

**LOGAN RESOURCES LTD.**

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED DECEMBER 31, 2008  
(UNAUDITED – PREPARED BY MANAGEMENT)

The consolidated financial statements for the nine-month period ended December 31, 2008  
have not been reviewed by the Company's auditors.

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**INTERIM CONSOLIDATED BALANCE SHEETS**

	December 31 2008 - \$ -	March 31 2008 - \$ -
	<i>Unaudited</i>	<i>Audited</i>
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash	-	-
Cash committed for mineral exploration (Note 10a & b)	<b>805,804</b>	2,685,415
Marketable securities	<b>84,410</b>	81,700
Amounts receivable	<b>72,828</b>	238,490
Prepaid expenses	<b>65,592</b>	94,411
Due from related parties (Note 14b)	<b>51,119</b>	85,376
	<b>1,079,753</b>	3,185,392
<b>PROPERTY BONDS</b>	<b>5,000</b>	5,000
<b>CAPITAL ASSETS (Note 8)</b>	<b>313,644</b>	390,474
<b>MINERAL INTERESTS (Note 9)</b>	<b>8,647,567</b>	7,048,647
	<b>10,045,964</b>	10,629,513
<b>L I A B I L I T I E S</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals	<b>905,872</b>	134,676
Due to related parties (Note 14b)	-	58,264
	<b>905,872</b>	192,940
<b>FUTURE INCOME TAXES</b>	<b>60,975</b>	60,975
	<b>966,847</b>	253,915
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 10)	<b>13,276,894</b>	13,051,701
CONTRIBUTED SURPLUS (Note 13)	<b>1,142,984</b>	1,137,634
ACCUMULATED OTHER COMPREHENSIVE LOSS	<b>(2,670)</b>	(5,380)
DEFICIT	<b>(5,338,091)</b>	(3,808,357)
	<b>9,079,117</b>	10,375,598
	<b>10,045,964</b>	10,629,513

**APPROVED BY THE DIRECTORS**

Signed: "Seamus Young"

Signed: "Peter Cummings"

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**

(An Exploration Stage Company)

**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

(UNAUDITED – PREPARED BY MANAGEMENT)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
	<b>- \$ -</b>	- \$ -	<b>- \$ -</b>	- \$ -
<b>EXPENSES</b>				
Administration salaries	<b>20,477</b>	61,627	<b>91,181</b>	155,289
Amortization	<b>23,203</b>	107,526	<b>71,193</b>	116,130
Management fees	<b>15,000</b>	15,000	<b>45,000</b>	45,000
Office and miscellaneous	<b>22,105</b>	30,041	<b>83,259</b>	106,495
Professional fees	<b>16,705</b>	30,748	<b>77,976</b>	63,195
Transfer agent and filing fees	<b>3,343</b>	25,395	<b>12,798</b>	35,495
Business development	<b>17,750</b>	77,421	<b>100,184</b>	180,671
Stock based compensation	<b>779</b>	-	<b>5,350</b>	240,056
	<b>119,362</b>	347,758	<b>486,941</b>	942,331
<b>LOSS BEFORE OTHER INCOME</b>	<b>(119,362)</b>	(347,758)	<b>(486,941)</b>	(942,331)
<b>OTHER INCOME</b>				
Airborne Revenue	-	68,520	-	68,520
Gain on sale of capital asset	-	-	<b>1,435</b>	-
Gain on option of mineral property	<b>3,050</b>	-	<b>3,050</b>	-
Interest income	<b>27,659</b>	4,909	<b>43,042</b>	48,381
Impairment of mineral properties	<b>(920,306)</b>	(28,615)	<b>(920,306)</b>	(427,138)
Penalty on unexpended flow-through funds	<b>(36,254)</b>	-	<b>(141,254)</b>	-
	<b>(925,851)</b>	44,814	<b>(1,014,033)</b>	(310,237)
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(1,045,213)</b>	(302,944)	<b>(1,500,974)</b>	(1,252,568)
Future income tax recovery (write down)	<b>(28,760)</b>	1,021,041	<b>(28,760)</b>	1,021,041
<b>NET INCOME (LOSS) FOR PERIOD</b>	<b>(1,073,973)</b>	718,097	<b>(1,529,734)</b>	(231,527)
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(4,264,118)</b>	(4,246,548)	<b>(3,808,357)</b>	(3,296,924)
<b>DEFICIT, END OF PERIOD</b>	<b>(5,338,091)</b>	(3,528,451)	<b>(5,338,091)</b>	(3,528,451)
<b>NET INCOME (LOSS) PER SHARE</b>	<b>(0.024)</b>	0.020	<b>(0.035)</b>	(0.007)
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<b>44,535,685</b>	36,510,388	<b>44,205,025</b>	35,537,789

