obtain the necessary financing. These financial statements do not include any adjustments to the recoverability and classification of certain recorded asset amounts, particularly resource properties and classification of certain liabilities that might be necessary, if the company were unable to continue as a going concern. Such adjustments could be material.

3. Significant Accounting Policies

Method of Consolidation

These consolidated financial statements include the accounts of Currie Rose Resources Inc. as at and for the years ended December 31, 2009 and 2008, the accounts of its wholly owned subsidiary Currie Rose Resources (T) Limited, whose accounts are denominated in Tanzanian Schillings, as at and for the years ended December 31, 2009 and 2008 and the company's proportionate share (40% interest) in the Lake Victoria Joint Venture, whose accounts are denominated in Australian dollars, for the period January 1, 2009 to the date of purchase of the remaining 60% interest in the joint venture, as described in note 13, of June 25, 2009 and as at and for the year ended December 31, 2008.

3. Significant Accounting Policies (Continued)

Method of Consolidation (Continued)

Currie Rose Resources (T) Limited is considered an integrated foreign operation and as such is accounted for using the temporal method. Monetary assets and liabilities are translated into Canadian dollars at the rates prevailing at the year end date. Non-monetary assets and liabilities are translated at the historical exchange rate in effect when the transaction occurred. Revenue and expenses are translated at the exchange rate in effect on the date of the transaction. Exchange gains or losses arising on the translation of monetary items are included in other income (expense) for the year.

Lake Victoria Joint Venture was considered an integrated foreign operation and as such was accounted for using the temporal method. All monetary assets and liabilities of the Lake Victoria Joint Venture were translated into Canadian dollars at rates prevailing at the year end date. Non-monetary assets and liabilities were carried on the balance sheet using the historical exchange rate in effect when the transaction occurred. Revenue and expenses were translated at the exchange rates in effect on the date of the transaction. Exchange gains and losses arising on the translation of monetary items were included in other income (expense) for the year.

Foreign Exchange

All monetary assets and liabilities are translated into Canadian dollars at rates prevailing at the year end date. Non-monetary assets and liabilities are carried on the balance sheet using the historical exchange rate in effect when the transaction occurred. Revenue and expenses are translated at the exchange rates in effect on the date of the transaction. Exchange gains and losses arising on the translation of monetary items are included in other income (expense) for the year.

Revenue Recognition

Revenue is recognized when earned as per contractual agreements and when ultimate collection is reasonably assured and the price is reasonably determinable.

Interest income on short-term investments is recognized using the effective interest method.

3. Significant Accounting Policies (Continued)

Financial Instruments

Financial instruments are initially recognized at their fair value on a settlement date basis when the company becomes a party to the contractual provisions of the financial instrument or non-financial derivative contract. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 items are quoted prices in active markets for identical assets or liabilities. Level 2 items are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets or quoted prices that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable and supported by little or no market activity. The fair value hierarchy gives the highest priority to Level 1 items and the lowest priority to Level 3 items.

Subsequent measurement of financial instruments is based on the classification of the financial instruments as follows.

a) Held for Trading

Cash, short-term investment, accounts receivable, miscellaneous receivables and long-term investments have been designated as held for trading financial assets due to their inherent nature and are recorded on the balance sheet at their fair values, with any changes in fair value being recorded in other income (expense). Transaction costs associated with these items are expensed as incurred. The fair value of cash and long-term investments is classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. The fair value of accounts receivable and miscellaneous receivables approximate their cost due to their inherent nature and are classified within Level 3 of the fair value hierarchy given that they have no observable market. The fair value of short-term investment is calculated using a discounted cash flow approach, with the discount rate being the company's financial institution's market rate, at or near period, for a similar type investment with a similar maturity and as such is classified within Level 2 of the fair value hierarchy. The cost of financial assets designated as held for trading can be found in Note 15.

Accounts payable and accrued expenses have been designated as held for trading financial liabilities due to its inherent nature and is recorded on the balance sheet at its fair value, with any changes in fair value being recorded in other expense (income). The fair value of accounts payable and accrued liabilities approximates its cost due to its inherent nature and are classified within Level 3 of the fair value hierarchy given that they have no observable market. The cost of financial liabilities designated as held for trading can be found in Note 15.

3. Significant Accounting Policies (Continued)

Resource Properties

Resource properties are recorded at cost on an area of claims basis and carried as an asset until the results of the project are known. Cost includes initial acquisition costs of the property and exploration expenses incurred with respect to the property, net of any recoveries received with respect to option agreements entered into related to the property. In the event a commercial ore deposit is located, cost will be amortized against income by the unit of production method. In the event of an abandonment or the expiration of an area of claims, cost will be written off against income.

The cost of resource properties do not necessarily reflect present or future values. The ultimate realization of the amounts shown as resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims, the successful commercial development and exploration of the areas of interest, including the ability to obtain necessary financing to complete development or alternatively by their sale.

The company is currently in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many resource properties. The company has investigated title to all of its resource properties and to the best of its knowledge, title to all of its properties are in good standing.

