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**Logan Resources Ltd.**  
(An Exploration Stage Company)  
Consolidated Financial Statements  
For the Years Ended  
March 31, 2009, 2008 and 2007  
(Expressed in Canadian Dollars)

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MANNING ELLIOTT

CHARTERED ACCOUNTANTS

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### Auditors' Report

To the Board of Directors and Shareholders of  
Logan Resources Ltd.  
(An Exploration Stage Company)

We have audited the consolidated balance sheets of Logan Resources Ltd. (An Exploration Stage Company) as at March 31, 2009 and 2008 and the consolidated statements of operations and deficit, comprehensive income (loss), accumulated other comprehensive loss, and cash flows for each of the years in the three year period ended March 31, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2009 and 2008 and the consolidated results of its operations and its cash flows for each of the years in the three year period ended March 31, 2009 in accordance with Canadian generally accepted accounting principles.

*Manning Elliott LLP*

CHARTERED ACCOUNTANTS  
Vancouver, Canada  
July 6, 2009

### Comments by Auditors on Canada – United States Reporting Differences

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in Note 1 to the consolidated financial statements. Although we conducted our audits in accordance with both Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), our report to the shareholders dated July 6, 2009 is expressed in accordance with Canadian reporting standards which do not permit a reference to such conditions and events in the auditor's report when these are adequately disclosed in the financial statements.

*Manning Elliott LLP*

CHARTERED ACCOUNTANTS  
Vancouver, British Columbia  
July 6, 2009

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Consolidated Balance Sheets

As at March 31, 2009 and 2008

(Expressed in Canadian Dollars)

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	2009	2008
	\$	\$
<b>Assets</b>		
Current Assets		
Cash committed for mineral exploration [Note 8[a][e]]	81,994	2,685,415
Marketable securities [Note 3[e]]	13,350	81,700
Amounts receivable	7,414	238,490
Prepaid expenses and deposits	61,702	94,411
Due from related parties [Note 12[b]]	56,981	85,376
	221,441	3,185,392
Property Bonds	5,000	5,000
Property and Equipment [Note 6]	118,987	140,662
Mineral Properties [Note 7]	8,771,367	7,048,647
Equipment Relating to Discontinued Operations [Note 5]	171,262	249,812
	9,288,057	10,629,513
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	399,801	134,676
Due to related parties [Note 12[b]]	–	58,264
	399,801	192,940
Future Income Taxes [Note 13]	323,719	60,975
	723,520	253,915
<b>Shareholders' Equity</b>		
Share Capital [Note 8]	13,294,116	13,051,701
Contributed Surplus [Note 11]	1,143,763	1,137,634
Accumulated other comprehensive loss	(70,850)	(5,380)
Deficit	(5,802,492)	(3,808,357)
	8,564,537	10,375,598
	9,288,057	10,629,513

Nature of Operations and Continuance of Business [Note 1]

Commitments [Notes 7 and 15]

Subsequent Event [Note 16]

Approved on behalf of the Board:

/s/ "Seamus Young"

Seamus Young, Director

/s/ "Peter Cummings"

Director

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Consolidated Statements of Operations and Deficit

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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	2009	2008	2007
	\$	\$	\$
Revenue	–	–	–
Expenses			
Administration salaries	108,028	100,819	128,715
Amortization	26,084	54,635	12,372
Management fees [Note 12[a]]	60,000	60,000	112,500
Office, rent and telephone [Note 12[a]]	89,178	111,796	96,777
Professional fees	93,018	83,499	95,519
Stock-based compensation	6,129	291,302	217,568
Transfer agent and regulatory fees	19,874	27,528	27,041
Travel and promotion	125,105	332,585	305,036
	527,416	1,062,164	995,528
Loss before Other Income (Expense)	(527,416)	(1,062,164)	(995,528)
Other Income (Expense)			
Gain on option of mineral property	3,050	36,685	32,750
Gain on sale of marketable securities	55,450	–	377,884
Impairment of mineral properties	(926,028)	(426,918)	–
Interest income	43,271	64,706	138,297
Costs relating to renunciation [Note 8]	(108,000)	–	–
Interest on unexpended flow-through funds [Note 8]	(141,254)	(50,081)	(3,842)
	(1,073,511)	(375,608)	545,089
Net Loss Before Discontinued Joint Venture and Income Taxes	(1,600,927)	(1,437,772)	(450,439)
Loss on Discontinued Joint Venture [Note 5]	(84,482)	(14,275)	–
Net Loss Before Income Taxes	(1,685,409)	(1,452,047)	(450,439)
Income Taxes			
Future Income tax recovery (expense) [Note 13]	(308,726)	940,614	1,344,029
Net Income (Loss) for the Year	(1,994,135)	(511,433)	893,590
Deficit, Beginning of Year	(3,808,357)	(3,296,924)	(4,190,514)
Deficit, End of Year	(5,802,492)	(3,808,357)	(3,296,924)
Net Income (Loss) per share - Basic and Diluted	(0.04)	(0.01)	0.03
Weighted Average Shares Outstanding	44,869,000	37,647,000	31,646,000