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**

(An Exploration Stage Company)

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(UNAUDITED – PREPARED BY MANAGEMENT)

	<b>Three Months Ended December 31</b>		<b>Nine Months Ended December 31</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
	<b>- \$ -</b>	- \$ -	<b>- \$ -</b>	- \$ -
Net Income (Loss) for the period	<b>(1,073,973)</b>	718,097	<b>(1,529,734)</b>	(231,527)
Other Comprehensive loss:				
Unrealised income (loss) on available for sale marketable securities	<b>(2,150)</b>	6,560	<b>2,710</b>	(40,940)
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>(1,076,123)</b>	724,657	<b>(1,527,024)</b>	(272,467)

**INTERIM CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE  
INCOME (LOSS)**

(UNAUDITED – PREPARED BY MANAGEMENT)

	<b>December 31, 2008</b>	March 31, 2008
	<b>- \$ -</b>	- \$ -
Opening Accumulated other Comprehensive loss	<b>(5,380)</b>	-
New accounting policy, April 1, 2007	-	189,930
Unrealized profit (loss) on available for sale marketable securities	<b>2,710</b>	(195,310)
<b>CLOSING ACCUMULATED OTHER COMPREHENSIVE LOSS</b>	<b>(2,670)</b>	(5,380)

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**INTERIM STATEMENTS OF CASH FLOWS**  
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three Months Ended December 31		Nine Months Ended December 31	
	2008 - \$ -	2007 - \$ -	2008 - \$ -	2007 - \$ -
<b>Operating Activities:</b>				
Net income/(loss) for the period	(1,073,973)	718,097	(1,529,734)	(231,527)
Items not involving cash:				
Amortization	23,203	107,526	71,193	116,130
Future income tax recovery	28,760	(1,021,041)	28,760	(1,021,041)
Gain on disposal	-	-	(1,435)	-
Gain on option of mineral property	(3,050)	-	(3,050)	-
Impairment loss on mineral interests	920,306	28,615	920,306	427,138
Stock-based compensation	779	-	5,350	240,056
Changes in non-cash working capital				
Amounts receivable	286,645	27,067	261,931	114,580
Prepaid expenses	(6,479)	2,011	28,819	417,548
Accounts payable and accrued liabilities	568,983	107,075	771,196	109,517
Due from related parties	13,124	19,632	34,257	93,302
Due to related parties	-	(22,184)	(58,264)	25,042
Net cash provided by (used in) operating activities	758,298	(33,202)	529,329	290,745
<b>Investing Activities:</b>				
Proceeds of short term investments				2,000,000
Proceeds on sale of capital assets	4,385		15,866	
Equipment advance-Due from related parties	-	301,400	-	150,033
Acquisition of property and equipment	-	(301,400)	(8,794)	(400,480)
Acquisition of and expenditures on mineral properties	(1,486,212)	(394,328)	(2,612,445)	(2,992,855)
Net cash used in investing activities	(1,481,827)	(394,328)	(2,605,373)	(1,243,302)
<b>Financing Activities:</b>				
Proceeds from issuance of shares	200,000	3,235,000	200,000	3,235,000
Share issuance costs	(3,567)	(151,030)	(3,567)	(151,030)
Net cash provided by financing activities	196,433	3,083,970	196,433	3,083,970
Increase (decrease) in cash during period	(527,096)	2,656,440	(1,879,611)	2,131,413
Cash at beginning of period	1,332,900	398,736	2,685,415	923,763
Cash at end of period	805,804	3,055,176	805,804	3,055,176
Cash and Cash Equivalents consist of:				
Cash	-	62,676	-	62,676
Cash committed for mineral exploration	805,804	2,992,500	805,804	2,992,500
	805,804	3,055,176	805,804	3,055,176
Non-cash Investing and Financing Activities				
Shares for property options	-	112,000	-	277,200
Issuance of shares for finders' fees	-	79,750	-	79,750
Supplementary disclosures:				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED DECEMBER 31, 2008**  
(UNAUDITED – PREPARED BY MANAGEMENT)

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS**

The Company is in the business of acquiring and exploring mineral properties. There has been no determination whether properties held contain ore reserves, which are economically recoverable. In the ordinary course of business, the Company sells or options property interests to third parties, accepting as consideration cash and/or securities of the acquiring party.