Based on annual impairment reviews by management, in the event that the long-term expectation is that the net carrying amount of these resource property costs will not be recovered such as would be indicated by the following:

- Exploration activities have ceased;
- Exploration results are not promising such that exploration will not be planned for the foreseeable future;
- Lease ownership right expired; or
- Insufficient funding is available to complete the exploration program;

then the carrying amount is written down to fair value accordingly and the write-down amount charged to operations.

3. Significant Accounting Policies (Continued)

Measurement Uncertainty

The carrying values of the Company's resources properties at December 31, 2009 was **$5,558,858** (2008 - $6,125,565). Management's review of these carrying values indicated that at December 31, 2009, the properties were not impaired. Management's conclusion is dependent on assumptions about several factors including future operating costs, gold production levels, future gold prices and capital equipment needs and costs. Management will continue to monitor the critical factors impacting its impairment analysis and will re-evaluate the carrying value of its long-lived assets as necessary.

Option Agreements

The company acquires and disposes of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable as per these option agreements are not recorded until payment has been received or made. Upon payment of amounts due under an option agreement, the company recognizes the related amount as the cost of a resource property. Upon receipt of amounts due under an option agreement, the company recognizes the related amount as reduction of the resource property.

Share Capital

Common shares issued in exchange for goods and services are recorded at an amount based on the fair market value of the common shares just prior to the date of issuance.

Common shares issued in private placements, in conjunction with common share purchase warrants, are recorded using the residual method, whereby the proceeds of the private placement are allocated first to the common shares at the lesser of the common share's fair value and the gross proceeds of the private placement, with any residual amounts then being allocated to the common share purchase warrants.

Share issuance expenses are applied against share capital.

Stock Based Compensation

The company recognizes as compensation the fair value of common share purchase warrants or stock options issued in exchange for services provided by officers and directors and outside consultants. The cost of officer and director compensation is calculated using the fair value method (Black-Scholes option pricing model) based on the fair value of the common share purchase warrant or stock option on the granting date. The cost of outside consultant compensation is calculated using the fair value method (Black-Scholes option pricing model) based on the fair value of the common share purchase warrant or stock option on the earlier of a) date when performance is complete; b) date on which a commitment for performance by the counterparty to earn the compensation is reached or c) the grant date. Compensation expense is recognized over the vesting period of the related instrument granted or the service period for which such instrument is granted, whichever is shorter.

3. Significant Accounting Policies (Continued)

Stock Based Compensation (Continued)

The proceeds from the exercise of stock options or warrants are recognized in share capital upon exercise at the exercise price paid by the holder, along with the related cost of such items originally credited to common share purchase warrants and contributed surplus.

Income Tax

The company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The amount of future tax assets recognized is limited to the amount that is considered to be more likely than not to be realized.

Use of Estimates

The preparation of the company's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

4. Changes in Accounting Policies and Prior Period Adjustment

On January 1, 2008, the company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") regarding financial instruments, which are encompassed in CICA Handbook Sections 3862 - Financial Instruments - Disclosures and Section 3863 - Financial Instruments - Presentation. These sections replaced Section 3861 - Financial Instruments - Disclosures and Presentation. The adoption of these new accounting standards by the company resulted in new disclosures related to financial instruments as seen in Note 16 - Financial Instruments and Capital Disclosures.

On January 1, 2008, the company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") regarding capital disclosures, which are encompassed in CICA Handbook Section 1535 - Capital Disclosures. The adoption of this new accounting standard by the company resulted in the creation of a new financial statement - Statement of Shareholders' Equity and enhanced disclosure of policies for capital as set out by the company in Note 16 - Financial Instruments and Capital Disclosures.

4. Changes in Accounting Policies and Prior Period Adjustment (Continued)

On January 1, 2008, the company adopted a new accounting standard issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding the requirement to assess the company's ability to continue as a going concern, which are encompassed in CICA Handbook Section 1400 - General Standards of Financial Statement Presentation. The adoption of this new accounting standard by the company resulted in changes to the disclosure in Note 2 – Going Concern.

On January 20, 2009, the company adopted EIC 173 - "Credit Risk and the Fair Value of Financial Assets and Liabilities" issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding the requirement to consider both the company's and the counterparty's overall credit risk when determining the fair value of a financial asset or financial liability. The adoption of this new EIC resulted in no changes to current or comparative figures.

On March 27, 2009, the company adopted EIC 174 - "Mining Exploration Costs" issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding the capitalization of exploration costs related to mining properties and impairment of long lived assets. The adoption of this new EIC resulted in no changes to current or comparative figures.

In June 2009, the company adopted amendments to accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding financial instrument disclosures, which are encompassed in CICA Handbook Section 3862 - Financial Instruments - Disclosures. The adoption of these amendments resulted in additional disclosures as outlined in Notes 3 and 15.

On June 25, 2009, in conjunction with the company's purchase of the remaining 60% interest in the Lake Victoria Joint Venture, as described in note 13, the company determined that previous excess contributions made to the joint venture over and above the company's 40% interest were inappropriately allocated to the Tanzania - Nyamirembe resource property when they should have been allocated to the Tanzania - Mabale Hills resource property. The effect on the resource properties asset on the balance sheet for the years ended December 31, 2009 and 2008 is $nil. The effect on the components of resource properties, as described in note 7, is as follows: decrease opening balance as at January 1, 2008 for the Tanzania - Nyamirembe resource property and increase opening balance as at January 1, 2008 for the Tanzania - Mabale Hills resource property by $285,173 and decrease acquisitions for the year ended December 31, 2008 for the Tanzania - Nyamirembe resource property and increase acquisitions for the year ended December 31, 2008 for the Tanzania - Mabale Hills resource property by $283,451. There was no adjustment required for the December 31, 2009 year end.