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The Accompanying Notes are an Integral Part of the Financial Statements

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Consolidated Statements of Comprehensive Income (Loss)

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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	2009	2008	2007
	\$	\$	\$
Net Income (Loss) for the Year	(1,994,135)	(511,433)	893,590
Other Comprehensive loss:			
Unrealized loss on available for sale marketable securities	(65,470)	(195,310)	–
Comprehensive income (loss)	(2,059,605)	(706,743)	893,590

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Consolidated Statements of Accumulated Other Comprehensive Loss

For the Years Ended March 31, 2009 and 2008

(Expressed in Canadian Dollars)

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	2009	2008
	\$	\$
Opening Accumulated other Comprehensive loss	(5,380)	–
Adoption of new accounting policy, April 1, 2007	–	189,930
Unrealized loss on available for sale marketable securities	(65,470)	(195,310)
Closing Accumulated other Comprehensive loss	(70,850)	(5,380)

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**Logan Resources Ltd.**

(An Exploration Stage Company)

## Consolidated Statements of Cash Flows

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

	2009	2008	2007
	\$	\$	\$
Operating Activities			
Net income (loss) for the year	(1,994,135)	(511,433)	893,590
Items not involving cash:			
Amortization	26,084	54,635	12,372
Future income taxes	308,726	(940,614)	(1,344,029)
Gain on sale of marketable securities	(55,450)	–	(377,884)
Gain on option of mineral property	(3,050)	(36,685)	(32,750)
Gain on disposal of fixed assets [Note 5]	(1,435)	–	–
Loss on discontinued joint venture	68,504	–	–
Impairment of mineral properties	926,028	426,918	–
Costs relating to renunciation	141,254	–	–
Interest on unexpended flow-through funds	108,000	–	–
Stock-based compensation	6,129	291,302	217,568
	(469,345)	715,877	(631,133)
Changes in non-cash working capital items			
Amounts receivable	19,595	160,788	(91,488)
Prepaid expenses	32,709	398,272	(491,016)
Accounts payable and accrued liabilities	15,871	30,937	57,492
Due to (from) related parties	(29,869)	222,973	(384,105)
Net Cash Provided by (Used In) Operating Activities	(431,039)	97,093	(1,540,250)
Investing Activities			
Proceeds on sale of short-term investments	–	2,000,000	–
Purchase of short-term investments	–	–	(1,950,000)
Proceeds on sale of marketable securities	58,330	–	418,804
Purchase of marketable securities	–	–	(10,000)
Proceeds on asset held for sale	15,866	–	–
Acquisition of property and equipment	(8,794)	(406,825)	(19,206)
Acquisition of and expenditures on mineral properties	(2,745,017)	(3,613,244)	(2,275,470)
Recovery of mineral property expenditures	3,050	618,438	–
Mineral exploration tax credits received	307,750	–	–
Net Cash Used In Investing Activities	(2,368,815)	(1,401,631)	(3,835,872)
Financing Activities			
Proceeds from issuance of shares	200,000	3,235,000	5,801,350
Share issuance costs	(3,567)	(168,810)	(194,970)
Subscriptions received	–	–	177,000
Net Cash Provided by Financing Activities	196,433	3,066,190	5,783,380
(Decrease) Increase in Cash and Cash Equivalents	(2,603,421)	1,761,652	407,258
Cash and Cash Equivalents - Beginning of Year	2,685,415	923,763	516,505
Cash and Cash Equivalents - End of Year	81,994	2,685,415	923,763
Cash and Cash Equivalents consists of:			
Cash	–	–	923,763
Cash committed for mineral exploration	81,994	2,685,415	–
	81,994	2,685,415	923,763