The recoverability of amounts reported for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing, and generating revenues sufficient to cover its operating costs.

These consolidated financial statements have been prepared on the going concern basis which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business, and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The ability to continue as a going concern is dependent upon the Company achieving profitable operations, and/or securing adequate additional financing.

**2. ADOPTION OF NEW ACCOUNTING STANDARDS**

These financial statements have been prepared in accordance with Canadian Generally accepted accounting principles ("Canadian GAAP") and include the following significant policies outlined below.

On April 1, 2008, the Company adopted five new presentation and disclosure standards that were issued by the Canadian Institute of Chartered Accountants: Handbook Section 1535, Capital Disclosures ("Section 1535"), Handbook Section 3031, Inventories – ("Section 3031"). Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862"), Handbook Section 3863, Financial Instruments – Presentation ("Section 3863") and Handbook Section 1400, General Standards of Financial Statement presentation ("Section 1400") in relation to Going Concern. These standards were adopted on a prospective basis without restatement of prior periods.

a) *Accounting Changes – Section 1506*

Section 1506, Accounting Changes, prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. This Section allows voluntary changes in accounting policies only if they result in the financial statements providing reliable and more relevant information. In addition, this Section requires entities to disclose the fact that they did not apply a primary source of GAAP that have been issued but not yet effective. The adoption of this Section had no impact on the consolidated financial position or results of operations for the nine months ended December 31, 2008.

b) *Capital disclosures – Section 1535*

Section 1535 Capital disclosures, establishes disclosure requirements regarding an entity's capital, including (i) an entity's objectives, policies, and processes of managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with the externally imposed capital requirements; and (iv) if it has not complied, the consequences of non compliance. This is disclosed in note 5

c) *Financial instrument – Sections 3862 and 3863*

Section 3862, Financial instruments – Disclosures and Section 3863 Financial Instruments – Presentation replace Section 3861 Financial Instruments – Disclosure and Presentation. These new sections revise and enhance disclosure requirements while leaving presentation requirements unchanged. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The new standards have had no impact on the consolidated financial position or results of operations for the nine months ended December 31, 2008.

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**2. ADOPTION OF NEW ACCOUNTING STANDARDS (continued)**

d) *Inventories – Section 3031*

Section 3031, Inventories, provides more guidance on the measurement and disclosure requirements for inventories. Specifically the new pronouncement requires inventories to be measured at the lower of cost or net realizable value, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. As at December 31, 2008, we have no inventories and this standard has no effect on our financial statements.

e) *Going Concern – Section 1400*

Effective April 01, 2008, we adopted an amendment to CICA Handbook Section 1400, “General Standards of Financial Presentation” in relation to going concern. The amendment requires management to assess an entity’s ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity’s ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. The adoption did not have a material impact on the consolidated financial statements for any of the periods presented.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These unaudited interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles prepared on a proportionate consolidated basis and include the accounts of the Company and its 50% share of the assets, liabilities, other income and expenses of the joint venture formed on November 15, 2007, on a proportionate consolidated basis in accordance with CICA Handbook Section 3055, “Interests in Joint Ventures”. All inter-company transactions and balances have been eliminated upon consolidation.

These unaudited interim consolidated financial statements have been prepared on a basis consistent with the policies set out in the Company’s annual audited consolidated financial statements for the year ended March 31, 2008. However, certain disclosures required for annual financial statements have not been included. Accordingly, these unaudited interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended March 31, 2008.

a) *Property and equipment*

Property and equipment is recorded at cost, less accumulated amortization. Amortization is calculated on a straight-line basis over their estimated useful lives at the following annual rates:

Automotive	33%
Computer equipment	25%
Field equipment	25%
Office furniture and equipment	20%
Field equipment - Airborne	25%

In the year of acquisition, amortization is recorded at one-half the above rates.

b) *Comparative figures*

Certain comparative figures have been reclassified to conform to current year’s presentation. Such reclassification is for presentation purposes only and has no effect on previously reported results.

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**NINE MONTHS ENDED DECEMBER 31, 2008**  
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**4. RECENT ACCOUNTING PRONOUNCEMENTS**

Goodwill and Intangible Assets

In February 2008, the Accounting Standards Board issued CICA Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Intangible Assets”, and Section 3450, “Research and Development Costs”. Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets and is effective for interim and annual periods relating to fiscal years beginning on or after 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 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 GAAP and IFRS.