5. Short-Term Investment

	2009	2008
Cashable term deposit, interest at prime less 1.75%, being 1.75% at December 31, 2008, matured November 10, 2009	**$ -**	$ 655,510

6. Long-Term Investments

	2009	2008
Aquila Resources Inc., 40,000 common shares	**$ 9,000**	$ 3,400
Trueclaim Exploration Inc., 150,000 common shares	**27,000**	-
	$ 36,000	$ 3,400

7. Resource Properties

2009	**Opening**	**Acquisition**	**Exploration**	**Option Agreement/ Recovery**	**Write-down**	**Closing**
Laonil Lake	$ 1	$ -	$ -	$ -	$ -	$ 1
Scadding Township	681,913	-	13,171	(137,500)	-	557,584
Tanzania						
Jubilee Reef	854,069	-	-	-	-	854,069
Mabale Hills	2,875,793	125,423	495,586	-	-	3,496,802
Nyamirembe	1,079,141	-	-	-	(1,079,140)	1
Sekenke	634,648	8,750	7,003	-	-	650,401
	$ 6,125,565	$ 134,173	$ 515,760	$ (137,500)	$(1,079,140)	$ 5,558,858

2008	**Opening**	**Acquisition**	**Exploration**	**Option Agreement/ Recovery**	**Write-down**	**Closing**
Laonil Lake	$ 1	$ -	$ -	$ -	$ -	$ 1
Scadding Township	653,399	-	28,514	-	-	681,913
Tanzania						
Jubilee Reef	854,069	-	-	-	-	854,069
Mabale Hills	2,103,959	566,902	204,932	-	-	2,875,793
Nyamirembe	1,078,372	-	769	-	-	1,079,141
Sekenke	366,316	16,667	251,665	-	-	634,648
	$ 5,056,116	$ 583,569	$ 485,880	$ -	$ -	$ 6,125,565

7. Resource Properties (Continued)

Laonil Lake

Net profit interest in 3 gold mining claims covering 11,000 acres in Northern Saskatchewan. The company is entitled to a 30% interest in the net profits generated on the commercial production from this property by the beneficial owner who has optioned the property from the company. Once the company has received payments totaling $1,000,000 on its share of the net profits interest, their entitlement decreases to 25% interest in the net profits.

The company is also entitled to a yearly payment of $100,000 in the event the beneficial owner does not mine a minimum amount of 30,000 tonnes in a calendar year. In the event the beneficial owner has not mined 30,000 tonnes of ore or has not made the above noted $100,000 penalty payment for two consecutive years, full ownership interest reverts back to the company, free of any encumbrances on the part of the beneficial owner and in full settlement of any claims the company may have against the beneficial owner.

Scadding Township

Beneficial ownership of 100% of gold mining claims covering 1,895 acres in Northern Ontario. These claims are embodied in seven leases granted by the Ministry of Natural Resources totaling 56 claims. One of these leases is set to expire in 2023, three in 2025, one in 2026 and two in 2027. Each of these leases contain a 21 year renewal clause at the option of Ministry of Natural Resources. Management is of the opinion that such renewals will be offered and they intend to act on these renewal clauses.

The company is committed to a royalty payment in the amount of $100,000, payable 10 days after the end of the third calendar month in which production occurs from the claims. The company is also committed to a royalty payment of $1 per ton of ore removed from designated claims registered against the property.

On August 13, 2009, the Company closed an option agreement with Trueclaim Exploration Inc. ("Trueclaim"), in which Trueclaim can acquire a 51% interest in the property upon completion of the following steps:

1) Pay the Company $100,000 and issue 150,000 common shares. This step was completed upon closing of the option agreement on August 13, 2009, with the payment of $100,000 and issuance of 150,000 common shares of Trueclaim at a fair value of $0.15 per common share for a total fair value of $22,500;

2) Incur $500,000 towards exploration of the property and issue 150,000 common shares to the Company by August 13, 2010;

3) Iincur a further $1,500,000 towards exploration of the property and issue 150,000 common shares to the Company by August 13, 2012.

7. Resource Properties (Continued)

Scadding Township (Continued)

Trueclaim will be the operator of the property during this period and will be responsible for the maintenance of the property and payment of all related costs associated with the property during this period. Trueclaim has also agreed to pay the $100,000 royalty payment noted above on behalf of the company if and when it becomes payable. At any time prior to earning its 51% interest in the property, Trueclaim may terminate the option agreement, assuming it is not in default of its obligations under the agreement, by giving thirty days notice to the company.

Once Trueclaim has earned a 51% interest in the property, through the completion of the three steps noted above, Trueclaim and the company agree to enter into a joint venture, with Trueclaim having a 51% interest and the company having a 49% interest in the joint venture. The company will not be obligated to make any further financial contributions to the joint venture and its interest will be a carried interest. In the event that Trueclaim places the property into commercial production, Trueclaim shall increase its interest in the property from 51% to 100% by making a payment of $2,000,000 to the company and entering into a royalty agreement for a 3% net smelter return to company.