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Consolidated Statements of Cash Flows (continued)

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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	2009	2008	2007
	\$	\$	\$
<b>Non-cash Investing and Financing Activities</b>			
Marketable securities received pursuant to a mineral property option agreement	–	–	43,000
Issuance of shares for finders' fees	–	119,600	233,750
Issuance of agent warrants for finders' fees	–	11,382	266,685
Issuance of shares pursuant to mineral property option agreements	–	293,300	285,000
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<b>Supplemental Disclosures</b>			
Interest paid	–	–	–
Income tax paid	–	–	–

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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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 its mineral 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 incurred a net loss before income taxes of \$1,685,409 during the year ended March 31, 2009 (2008 - \$1,452,047) and had a deficit of \$5,802,492 at March 31, 2009 (2008 - \$3,808,357) which has been funded primarily by the issuance of equity. 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. There is substantial doubt that the entity will continue as a going concern.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge 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. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

## **2. Adoption of New Accounting Standards**

Effective April 1, 2008, the Company adopted the following standards of the Canadian Institute of Chartered Accountants' ("CICA") Handbook:

### **[a] Capital Disclosures (Section 1535)**

Section 1535 specifies the disclosure of: (i) an entity's objectives, policies and procedures for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

As a result of the adoption of this standard, additional disclosure on the Company's capital management strategy have been included in note 3[o].

### **[b] Financial Instruments – Disclosures (Section 3862) and Financial Instruments – Presentation (section 3863)**

Section 3862 and 3863 replace Handbook Section 3861, "Financial Instruments – Disclosures and Presentation", revising its disclosure requirements, and carrying forward its presentation requirements. 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. Section 3862 specifies disclosures that enable users to evaluate: (i) the significance of financial instruments for the entity's financial position and performance; and (ii) the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

As a result of the adoption of these standards, additional disclosures on the risks of certain financial instruments have been included in note 3[p].

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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**2. Adoption of New Accounting Standards** (continued)**[c] General Standards of Financial Statement Presentation (Section 1400)**

The Company adopted the CICA Handbook Section 1400, "General Standards of Financial Statement Presentation", to provide revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. The adoption of this standard did not have any significant impact on the Company's financial statements.

**3. Significant Accounting Policies****[a] Basis of presentation**

These financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles 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.

**[b] Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to impairment of mineral properties, future income taxes and stock-based compensation.

In assessing the underlying values of resource properties, management considers the exploration and development plans and any future operation of the resource properties. These arrangements may, and likely will, change in the future in response to changes in business conditions, and these changes may impact the Company's estimates of cash flows. As a result, actual results could differ from current estimates.

**[c] Cash and cash equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

**[d] Short-term investments**

Short-term investments consist of highly liquid short-term interest bearing securities with a term to maturity of greater than three months on the date of purchase. Short-term investments are recorded at the lower of cost plus accrued interest or fair market value.

**[e] Marketable securities**

Marketable securities are recorded at fair market value with the corresponding unrealized gain or loss recorded in other comprehensive income until sold or considered impaired at which time it is recorded in net income (loss). As at March 31, 2009, the fair market value of the securities held was \$13,350 (March 31, 2008 - \$81,700).

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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### 3. Significant Accounting Policies (continued)

[f] 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%
Software	25%
Airborne-Magnetometer and Spectrometer	25%

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

[g] Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against future income of the project using the unit of production method over estimated recoverable ore reserves. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the development of such ore reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contains economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

[h] Long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

[i] Asset retirement obligations

The Company follows the recommendations of the CICA Handbook Section 3110, with respect to asset retirement obligations. This standard requires liability recognition for retirement obligations associated with the Company's resource properties. The standard requires the Company to recognize the fair value of the liability for an asset retirement obligation in the period in which it is incurred and record a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows. The liability is subsequently adjusted for the passage of time, and is recognised as an accretion expense in the statements of operations. The increase in the carrying value of the asset is amortized on the same basis as the resource properties. At March 31, 2009 and 2008 the Company did not have any asset retirement obligations.