**5. CAPITAL RISK MANAGEMENT**

The company’s objectives in managing its liquidity and capital are to safeguard the Company’s ability to continue as a going concern and provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued share capital, common share purchase warrants, contributed surplus, accumulated other comprehensive income and accumulated deficit.

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, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital development and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company does not pay dividends.

As at December 31, 2008, the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

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**6. FINANCIAL RISK MANAGEMENT**

The Company's operations consist of the acquisition, exploration and development of mineral properties in Canada. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk, and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

(i) *Trade credit risk*

The Company is in the exploration stage and had not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

(ii) *Cash and Cash equivalents*

In order to manage credit and liquidity risk we mainly invest in highly rated investments grade instruments that have maturities of three months or less, limits are also established based on the type of investment, the counterparty and the credit rating.

(iii) *Derivative financial instruments*

As of December 31, 2008, the Company has no derivative financial instruments. We may in the future enter into derivative financial instruments and in order to manage credit risk, we will only enter into derivative financial instruments with highly rated investment grade counterparties.

b) *Liquidity risk*

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and its exploration and development plans. The annual budget is approved by the Board of Directors. The Company ensures that there is sufficient cash balances to meet its short-term business requirements.

The Company's overall liquidity risk has not changed significantly from the prior year.

c) *Currency risk*

The Company's functional currency is the Canadian dollar and therefore the Company's net earnings and other comprehensive earnings are impacted by fluctuations in the value of foreign currencies in relation to the Canadian dollar. The Company's foreign currency exposures comprise cash and cash equivalents and accounts payable and accrued liabilities denominated United States dollars. The Company does not use any derivative instruments to reduce exposure to fluctuations in foreign exchange rates. A decrease in the United States dollars against the Canadian dollar will result in a loss on our books to the extent we hold funds in United States dollars.

d) *Interest rate risk*

The Company's interest revenue earned on cash and cash equivalents and on short term investments is exposed to interest rate risk.

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**7. JOINT VENTURE**

During the previous year, the Company acquired a 50% interest in geophysical survey equipment to use in the exploration of its mineral properties. The equipment is jointly used by the Company and International KRL Resources Corp. who holds the remaining 50% interest. The two parties entered into a joint venture agreement on November 15, 2007 to govern the use of the equipment. International KRL Resources Corp. is a Canadian public company that has directors in common with Logan Resources Ltd.

The Company's proportionate share of its interest in and results from the joint venture as at and for the period ended December 31, 2008 is:

	<b>December 31, 2008 - \$ -</b>	<b>March 31, 2008 - \$ -</b>
	<b>Unaudited</b>	<b>Audited</b>
Assets	136,961	286,680
Liabilities	(134,350)	(219,588)
Joint Venture Retained Earnings	(2,611)	(67,092)

	<b>Three Months Ended December 31,</b>		<b>Nine Months Ended December 31,</b>	
	<b>2008 - \$ -</b>	<b>2007 - \$ -</b>	<b>2008 - \$ -</b>	<b>2007 - \$ -</b>
Amortization	17,126	68,520	51,378	68,520
Other	3,324	(102,780)	13,103	(102,780)
Net (income) /loss	20,450	(34,260)	64,481	(34,260)
Joint Venture Retained Earnings - beginning	(23,061)	-	(67,092)	-
Joint Venture Retained Earnings - end	(2,611)	(34,260)	(2,611)	(34,260)

All inter company balances and transactions reflected above are eliminated upon proportionate consolidation.

**8. CAPITAL ASSETS**

	December 31, 2008			March 31 2008
	Cost - \$ -	Accumulated Amortization - \$ -	Net Book Value - \$ -	Net Book Value - \$ -
Automotive	41,874	14,733	27,141	27,622
Computer equipment	3,254	3,254	-	5,393
Field equipment	38,116	18,971	19,145	26,292
Field equipment – Airborne	274,019	85,631	188,388	249,812
Office furniture and equipment	12,438	8,641	3,797	5,663
Software	2,769	2,596	173	692
Storage facility	75,000	-	75,000	75,000
	447,470	133,826	313,644	390,474

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**9. MINERAL INTERESTS**

A summary of expenditures incurred relating to the Company's mineral interests is as follows:

	December 31, 2008 - \$ -	9 month expenditures - \$ -	March 31, 2008 - \$ -
<b>a) Albert Creek, British Columbia</b>			
Acquisition costs	160,511	-	160,511
Exploration costs	148,058	-	148,058
Accommodation & meals	7,754	7,754	-
Assay	52,969	44,550	8,419
Equipment rental	4,600	-	4,600
Fuel	8,760	8,760	-
Geologist	15,820	15,000	820
Helicopter	63,593	50,228	13,365
Licenses and permits	312	-	312
Line cutting	47,811	-	47,811
Mapping	6,156	6,156	-
Miscellaneous	5,906	1,876	4,030
Supervision	17,000	5,250	11,750
Surveys	8,585	-	8,585
Transportation	9,789	7,883	1,906
Wages	19,311	19,311	-
Recoveries	(100,000)	-	(100,000)
Tax credits	(117)	(77)	(40)
	<u>476,818</u>	<u>166,691</u>	<u>310,127</u>
<b>b) Antler Creek, British Columbia</b>			
Acquisition costs	28,773	-	28,773
Exploration costs	28,899	-	28,899
Accommodation & meals	20,574	20,563	11
Assay	20,015	19,894	121
Filing and recording	28,125	-	28,125
Fuel	599	599	-
Geologist	563	563	-
Geophysical	12,243	-	12,243
Mapping	942	942	-
Miscellaneous	650	554	96
Mobilization	13,360	-	13,360
Supervision	9,250	3,750	5,500
Surveys	3,405	-	3,405
Support wages	9,730	7,865	1,865
Transportation	2,857	2,825	32
Tax credits	(23,332)	(5,622)	(17,710)
	<u>156,653</u>	<u>51,933</u>	<u>104,720</u>
<b>c) Carswell, Saskatchewan</b>			
Exploration costs	-	-	-
Supervision	11,250	4,750	6,500
Transportation	910	910	-
	<u>12,160</u>	<u>5,660</u>	<u>6,500</u>

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**9. MINERAL INTERESTS (Continued)**

	December 31, 2008 - \$ -	9 month expenditures - \$ -	March 31, 2008 - \$ -
<b>d) Cheyenne Gold, Yukon</b>			
Acquisition costs	364,855	-	364,855
Exploration costs	-	-	-
Accommodation & meals	25,521	21,892	3,629
Assay	72,733	66,559	6,174
Camp supplies	8,840	6,260	2,580
Equipment rental	3,000	-	3,000
Fuel	49,099	26,168	22,931
Geologist	144,291	75,112	69,179
Geophysics	36,466	-	36,466
Helicopter	86,851	58,519	28,332
License permits & filing	500	-	500
Mapping	26,435	16,972	9,463
Miscellaneous	11,660	7,375	4,285
Supervision	26,312	7,250	19,062
Support wages	54,553	52,023	2,530
Surveys	3,185	-	3,185
Transportation	14,648	8,995	5,653
METC claim	(17,393)	(5,218)	(12,175)
Property handed back	(911,555)	(911,555)	-
	<u>-</u>	<u>(569,649)</u>	<u>569,649</u>
<b>e) Heidi, Yukon</b>			
Acquisition costs	444,629	-	444,629
Exploration costs	49,768	-	49,768
Accommodation & meals	151,949	15,607	136,342
Assay	68,014	27,730	40,284
Camp supplies	32,426	3,141	29,285
Diamond drilling	484,733	-	484,733
Equipment rental	15,708	-	15,708
Fuel	277,642	1,790	275,852
Geologist	227,453	37,934	189,519
Geophysics	125,220	-	125,220
Helicopter	680,441	79,649	600,792
Licenses and permits	7,912	-	7,912
Mapping	8,504	4,249	4,255
Miscellaneous	32,238	6,586	25,652
Supervision	34,846	4,750	30,096
Surveys	1,545	-	1,545
Transportation	70,865	13,946	56,919
Wages	181,147	25,100	156,047
METC claim	(117,426)	(34,919)	(82,507)
	<u>2,777,614</u>	<u>185,563</u>	<u>2,592,051</u>
<b>f) Redford, British Columbia</b>			
Acquisition costs	32,304	16	32,288
Exploration costs	260,043	-	260,043
Accommodation & meals	39,894	39,441	453
Assay	62,100	61,737	363
Diamond drilling	1,024,843	1,024,843	-
Equipment rental	25,902	25,902	-
Filing fees	4,320	4,320	-
Fuel	6,919	6,692	227
Geologist	217,996	217,996	-
Mapping	17,398	16,308	1,090
Miscellaneous	54,250	54,250	-
Supervision	17,250	12,750	4,500
Surveys	6,739	6,739	-
Transportation	32,276	32,276	130
Wages	96,864	96,864	-
METC claim	(570)	(570)	-
	<u>1,898,528</u>	<u>1,599,434</u>	<u>299,094</u>