During the year, Trueclaim also paid the Company $15,000 for exploration costs incurred by the Company in the prior year.

Tanzania - Jubilee Reef

Beneficial ownership of 100% of a mining tenement in the Lake Victoria gold field of Tanzania known as Jubilee Reef, covering 102 kilometres squared.

This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

This property is subject to a net smelter return royalty payable as follows: if production from the tenement is 50,000 ounces of gold or less per calendar year, then the royalty shall be U.S. $3.00 per ounce if the price of gold is U.S. $350 per ounce or less, or U.S. $5.00 per ounce if the price of gold is greater than $350 per ounce. If production from the tenement is greater than 50,000 ounces of gold per calendar year, then the royalty shall be U.S. $5.00 per ounce if the price of gold is U.S. $350 per ounce or less, or U.S. $7.50 per ounce if the price of gold is greater than $350 per ounce.

The company was party to a Farm-in and Joint Venture Agreement ("The Agreement") with another party, dated August 24, 2006. The Agreement included two of the three mining tenements of Jubilee Reef, covering 58.5 kilometres squared. The other party was able to earn up to a 70% interest in the properties through the completion of various requirements as defined in the agreement; one of those requirements being the maintenance and active exploration of the property. The other party has withdrawn from the agreement during fourth quarter 2009, having fulfilled all of its requirements under the agreement. The company is still evaluating the exploration data provided by the other party and plan on actively pursuing exploration activities in the future.

7. Resource Properties (Continued)

Tanzania - Mabale Hills

Beneficial ownership of 100% of a mining tenement in the Lake Victoria gold field of Tanzania known as Mabale Hills, covering 178 kilometres squared.

The company, before acquiring the remaining 60% interest in the Lake Victoria Joint Venture as described in Note 13, has made contributions in excess of its 40% proportionate ownership in the joint venture. Such excess contributions have been added to the cost of the company's Mabale Hills tenement in the amount of $56,314 (2008 - $566,902).

On June 25, 2009, the company acquired the remaining 60% interest in the Lake Victoria Joint Venture, as described in Note 13. As a result of this business combination, $69,109 was allocated to Mabale Hills tenement.

This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

Tanzania - Nyamirembe

Beneficial ownership of 100% of a mining tenement in the Lake Victoria gold field of Tanzania known as Nyamirembe covering 397 kilometres squared.

This property is subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

There has been no active exploration performed on this property in over three years. Management believes that the current political and geographical climate does not make it feasible to explore this property in the near future. It is management's intention that any remaining tenements held related to this property will be allowed to expire. As such, management has determined there to be an impairment in the value of this property and have recognized a write-down for the year ended December 31, 2009 in the amount of $1,079,140.

7. Resource Properties (Continued)

Tanzania - Sekenke

Beneficial ownership of 30% of a mining tenement in Tanzania known as Sekenke, covering 1,885 kilometres squared. This beneficial ownership is held through an option and joint venture agreement (amended on March 14, 2009) in which the company has a potential to earn up to a 70% beneficial interest on the property, based on the following:

2nd stage: Earn a further 21% interest by making payments to the other party as follows:

-US $150,000 in cash or issuance of common shares equal to that amount by April 3, 2007, which was satisfied on May 14, 2007 with the issuance of 397,714 common shares at a fair value of $0.305 per common share for a total value of $151,131;

-US $150,000 in cash or issuance of common shares equal to that amount by April 3, 2008, which was satisfied on December 17, 2008 with the issuance of 833,333 common shares at a fair value of $0.02 per share for a total value of $16,667. The common shares had a deemed value of $0.18 per common share on May 7, 2008, the date on which they were approved for issuance by the board. This deemed value is equivalent to the $150,000 U.S. required;

-Issuance of 250,000 common shares upon acceptance of the amended agreement dated March 14, 2009, which was satisfied on March 30, 2009 with the issuance of 250,000 common shares at a fair value of $0.035 per common share for a total value of $8,750;

-Issuance of 250,000 common shares of the company by March 14, 2010

-Issuance of 250,000 common shares of the company by March 14, 2011;

-Issuance of 250,000 common shares of the company by March 14, 2012;

-Funding a minimum value of US$650,000 towards exploration by March 14, 2012

3rd stage: Earn a further 19% interest by funding one of the properties through a feasibility study by March 14, 2014, at which point the parties to the agreement will then contribute costs on a pro-rata basis based on their respective joint venture interests.

8. Shareholders' Equity

Common Shares and Common Share Purchase Warrants

The common shares are authorized for an unlimited number to be issued.

On September 29, 2009, a private placement was completed for the issuance of 13,450,000 units consisting of one common share and one half common share purchase warrant at a price of $0.05 per unit, for total consideration of $672,500. The full amount of the proceeds of the private placement were allotted to the common shares based on the residual fair value method.

As part of the private placement, the company paid fees of $102,778 and issued 1,290,000 common share purchase warrants. The fair value of the common share purchase warrants issued as fees was calculated to be $82,376 using the Black-Scholes Option pricing model.