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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### **3. Significant Accounting Policies** (continued)

[j] Income taxes

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

[k] Flow-through shares

The Company follows the recommendations of EIC 146 with respect to flow-through shares. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and the share capital is reduced.

If the Company has sufficient unrecognized tax loss carry forwards or other future income tax assets to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these future income tax assets, a portion of such unrecognized losses is recorded as tax recovery up to the amount of the future income tax liability that would otherwise have been recognized on the renounced expenditures.

[l] Stock-based compensation

The Company follows the recommendations in CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which provides standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. In accordance with these recommendations, stock options granted are recorded at their fair value over the vesting period as a compensation cost with a corresponding increase in contributed surplus. Agents' warrants issued in connection with common share placements are recorded as share issuance costs with a corresponding increase in contributed surplus. When the options and warrants are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation.

[m] Income (loss) per share

Basic income (loss) per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted income (loss) per share. The existence of warrants and options affects the calculation of income (loss) per share on a fully diluted basis. As the effect of this dilution is to increase the reported income per share and reduce the reported loss per share and diluted loss per share excludes all potential common shares if their effect is anti-dilutive, basic and diluted loss are the same.

[n] Government assistance

Mining exploration tax credits for certain exploration expenditures incurred in BC and Yukon Territory are treated as a reduction of the exploration and development costs of the respective mineral property.

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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### **3. Significant Accounting Policies** (continued)

#### [o] Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

The Company includes the components of shareholders' equity in its management of capital.

As at March 31, 2009, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash.

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

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this financing due to the current difficult market conditions.

#### [p] Financial instruments and risk

##### *Financial Instruments*

As at March 31, 2009, the Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts payable and due from related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash committed for exploration as held-for-trading, marketable securities as available for sale, amounts receivable and amounts due from related parties as loans and receivables, and its accounts payable as other financial liabilities.

##### *Credit Risk*

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The risk arises from the non-performance of counterparties of contractual financial obligations. To minimize the credit risk the Company places these instruments with high credit quality at financial institutions. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

##### *Liquidity Risk*

The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash equivalents on hand. The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company will require additional equity financing to meet its administrative overhead costs and further exploration activities on its mineral properties in fiscal 2010.

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**Logan Resources Ltd.**

(An Exploration Stage Company)

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For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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**3. Significant Accounting Policies** (continued)

[p] Financial instruments and risk (continued)

*Market Risk*

Market risks consist of interest rate risk, foreign exchange risk and other price risk. It is management's opinion that the Company is not exposed to significant market risk.

*Commodity Price Risk*

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and iron. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

[q] Comparative figures

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

**4. Recent Accounting Pronouncements**

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies 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 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and 1602, Non-controlling interests, which replaces existing guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

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.

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**Logan Resources Ltd.**

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Years Ended March 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars)

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**5. Joint Venture**

During fiscal 2008, the Company acquired a 50% interest in Airborne Magnetometer and Spectrometer equipment to use in the exploration of its mineral properties for \$285,500. The equipment is jointly used by the Company and International KRL Resources Corp. which 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 a common director with the Company.

The Company's proportionate share of its interest in and results from the joint venture as at and for the years ended March 31, 2009 and 2008 is:

	2009	2008
	\$	\$
Assets	–	36,868
Field Equipment – Airborne	171,262	249,812
Liabilities	(188,652)	(219,588)
Joint Venture Retained Earnings (Deficit)	(17,390)	67,092

	2009	2008
	\$	\$
Amortization	–	(35,688)
Write down of asset held for sale	(68,504)	–
Insurance	(11,017)	–
Repairs and Maintenance	(5,796)	–
Other	835	102,780
Income (loss) on discontinued joint venture	(84,482)	67,092
Joint Venture Retained Earnings - beginning	67,092	–
Joint Venture Retained Earnings (Deficit) - ending	(17,390)	67,092

All intercompany balances and transactions are eliminated upon proportional consolidation.