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**9. MINERAL INTERESTS (Continued)**

	December 31, 2008 - \$ -	9 month expenditures - \$ -	March 31, 2008 - \$ -
<b>g) Shell Creek Yukon</b>			
Acquisition costs	480,604	-	480,604
Exploration costs	107,368	-	107,368
Accommodation & meals	171,789	16,266	155,523
Assay	142,032	24,066	117,966
Camp supplies	52,715	2,540	50,175
Diamond drilling	578,026	-	578,026
Equipment rental	20,449	-	20,449
Filing fees	34,447	6,160	28,287
Fuel	122,111	2,177	119,934
Geochem surveys	15,516	-	15,516
Geologist	415,262	44,456	370,806
Geophysics	95,814	-	95,814
Helicopter	783,259	61,111	722,148
Licenses and permits	11,309	-	11,309
Line cutting	13,400	-	13,400
Mapping	9,654	5,122	4,532
Miscellaneous	51,481	5,953	45,528
Mobilization	3,468	-	3,468
Supervision	62,509	4,750	57,759
Surveys	143,206	-	143,206
Travel	98,586	10,686	87,900
Wages	174,545	25,864	148,681
METC claim	(261,756)	(49,863)	(211,893)
	<u>3,325,794</u>	<u>159,288</u>	<u>3,166,506</u>
<b>h) Turn River, Yukon</b>			
Geologist	1,140	1,140	-
Geophysics	170,219	3,184	167,035
Mapping	306	306	-
Supervision	2,000	1,750	250
Recovery	(213,400)	(9,430)	(203,970)
Gain on option payments received	39,735	3,050	36,685
	<u>-</u>	<u>-</u>	<u>-</u>
<b>i) Coal Permit Application, Saskatchewan</b>			
Acquisition costs	51,401	51,401	-
Geologist	6,750	6,750	-
Recovery	(49,400)	(49,400)	-
Loss on Coal permit application	(8,751)	(8,751)	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Exploration Expenditures</b>	<u>8,647,567</u>	<u>1,598,920</u>	<u>7,048,647</u>

**a) Albert Creek Property (Liard Mining Division, B.C.)**

The Albert Creek property consists of 44 claims in the Liard Mining Division, BC. A total of 33 claims were acquired through staking in the current year and the remaining 11 were held pursuant to an option agreement with two individuals, including the President of the Company, as amended on April 15, 2004, subject to a 2% net smelter royalty “(NSR)”. On April 26, 2007, the Company earned a 100% interest in the property by issuing the final payment of 360,000 shares at a fair value of \$0.32 per share pursuant to an option agreement. The Company has the right to acquire 50% of the NSR by paying \$1,000,000 to the Optionors by September 30, 2008.

**b) Antler Creek Property (Cariboo Mining Division, B.C.)**

The Antler Creek property consists of 49 claims representing 64 claim units. The Company holds a 100% interest in the property, subject to a 2% NSR royalty, held by two individuals of which one is the son of the President of the Company.

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**9. MINERAL INTERESTS (Continued)**

c) **Carswell Property** (Saskatchewan)

In fiscal 2005, the Company staked 2 claims covering a total area of 7,552 hectares on the Carswell Dome Formation, Saskatchewan.

Pursuant to an option agreement dated March 2, 2005, the Company granted an option to a third party to earn a 50% interest in the Carswell Property.

To earn this interest the Optionee paid \$25,000 cash, issued 200,000 of its shares and incurred \$300,000 in exploration expenditures.

The parties signed an agreement that will set the stage for further exploration.

The Company will transfer a further 30% interest in the claims to ESO which shall result in ESO having an 80% undivided interest in the property.

ESO shall produce a bankable feasibility study with Logan having a carried interest until the feasibility study is delivered at which time the Company will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross overriding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals.

ESO will return all of its interest in any of the claims to the Company upon a decision by ESO to terminate work thereon.

d) **Cheyenne Property** (Mayo Mining District, Yukon Territory)

During the period, the Company terminated its Option Agreement dated December 5, 2005. Accordingly all related expenditures have been written off as at December 31, 2008.

e) **Heidi Property** (Mayo Mining District, Yukon Territory)

The Heidi property consists of 220 mineral claims in the Mayo Mining District, Yukon Territory. A total of 200 claims were acquired through staking and the remaining 20 were held pursuant to an option agreement dated April 8, 2003, subject to a 2% NSR royalty. During fiscal 2008, the Company earned a 100% interest in the property by issuing the final payment of \$25,000 and 150,000 shares. The Company has the right to purchase 50% of the NSR retained by the Optionor for a purchase price of \$2,000,000 and the right of first refusal on the remaining 50%.

f) **Redford Property** (Alberni Mining Division, B.C.)