8. Shareholders' Equity (Continued)

Common Shares and Common Share Purchase Warrants (Continued)

The following assumptions were used in the calculation:

Risk-free interest rate	**0.89%**
Expected life	**1.5 years**
Price volatility	**259%**
Dividend yield	**Nil**

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the common share purchase warrants issued.

The common share purchase warrants issued as part of the September 29, 2009 private placement (both as part of the units and issued as fees) entitle the holder to purchase one common share at a price of $0.10 per common share for one common share purchase warrant until March 30, 2011. The expiry date of the common share purchase warrants will be accelerated to shorten the exercise period to 30 days should the stock of the Company trade at $0.20 or higher for a period of 20 consecutive trading days. As of April 14, 2010, such event has not occurred.

Stock Options

The company has a Stock Option Plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted. The maximum number of common shares which may be issued pursuant to options granted under the stock option plan is 9,697,623 (2008 - 9,480,956). The stock option plan provides that the number of common shares issuable to any one optionee, together with all of the company's other previously established or proposed share compensation arrangements to that optionee, may not exceed 20% of the total number of issued and outstanding common shares of the company. In addition, the number of common shares which may be reserved for issuance to any one consultant or any one investor relations individual shall not exceed 2% on a yearly basis and to any other one individual may not exceed 5% on a yearly basis. The options granted for periods of greater than eighteen month under the plan vest at a rate of 25% upon regulatory approval and 25% every six months thereafter unless otherwise specified. The options granted for periods less than eighteen months vest immediately. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

As at December 31, 2009, a total of 5,672,500 of stock options have vested and are exercisable at a weighted average price of $0.20.

8. **Shareholders' Equity (Continued)**

Stock Options (Continued)

The following is information regarding options outstanding at December 31, 2009 and 2008.

	Number	Weighted Average Exercise price
Outstanding, December 31, 2007	5,825,000	$ 0.34
Granted	300,000	0.45
Expired	(200,000)	0.35
Outstanding, December 31, 2008	5,925,000	$ 0.34
Granted	705,000	0.20
Cancelled	(605,000)	0.30
Outstanding, December 31, 2009	**6,025,000**	**$ 0.20**

On August 1, 2008, as compensation for an employment agreement, the company granted options to an employee for the purchase up to 300,000 common shares at a price of $0.45 per share, exercisable up to August 1, 2013. The total fair value of the options granted was calculated to be $nil using the Black-Scholes Option pricing model. The following assumptions were used in the calculation:

Risk-free interest rate	3.24%
Expected life	5 years
Price volatility	144%
Dividend yield	Nil

As at December 31, 2009, upon resignation by this employee, these options immediately became vested and their expiry date was accelerated to shorten the exercise period to be 90 days from the date of resignation on December 31, 2009, being March 31, 2010.

8. Shareholders' Equity (Continued)

Stock Options (Continued)

On May 26, 2009, the company granted options for the purchase up to 705,000 common shares at a price of $0.20 per share exercisable up to May 26, 2019 to a director and two officers of the company. The total fair value of the options granted was calculated to be $13,889 using the Black-Scholes Option pricing model and has been recognized as director and officer compensation. The following assumptions were used in the calculation:

Risk-free interest rate	**3.44%**
Expected life	**10 years**
Price volatility	**205%**
Dividend yield	**Nil**

On the 705,000 options granted during the year, the following information is provided:

	Weighted Average Fair Value	Weighted Average Exercise price
Stock Options where:		
Exercise price equals market value on grant date	**$ 0.04**	**$ 0.20**

On May 26, 2009, the company re-priced the exercise price of 3,570,000 options held by directors and officers to $0.20 per share, all other terms remaining unchanged. The total difference between the fair value of the amended options and their previously recorded amounts for options that increased in value was calculated to be $34,306 using the Black-Scholes Option pricing model and has been recognized as director and officer compensation.

The following assumptions were used in the calculations:

Risk-free interest rate	**3.44%**
Expected life	**1 to 5 years**
Price volatility	**175% to 295%**

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the company's options.

On April 7, 2010, the company re-priced the exercise price of 3,500,000 options held by directors and officers, as described in this note, to $0.10 per share, all other terms remaining unchanged, subject to regulatory approval.

8. Shareholders' Equity (Continued)

Stock Options (Continued)

The following table provides additional information with respect to the company's stock options outstanding at **December 31, 2009**.

Exercise price	Outstanding December 31 2009	Weighted Average Exercise price	Weighted Average Life to Expiry (Years)
$ 0.20	5,775,000		1.29
0.22	250,000		0.13
	6,025,000	$ 0.20	1.24

Shareholder Rights Plan

Under a Shareholder Rights Plan Agreement (the “Agreement”), dated April 26, 2007, the company has issued rights which attach to the company’s common shares on a one for one basis.

These rights allow the common shareholder (except for a shareholder who has reached more than 20% beneficial ownership in the company as defined in the Agreement) to receive a specified number of common shares equal to the market value of two times the exercise price of the right, as determined by the Agreement, in exchange for the payment of the exercise price as determined by the Agreement, on the exercise date, which is ten trading days after the earlier of: (i) Date of the public announcement that one shareholder has reached more than 20% beneficial ownership in the company as defined in the Agreement; (ii) Date of commencement of a Take-over bid other than a permitted Bid or a Competing Bid as defined in the Agreement; and (iii) Date on which a permitted Bid or a Competing Bid as defined in the Agreement ceases to be such.