**Discontinued Joint Venture**

The Airborne Magnetometer and Spectrometer asset was no longer required and the Company's management decided to sell the asset in April 2008. The asset was written down to its estimated fair value of \$171,262 and a loss of \$68,504 was recorded, representing the difference between the asset's carrying value and the estimated fair value. The assets, liabilities and operations of the Joint Venture are classified as discontinued operations and are presented separately on the balance sheet and statement of operations.

**Equipment Relating to Discontinued Operations**

	2009	2008
	\$	\$
Airborne Magnetometer and Spectrometer – 50% share*	171,262	249,812

\* Shared 50% with International KRL Resources Corp. See Note 5.

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**6. Property and Equipment**

	Cost \$	Accumulated Amortization \$	2009 Net Book Value \$	2008 Net Book Value \$
Automotive	41,874	17,825	24,049	27,622
Computer equipment	3,254	3,254	–	5,393
Field equipment	38,116	21,353	16,763	26,292
Office furniture and equipment	12,438	9,263	3,175	5,663
Software	2,769	2,769	–	692
Storage facility – 50% share*	75,000	–	75,000	75,000
	173,451	54,464	118,987	140,662

\* Shared 50% with a related Company, International KRL Resources Corp.

**7. Mineral Properties**

Acquisition costs and exploration expenditures incurred during the year on the properties are as follows:

	Acquisition Costs \$	Exploration Expenditures \$	Total 2009 \$	Total 2008 \$
Albert Creek Property [[a] below]				
Beginning of year	160,511	149,616	310,127	187,670
Incurred during the year	–	170,882	170,882	122,457
METC claim	–	(77)	(77)	–
End of year	160,511	320,421	480,932	310,127
Antler Creek Property [[b] below]				
Beginning of year	28,773	75,947	104,720	85,594
Incurred during the year	–	58,472	58,472	35,395
METC claim	–	(5,622)	(5,622)	(16,269)
End of year	28,773	128,797	157,570	104,720
Carswell Property [[c] below]				
Beginning of year	–	6,500	6,500	–
Incurred during the year	–	6,660	6,660	6,500
End of year	–	13,160	13,160	6,500
Cheyenne Property [[d] below]				
Beginning of year	364,855	204,794	569,649	395,922
Incurred during the year	499	352,347	352,846	173,727
METC claim	–	(5,218)	(5,218)	–
Property abandoned	(365,354)	(551,923)	(917,277)	–
End of year	–	–	–	569,649
Heidi Property [[e] below]				
Beginning of year	444,629	2,147,422	2,592,051	1,070,379
Incurred during the year	–	225,100	225,100	1,521,672
METC claim	–	(34,919)	(34,919)	–
End of year	444,629	2,337,603	2,782,232	2,592,051

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**7. Mineral Properties** (continued)

	Acquisition Costs \$	Exploration Expenditures \$	Total 2009 \$	Total 2008 \$
<b>Redford Property</b> [[f] below]				
Beginning of year	32,288	266,806	299,094	294,944
Incurred during the year	16	1,699,342	1,699,358	4,150
METC claim	–	(570)	(570)	–
End of year	32,304	1,965,578	1,997,882	299,094
<b>Shell Creek Property</b> [[g] below]				
Beginning of year	480,604	2,685,902	3,166,506	1,763,574
Incurred during the year	–	222,948	222,948	1,419,062
METC claim	–	(49,863)	(49,863)	(16,130)
End of year	480,604	2,858,987	3,339,591	3,166,506
<b>May Creek Property</b> [[h] below]				
Beginning of year	–	–	–	88,811
Incurred during the year	–	–	–	311,640
Property abandoned	–	–	–	(400,451)
End of year	–	–	–	–
<b>Turn River Property</b> [[i] below]				
Beginning of year	–	–	–	237,485
Incurred during the year	–	6,380	6,380	311,869
Option payments received	–	(9,430)	(9,430)	(586,039)
Gain on option payments received	–	3,050	3,050	36,685
End of year	–	–	–	–
<b>Englishman Property</b> [[j] below]				
Beginning of year	–	–	–	–
Incurred during the year	–	–	–	26,467
Property abandoned	–	–	–	(26,467)
End of year	–	–	–	–
<b>Coal permit application</b> [[k] below]				
Beginning of year	–	–	–	–
Incurred during the year	51,401	6,750	58,151	–
Payments received	(49,400)	–	(49,400)	–
Loss on payments received	(2,001)	(6,750)	(8,751)	–
End of year	–	–	–	–
<b>Total</b>	<b>1,146,821</b>	<b>7,624,546</b>	<b>8,771,367</b>	<b>7,048,647</b>

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

The Albert Creek property consists of 17 mineral claims in the Liard Mining Division, BC. A total of 33 claims were initially acquired through staking in fiscal 2008 and 11 claims 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)". During the current year a total of 27 non-core claims were allowed to lapse. 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 Albert Creek property is in good standing until 2010 to 2012.