The Company has a 100% interest in 25 claims (432 units) in the Alberni Mining Division, B.C.

g) **Shell Creek Property** (Dawson Mining District, Yukon Territory)

The Shell Creek property consists of 656 mineral claims in the Dawson Mining District, Yukon Territory. A total of 586 claims were acquired through staking of which 28 were acquired in fiscal 2008 and the remaining 70 are held pursuant to an option agreement dated January 1, 2003, subject to a 2% NSR. During fiscal 2008, the Company earned a 100% interest in the property by issuing the final payment of 200,000 shares and incurring exploration expenditures in aggregate of \$1,550,000. The Company has the right to purchase 50% of the NSR retained by the Optionor for a purchase price of \$2,000,000 and the right of first refusal on the remaining 50%.

h) **Turn River Property**, (Cassiar Plateau, Yukon Territory)

The Turn River property is jointly owned by the Company and International KRL Resources Corp., related by common directors. The property was acquired in February 2007 through staking and consists of 3,377 claims, covering 174,432 acres in the Cassiar Plateau, Yukon Territory which includes twelve distinct project areas. Of the total claims, 1,307 were staked in the 2008 financial year.

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**9. MINERAL INTERESTS (Continued)**

k) **Coal Permit Application**, (Saskatchewan)

The Company has made application for coal permits covering three prospective areas to the south and west of Goldsource Mines Inc.'s Border coal discovery in eastern Saskatchewan.

During the period, this application was unsuccessful and related expenses written off.

**10. SHARE CAPITAL**

Authorized

100,000,000 common shares without par value

Issued and outstanding:

	# of shares	- \$ -
Balance – March 31, 2007	34,550,363	10,705,182
Issued during fiscal 2008 for:		
Cash:		
Flow-through private placement	7,500,000	3,000,000
Non-flow-through private placement	671,428	235,000
Mineral property option payments	1,018,000	293,300
Finders' fees	299,000	119,600
Agent units	-	(130,982)
Share issuance costs	-	(168,810)
Flow-through shares renunciation	-	(1,001,589)
<b>Balance – March 31, 2008</b>	<b>44,038,791</b>	<b>13,051,701</b>
Issued during period ending December 31, 2008 for:		
Cash:		
Flow-through private placement	2,857,143	200,000
Share issuance costs	-	(3,567)
Flow-through shares renunciation	-	28,760
<b>Balance – December 31, 2008</b>	<b>46,895,934</b>	<b>13,276,894</b>

For the period ended December 31, 2008:

- (a) On December 15, 2008 the Company issued 2,857,143 flow-through shares through a non-brokered private placement at a price of \$0.07 per flow-through share for total proceeds of \$200,000. The Company is committed to spend these funds over two years as Canadian exploration expenditures ("CEE"). Share issuance costs totalled 43,567.
- (b) During fiscal 2008 (note 6(e)) a total of 7,500,000 shares were issued on a flow-through basis whereby the Company is committed to spend \$2,992,500 of Canadian exploration expenditures ("CEE") and has renounced this amount to the shareholders. Of this amount, the Company spent \$2,681,885 as of December 31, 2008 (\$77,765 - March 31, 2008) and intends to spend the remaining \$310,615 (\$2,914,735 - March 31, 2008) of CEE before December 31, 2009.

During fiscal 2009 the company filed a reduction of \$310,615 renounced to the shareholders in accordance with the Income Tax Act

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**10. SHARE CAPITAL** (continued)

For the year ended March 31, 2008:

- (c) On December 14, 2007 the Company issued 7,500,000 flow-through units through a non-brokered private placement at a price of \$0.40 per unit for total proceeds of \$3,000,000. Each flow-through unit consists of one flow-through common share and one half non-flow-through share purchase warrant with one whole share purchase warrant exercisable at a price of \$0.50 per share for eighteen months.

On December 14, 2007 the Company also issued 671,428 non-flow-through units through a non-brokered private placement at a price of \$0.35 per unit for total proceeds of \$235,000. Each non-flow-through unit consists of one non-flow-through common share and one non-flow-through share purchase warrant with one share purchase warrant exercisable at a price of \$0.45 per share for eighteen months.