These rights can be redeemed by the board of directors, only if all rights issued are redeemed at the same time, at a redemption price of $0.00001 per right at any time prior to the exercise date noted above. These rights are also deemed to be 100% redeemed by the board of directors, at a redemption price of $0.00001 per right on the date of a Permitted bid as defined in the Agreement.

These rights expire the earlier of: (i) Exercise date of the rights; (ii) Redemption date of the rights; (iii) June 22, 2010, assuming no further approval of the continuation of the Rights Plan; and (iv) Three years from the date of final date of approval of the continuation of the Rights Plan.

9. Related Party Transactions

Related parties include management and directors of Currie Rose Resources Inc. Transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. The following is a summary of transactions with related parties:

	2009	2008
Expenditures		
Director and officer compensation	$ 48,195	$ -
Management compensation	71,500	73,700
Office and admin expense	42,000	42,000

The company is party to a management agreement with the CEO, a related party, for $10,000 per month, comprised of $1,000 for office and equipment rental, $2,500 for secretarial services and $6,500 for the fees of the CEO. This agreement shall continue indefinitely until terminated by the company or the CEO. In the event of termination without cause, the company must pay $60,000 as compensation to the CEO.

10. Income Taxes

The following is an explanation of the relationship between income tax expense and accounting income.

	2009	2008
Accounting loss before tax	$ (1,634,858)	$ (466,741)
Tax on accounting loss at applicable statutory rate (2009 - 33.00% 2008 - 34.50%)	$ (539,503)	$ (161,026)
Tax effect of expenses relating to the origination and reversal of temporary differences	148,404	177,199
Increase (decrease) in valuation allowance	398,035	(16,173)
Tax Expense	$ 6,936	$ -

10. Income Taxes (Continued)

The tax effect of the temporary differences that gives rise to future tax assets as of December 31, 2009 and December 31, 2008 is presented below. No benefit has been recorded in these financial statements as there is no assurance that the company will generate taxable income to utilize these differences.

	2009	2008
Tax effect of temporary differences relating to resource properties	**$ 686,951**	$ 399,208
Tax effect of temporary differences relating to the deduction of non-capital losses	**470,157**	365,319
Tax effect of temporary differences relating to share issuance costs	**53,984**	56,218
Tax effect of temporary differences relating to long-term investments	**3,188**	4,450
Tax effect of temporary differences relating to deduction of capital losses	**2,014**	-
Tax effect of temporary differences relating to foreign income taxes paid	**6,936**	-
Valuation allowance	**(1,223,230)**	(825,195)
	$ -	$ -

The company has deductible temporary differences with respect to its resources properties, whereby the amounts deductible for income tax purposes exceed the amounts recorded for accounting purposes by $2,947,596.

The company has non-capital loss carryforwards, which can be used to reduce future income taxes payable, expiring as follows: 2025 - $128,987; 2026 - $257,437; 2027 - $438,370; 2028 - $518,999 and 2029 - $536,836. The company also has capital loss carryforwards, which can be applied against future capital gains in the amount of $16,113 and foreign tax credits which can be applied against future foreign income in the amount of $6,936.

11. Loss per Common Share

Basic loss per common share for the year was calculated based on a weighted average of 51,891,677 common shares outstanding (December 31, 2008 - 47,568,905). Diluted loss per common share for the year was not calculated as the effect would be anti-dilutive for both the years ended 2009 and 2008.

Details of anti-dilutive potential securities outstanding not included in diluted EPS calculations at December 31, 2009 and December 31, 2008 are as follows:

Anti-dilutive potential securities	**2009**	2008
Common shares potentially assumable:		
-pursuant to warrants	**8,015,000**	4,360,688
-under stock options	**6,025,000**	5,925,000
	14,040,000	10,285,688

12. Lake Victoria Joint Venture

As described in note 13, on June 25, 2009, the company purchased the remaining 60% interest in this joint venture, thus terminating the joint venture. The following summarizes the company's 40% proportionate share of the revenue, expenses and net loss of the joint venture for the period ended June 25, 2009 and the year ended December 31, 2008 and its 40% proportionate share of the assets and liabilities of the joint venture for the year ended December 31, 2008.

12. Lake Victoria Joint Venture (Continued)

		2009		2008
Current Assets				
Cash	$	-	$	18,331
Accounts receivable		-		2,677
Prepaid expenses		-		426
Long-Term Assets				
Resource properties		-		935,918
Current Liabilities				
Accounts payable and accrued liabilities		-		44,989
Revenue				
Interest		-		14
Expenses				
Management compensation		-		(6,175)
Office expense		(1,653)		41,512
Professional services		451		8,177
Travel		-		9,107
Net Income (Loss)	$	1,202	$	(52,607)

The following summarizes the 40% proportionate share of the cash flow of the joint venture for the period ended June 25, 2009 and the year ended December 31, 2008.