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**7. Mineral Properties** (continued)

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

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

[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 the Company 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 year, the Company terminated its Option agreement executed December 5, 2005. Accordingly all related expenditures have been written off as at March 31, 2009.

[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. 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 owns 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 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] May Creek Property (Mayo Mining District, Yukon Territory)

During fiscal 2008, the Company terminated its Option Agreement dated August 1, 2006. Accordingly all related expenditures have been written off as at March 31, 2008.

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**7. Mineral Properties** (continued)**[i] Turn River Property, (Cassiar Plateau, Yukon Territory)**

The Turn River property is jointly owned by the Company and International KRL Resources Corp., a Company related by a common director. The property was acquired in February 2007 through staking and consists of 3,151 claims, covering 162,759 acres in the Cassiar Plateau, Yukon Territory which includes twelve distinct project areas. Of the total claims, 1,307 were staked in the 2008 fiscal year.

Pursuant to an option agreement dated April 2, 2007, the Company granted an option to a non-related Company to earn a 50% interest in the Turn River property. The Company issued 58,000 shares with a fair value of \$11,600 as finders fees to a third party for finding the optionee. The Company received \$595,039 in recovery of its costs from the optionee for a 50% interest in the Turn River Property. On May 26, 2008 the Agreement was terminated.

**[j] Englishman Property, (Watson Lake, Yukon Territory)**

During Fiscal 2008, the Company terminated its Option Agreement executed March 27, 2007. Accordingly all related expenditures have been written off as at March 31, 2008.

**[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 year, this application was unsuccessful and related expenses written off.

The following table represents exploration expenditures incurred during 2009:

	Albert Creek	Antler Creek	Cheyenne Carswell	Gold	Heidi	Redford	Shell Creek	Turn River	Coal permit Application	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accommodation and meals	7,754	20,563	–	21,892	15,607	42,503	16,266	–	–	124,585
Assays	41,050	16,394	–	66,559	24,230	67,538	20,566	–	–	236,337
Camp supplies	–	–	–	6,260	3,141	–	2,540	–	–	11,941
Diamond drilling	–	–	–	–	–	1,047,735	–	–	–	1,047,735
Equipment rental	–	–	–	–	–	27,229	–	–	–	27,229
Filing and recording	–	–	–	–	–	4,320	6,160	–	–	10,480
Fuel	8,760	599	–	26,168	1,790	7,126	2,177	–	–	46,620
Geologist fees and costs	19,836	4,063	–	78,016	41,434	250,297	56,707	1,140	6,750	458,243
Helicopter	50,228	–	–	58,518	79,649	–	61,111	3,184	–	252,690
Licenses and permits	1,862	–	–	–	–	–	–	–	–	1,862
Mapping	7,072	1,859	–	18,776	8,815	21,546	10,102	295	–	68,465
Miscellaneous	1,876	554	–	7,390	6,638	55,636	6,019	11	–	78,124
Supervision [Note 12[a]]	5,250	3,750	5,750	7,750	4,750	26,250	4,750	1,750	–	60,000
Surveys	–	–	–	–	–	13,186	–	–	–	13,186
Travel	7,883	2,825	910	8,995	13,946	35,281	10,686	–	–	80,526
Support wages	19,311	7,865	–	52,023	25,100	100,695	25,864	–	–	230,858
	170,882	58,472	6,660	352,347	225,100	1,699,342	222,948	6,380	6,750	2,748,881

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**7. Mineral Properties** (continued)

The following table represents exploration expenditures incurred during 2008:

	Albert Creek	Antler Creek	Cheyenne Carswell	Cheyenne Gold	Heidi	Redford	Shell Creek	May Creek	Turn River	English man	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accommodation and meals	-	11	-	-	49,498	453	54,549	9,298	-	-	113,809
Assays	203	-	-	-	34,377	-	50,627	1,753	-	-	86,960
Camp supplies	-	-	-	-	14,728	-	15,995	2,463	-	-	33,186
Diamond drilling	-	-	-	-	425,323	-	418,515	94,228	-	-	938,066
Equipment rental	-	-	-	-	15,708	-	5,968	-	-	-	21,676
Filing and recording	-	14,081	-	-	-	-	6,849	-	-	-	20,930
Fuel	-	-	-	-	208,495	227	52,401	38,217	-	-	299,340
Geologist fees and costs	-	-	-	20,164	91,541	-	218,596	10,125	-	-	340,426
Geophysical	-	1,950	-	27,128	125,220	-	82,204	-	167,035	1,317	404,854
Helicopter	-	-	-	-	279,904	-	247,067	144,131	-	-	671,102
Licenses and permits	-	-	-	-	5,412	-	7,909	1,790	-	400	15,511
Mapping	-	-	-	1,356	3,532	1,090	2,496	-	-	-	8,474
Miscellaneous	-	96	-	2,825	19,697	-	28,844	494	-	-	51,956
Mobilization	-	13,360	-	-	-	-	-	-	-	-	13,360
Supervision [Note 12[a]]	2,500	4,000	6,500	5,750	13,250	2,250	16,000	4,500	250	2,750	57,750
Travel	-	32	-	504	46,192	130	36,211	1,257	-	-	84,326
Support wages	-	1,865	-	-	114,670	-	116,308	808	-	-	233,651
	2,703	35,395	6,500	57,727	1,447,547	4,150	1,360,539	309,064	167,285	4,467	3,395,377

**8. Share Capital**

Authorized: 100,000,000 common shares without par value.

	Number of shares	Value \$
Issued as at 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)
Issued as at March 31, 2008	44,038,791	13,051,701
Issued during fiscal 2009 for:		
Cash		
Flow-through private placement	2,857,143	200,000
Share issuance costs	-	(3,567)
Prior year flow-through share renunciation reduction	-	105,982
Flow-through shares renunciation	-	(60,000)
Issued as at March 31, 2009	46,895,934	13,294,116

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**8. Share Capital** (continued)

For the year ended March 31, 2009:

- [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. Share issuance costs totalled \$3,567. The Company has renounced this amount to its shareholders. Of this amount, the Company incurred \$72,419 of Canadian Exploration Expenditures ("CEE") as of March 31, 2009 and plans to incur the remaining \$127,581 of CEE over the following year.
- [b] During fiscal 2008, the Company issued 7,500,000 shares on a flow-through basis whereby the Company was committed to spend \$2,992,500 of CEE and renounced this amount to the shareholders. Of this amount, the Company incurred \$77,765 of CEE as of March 31, 2008 and planned to incur the remaining \$2,914,735 of CEE over the following year. During fiscal 2009 the Company filed a reduction of \$310,615 renounced to the shareholders in accordance with the Income Tax Act.

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 \$130,982 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 finders' 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.

**9. Stock Options**

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the "Plan"). Options issued pursuant to the Plan must have an exercise price greater than or equal to the "Discounted Market Price" of the Company's stock on the grant date. The maximum discount allowed varies with share price, with a maximum of 25% and a minimum price of \$0.10. Options have a maximum expiry period of five years from the grant date. The number of options, that may be issued under the plan, is limited to no more than 10% of the Company's issued and outstanding shares on the grant date.

Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting restrictions, such that one-quarter of the options vest three months from the grant date and in each subsequent three-month period thereafter such that the entire option will have vested twelve months after the award date. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

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**9. Stock Options** (continued)

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

	Number of shares	Weighted average exercise price \$
Outstanding, March 31, 2006	1,750,000	0.42
Granted	1,725,000	0.49
Exercised	(225,000)	0.40
Cancelled/expired	(225,000)	0.32
Outstanding, March 31, 2007	3,025,000	0.47
Granted	2,425,000	0.34
Cancelled/expired	(2,150,000)	0.43
Outstanding, March 31, 2008	3,300,000	0.40
Cancelled/expired	(1,475,000)	0.48
Outstanding, March 31, 2009	1,825,000	0.34