In connection with the private placement, the Company paid \$299,792 in finders' fees, consisting of \$168,810 in cash and 299,000 non-flow-through finder's units issued with a fair value of \$310,982 and recorded as share issuance costs. Each finder's unit consists of one non-flow through common share and one half non-flow-through share purchase warrant with one whole share purchase warrant exercisable at a price of \$0.50 per share for eighteen months. The fair value of the share portion of the finder's units is \$119,600 recorded as finder's fees and \$11,382 for the warrant portion calculated under the Black-Scholes model.

- (d) Pursuant to the mineral property option agreements, the Company issued 1,018,000 shares at fair value ranging from \$0.20 to \$0.34 per share for a total fair value of \$293,300. Included in the total is 58,000 shares valued at \$11,600 issued as finders fees for securing the optionee of the Turn River property.
- (e) A total of 7,500,000 shares were issued on a flow-through basis whereby the Company is committed to spend \$2,992,500 of Canadian exploration expenditures ("CEE") and has renounced this amount to the shareholders. Of this amount, the Company spent \$77,765 as of March 31, 2008 and intends to spend the remaining \$2,914,735 of CEE over the following year.

**11. STOCK OPTIONS**

The following table summarises the continuity of the Company's stock options:

	Number of shares
Outstanding, March 31, 2007	3,025,000
Granted	2,425,000
Cancelled/expired	(2,150,000)
Outstanding, March 31, 2008	3,300,000
Cancelled/expired	(875,000)
Outstanding, December 31, 2008	2,425,000

At December 31, 2008, the following stock options were outstanding

Number of Options	Exercise Price \$	Expiry date
600,000	0.37	March 23, 2009
825,000	0.45	September 28, 2009
100,000	0.20	March 01, 2010
900,000	0.25	March 03, 2010
2,425,000		

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**12. SHARE PURCHASE WARRANTS**

The following table summarises the continuity of the Company's share purchase warrants:

	Number of shares
Outstanding, March 31, 2007	5,665,000
Issued with private placements	4,421,428
Agent's warrants	149,500
Expired	(1,415,000)
Outstanding, March 31, 2008	8,820,928
Expired	(4,250,000)
Outstanding, December 31, 2008	4,570,928

At December 31, 2008, the following Share purchase warrants were outstanding

Number of Warrants	Exercise Price \$	Expiry date
125,000	0.50	June 14, 2009
671,428	0.45	June 19, 2009
3,774,500	0.50	June 19, 2009
4,570,928		

**13. CONTRIBUTED SURPLUS**

The following table summarizes the Company's contributed surplus:

	Amount \$
Balance, March 31, 2007	808,555
Fair value of stock options granted	317,697
Fair value of agents warrants	11,382
Balance, March 31, 2008	1,137,634
Fair value of stock options granted/vested	5,350
Balance, December 31, 2008	1,142,984

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**14. RELATED PARTY TRANSACTIONS AND BALANCES**

	December 31, 2008 - \$ -	December 31, 2007 - \$ -
(a) Transactions during period:		
Management fees paid to a company controlled by a Director	45,000	45,000
Property supervision fees paid to a company controlled by a Director	45,000	45,000
Rent paid to a company with common officers and directors	-	24,802
	90,000	114,802
The Company incurred certain charges from a company controlled by the President. These charges have been recorded as exploration expenses and general and administration expenses as follows:		
Amounts charged to mineral interests	-	664,856
Amounts charged to general and administration expenses	-	83,705
	-	748,561
(b) Balances:		
	December 31, 2008 - \$ -	March 31, 2008 - \$ -
<b>Due to related parties:</b>		
Due to a company with common officers and directors which represents accumulated costs for shared office expenses, administration wages, rent and equipment rental. This amount is non-interest bearing, unsecured and due on demand.	-	58,264
Due to related parties:	-	58,264
<b>Due from related parties:</b>		
Due from a director	12,920	-
Due from a company with common officers and directors which represents accumulated costs for shared office expenses, administration wages and equipment rental. This amount is non-interest bearing, unsecured and due on demand.	38,199	-
Amounts due from a company, controlled by a director for charges relating to mineral expenditures and general administration costs	-	85,376
Due from related parties:	51,119	85,376

The above amounts are non-interest bearing, unsecured and payable on demand.

**15. SUBSEQUENT EVENTS**

**16. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.