		2009		2008
Cash Provided By (Used In)				
Operating Activities				
Net income (loss) for the period	$	1,202	$	(52,607)
Changes in non-cash working capital balances				
Accounts receivable		2,677		2,144
Prepaid expenses		426		(205)
Accounts payable and accrued expenses		(44,989)		(114,055)
		(40,684)		(164,723)
Investing Activities				
Resource property costs		(114)		(205,702)
Financing Activities				
Increase in contributions		22,467		353,625
Decrease in Cash During the Period		(18,331)		(16,800)
Cash, beginning of the period		18,331		35,131
Cash, end of the period	$	-	$	18,331

13. Business Combination

On June 25, 2009, the company purchased the remaining 60% interest in the Lake Victoria Joint Venture described in note 13, bringing its total interest up to 100%, for $100,000 Australian, translated at the purchase date to be $93,430 Canadian. This transaction has been accounted for as a business combination using the purchase method, with the allocation of the purchase price as follows.

Cash	$	**24,321**
Resource property - Mabale Hills		**69,109**
Purchase price	**$**	**93,430**

Upon completion of this transaction, the joint venture was terminated and the assets purchased were absorbed into the operations of the company.

14. Segment Disclosures

The company considers a reportable segment to be a component of their operations which engages in business activities that incur expenses and whose operating results are regularly evaluated through a review of discrete financial information.

The company has identified as a reportable segment based on geography, resource properties located in Tanzania. The assets, expenses, other income and net loss, denominated in Canadian $, associated with this geographical region are summarized in the following tables.

		2009		2008
Current Asset				
Cash	**$**	**27,574**	$	4,150
Long-Term Asset				
Resource properties		**5,001,273**		5,443,651
Expenses				
Management compensation		**-**		(6,175)
Office and admin expense		**11,543**		40,598
Office rent		**-**		(2,428)
Professional services		**2,986**		8,177
Salaries and benefits		**56,479**		-
Travel		**-**		9,107
Other Income (Expense)				
Interest		**62**		14
Foreign exchange		**1,918**		(3,342)
Write-down of resource property (Note 7)		**1,079,140**		-
Net Loss	**$**	**1,148,168**	$	55,036

15. Financial Instruments and Capital Disclosures

Fair Value Hirearchy at December 31, 2009

	Level One	Level Two	Level Three
Cash	$ 285,103		
Miscellaneous receivables			22,378
Long-term investments	36,000		
Accounts payable and accrued expenses			51,450
	$ 321,103	$ -	$ 73,828

Fair Value of Financial Instruments

	2009		2008	
	Cost	**Fair Value**	Cost	Fair Value
Financial assets designated as held for trading	**$ 368,981**	**$ 343,481**	$ 851,391	$ 815,791
Financial liabilities designated as held for trading	**51,450**	**51,450**	69,252	69,252

Financial Risks

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. Management has mitigated this short-term liquidity risk by maintaining adequate working capital reserves. Management has mitigated its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. There has been no change in this risk exposure or how it is managed since the prior reporting period. As at December 31, 2009 and December 31, 2008, the Company believes the exposure to liquidity risk is minimal as it holds no financial liabilities other than current accounts payable and accrued expenses which are adequately covered through excess working capital and it has no funding commitments that are not at its discretion.

15. Financial Instruments and Capital Disclosures (Continued)

Financial Risks (Continued)

Credit Risk

The Company is exposed to credit risk on its accounts receivable, with the potential for loss due to the failure to collect production penalties owed to the Company under an option agreement on the Laonil Lake property described in Note 7. The Company has mitigated its risk through a clause in this option agreement, whereby if the beneficial owner fails to make payment for two consecutive years, full ownership of the mining claim reverts back to the Company. The Company is in regular contact with the other party to the option agreement regarding the status of mining on this property and on an annual basis confirms the tonnage extracted and its eligibility to collect the related production penalty. There has been no change in this risk exposure or how it is managed since the prior reporting period. As at December 31, 2009 and December 31, 2008, the Company's maximum exposure to this risk is $nil (2008 - $100,000).

Foreign Exchange Risk

The Company is exposed to foreign exchange risk as various resource property transactions are undertaken in US currency. As well, the Company's wholly owned subsidiary has bank accounts denominated in US and Tanzanian currency. The value of the US and Tanzanian currency is subject to normal market fluctuations. The Company has not entered into any arrangements to hedge foreign currency risks at this time, but it does monitor exchange rates on a regular basis. There has been no change in this risk exposure or how it is managed since the prior reporting period. As at December 31, 2009, a 1% change in the US or Tanzanian foreign exchange rate would have an insignificant effect on the company's earnings. The Company has a potential future minimum funding requirement under an option agreement described in Note 7 in the amount of $650,000 US. In the event that exchange rates were to change by $0.01, the Company's cost of this funding would change by an insignificant amount.

Concentration Risk

The Company is exposed to concentration risk as the majority of its cash is maintained with one financial institution. This risk is mitigated through the use of a major Canadian chartered bank. The Company monitors this financial institution on a regular basis and assesses the appropriateness of its relationship with this bank as the need arises. There has been no change in this risk exposure or how it is managed since the prior reporting period. As at December 31, 2009 and December 31, 2008, the Company's maximum exposure to this risk is $267,529 and $709,714 respectively.

15. Financial Instruments and Capital Disclosures (Continued)

Financial Risks (Continued)

Market Risk

The Company is exposed to market risk on its long-term investment due to normal stock market fluctuations. The Company's objective is to hold this investment for the long-term, as liquidity allows, in order to minimize the effect of short-term market fluctuations. The Company also regularly monitors market activities to assess the recoverability of this investment in the long-term. There has been no change in this risk exposure or how it is managed since the prior reporting period. As at December 31, 2009 and December 31, 2008, the Company's maximum exposure to this risk is the amount recorded in long-term investments on the balance sheet, which is at market value.

Commodity Price Risk

The value of the Company's mineral resource properties is related to the prices of gold and the outlook for such commodity.

Gold prices historically have fluctuated widely and are affected by numerous factors outside of the company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand because of speculative investing activities, macro-economic and political variables and certain other factors related specifically to gold.

The long-term profitability of the Company's operation is highly correlated to the market price of gold. To the extent that the price increases, asset values increase and cash flow improves conversely, declines in prices will directly impact value and cash flows. A protracted period of depressed prices could impair the Company's operations and development opportunities and significantly erode shareholder value.

Capital Disclosures

The Company's objectives when managing capital are: to ensure that there are adequate resources to sustain operations and to continue as a going concern; to maintain adequate funding to support acquisition obligations and exploration of mineral claims and to maintain investor confidence, all with a view to providing a return on shareholders' investment. Funds are primarily obtained through the issuance of common shares as equity capital. Such issuance of common shares is usually done as private placements.

The Company considers the items included in the Statement of Shareholders' Equity to be capital and it manages the capital structure and makes adjustments to it with an awareness of changes in economic conditions, the risk nature of the underlying assets and the future capital requirements to maintain those assets. The Company is not subject to any externally imposed capital requirements.

16. Recently Issued Accounting Pronouncements

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 accountable enterprises to use IFRS, replacing Canada's own GAAP. The transition date is for interim and annual financial statements related to fiscal years beginning on or after January 1, 2011. The Company's first year end under IFRS will be December 31, 2011. The effective changeover date for the Company will be January 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. Management is currently evaluating the impact of IFRS upon adoption on January 1, 2011.

Business Combinations

In December 2008, the Canadian Institute of Chartered Accountants (“CICA”) issued Handbook Section 1582 - Business Combinations, replacing the current Section 1581 - Business Combinations. Under the new guidance, business acquisitions are accounted for under the “acquisition method”, as opposed to the “purchase method”. The more significant changes to business combinations that will result from applying the acquisition method include: (i) the definition of a business is broadened to include some development stage entities, and therefore more acquisitions may be accounted for as business combinations rather than asset acquisitions; (ii) the measurement date for equity interests issued by the acquirer is the acquisition date instead of a few days before and after terms are agreed to and announced, which may significantly change the amount recorded for the acquired business if share prices differ from the agreement and announcement date to the acquisition date; (iii) all future adjustments to income tax estimates will be recorded to income tax expense, whereas under the previous requirements, certain changes in income tax estimates were recorded to goodwill; (iv) acquisition-related costs of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees will be expensed as incurred, whereas under the previous guidance these costs were capitalized as part of the business combination; (v) the assets acquired and liabilities assumed as part of a business combination, whether full, partial or step acquisition, result in all assets and liabilities recorded at 100% of fair value, whereas under the previous requirements only the controlling interest’s portion was recorded at fair value; (vi) recognition of a bargain purchase gain when the fair value of the identifiable assets exceeds the purchase price, whereas under the previous guidance, the net book value of the identifiable assets would have been adjusted downward; and (vii) the non-controlling interest will be recorded at its share of fair value of net assets acquired, including its share of goodwill, whereas under previous guidance the non-controlling interest is recorded at its share of carrying value of net assets acquired with no goodwill being allocated. These standards shall be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. If earlier adoption is chosen, the company must also adopt Section 1601 - Consolidated Financial Statements and Section 1602 - Non-Controlling Interests. Management does not anticipate early adopting this section at this time and is evaluating the impact of this standard upon adoption on January 1, 2011.

16. Recently Issued Accounting Pronouncements (Continued)

Consolidated Financial Statements and Non-controlling interests

In December 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Section 1601 - Consolidated Financial Statements and Section 1602 - Non-Controlling Interests, replacing the current Section 1600 - Consolidated Financial Statements. Under the new guidance, non-controlling interests are measured at 100% of the fair value of assets acquired and liabilities assumed. Prior to the effective date of the new guidance, non-controlling interests were measured at book value. For presentation and disclosure purposes, non-controlling interests are now classified as a separate component of equity. In addition, the new guidance changes the manner in which increases/decreases in ownership percentages are accounted for. Changes in ownership percentages are recorded as equity transactions and no gain or loss is recognized as long as the parent retains control of the subsidiary. When a parent company de-consolidates a subsidiary but retains a non-controlling interest, the non-controlling interest is re-measured at fair value on the date control is lost and a gain or loss is recognized at that time. Further, accumulated losses attributable to the non-controlling interests are no longer limited to the original carrying amount, and therefore non-controlling interests could have a negative carrying balance. Earlier adoption is permitted if the company also adopt Section 1582 - Business Combinations. Management does not anticipate early adopting these sections at this time and is evaluating the impact of this standard upon adoption on January 1, 2011.