At March 31, 2009, the following share purchase options were outstanding:

Number of Options	Exercise Price \$	Expiry Date
825,000	0.45	September 28, 2009
100,000	0.20	March 1, 2010
900,000	0.25	March 3, 2010
1,825,000		

Additional information regarding options outstanding and exercisable as at March 31, 2009 is as follows:

Options outstanding				Options exercisable	
Exercise Price \$	Outstanding #	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price \$	Exercisable #	Weighted Average Exercise Price \$
0.20	100,000	0.05	0.20	100,000	0.20
0.25	900,000	0.46	0.25	900,000	0.25
0.45	825,000	0.22	0.45	825,000	0.45
	1,825,000	0.73	0.34	1,825,000	0.34

No new options were issued during the year. The weighted average grant date fair value of options granted during 2008 was \$0.14 (2007 – \$0.17) per option.

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**9. Stock Options** (continued)

The fair value for stock options vesting and granted was estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2009	2008	2007
Risk free interest rate	–	3.36%	4.07%
Expected life (in years)	–	2	2
Expected volatility	–	92.97%	92.86%
Expected dividend yield	–	–	–

Total compensation expense recognized for stock options vesting during the year was \$6,129 (2008 - \$317,697; 2007 - \$299,467). Stock-based compensation of \$Nil (2008 - \$26,395; 2007 - \$81,899) was capitalized to mineral properties for options granted and \$6,129 (2008 - \$291,302; 2007 - \$217,568) was expensed to operations for options vested and granted to directors, officers and consultants of the Company.

**10. Share Purchase Warrants**

The following table summarizes the continuity of the Company's warrants:

	Number of shares	Weighted average exercise price \$
Balance March 31, 2007	5,665,000	0.69
Issued with private placements	4,421,428	0.49
Agent's warrants	149,500	0.50
Expired	(1,415,000)	0.67
Balance March 31, 2008	8,820,928	0.59
Expired	(4,250,000)	0.70
Balance, March 31, 2009	4,570,928	0.49

At March 31, 2009, 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		

During fiscal 2008 and 2007, the Company recognized a share issuance cost for the fair value of agents' warrants issued as finder's fees in connection with private placements. The amount calculated is recorded as a share issuance cost with a corresponding credit to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate fair values of warrants issued assuming no expected dividends and the following weighted average assumptions:

	2009	2008	2007
Risk-free interest rate	–	3.92%	4.11%
Expected life of warrants (in years)	–	1.5	1.4
Expected volatility	–	93.93%	94.98%
Expected dividend yield	–	–	–

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**10. Share Purchase Warrants** (continued)

The weighted average fair value of the agent warrants issued during the year was \$Nil (2008 - \$0.07; 2007 - \$0.24).

**11. Contributed Surplus**

The following table summarizes the continuity of 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 vested	6,129
Balance, March 31, 2009	1,143,763

**12. Related Party Transactions**

[a] Transactions during the period:

	Years Ended March 31,		
	2009	2008	2007
	\$	\$	\$
Management fees paid to a director and a company controlled by the director	60,000	60,000	112,500
Property supervision fees paid to a company controlled by a director	60,000	60,000	63,025
Finders fee paid to a relative of the President charged to mineral properties (Note 7[i])	-	11,600	-
Rent paid to a company with common officers and directors	-	24,802	29,909
	120,000	156,402	205,434

	Years Ended March 31,		
	2009	2008	2007
	\$	\$	\$
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 properties	-	664,856	233,784
Amounts charged to general and administration expenses	-	83,705	64,377
	-	748,561	298,161

These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

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**12. Related Party Transactions** (continued)

[b] Balances:

	2009 \$	2008 \$
<b>Due to related parties:</b>		
Due to the President of the Company, non-interest bearing, unsecured and due on demand	-	-
Due to a company with common officers and directors which represents accumulated costs for shared office expenses, administration wages, rent and equipment rental [see below]. This amount is non-interest bearing, unsecured and due on demand.	-	58,264
<b>Due to related parties</b>	<b>-</b>	<b>58,264</b>

During fiscal 2008, a newly formed joint venture, owned 50% by Logan and 50% by International KRL Resources Corp. was formed for use of geophysical equipment by the Company and International KRL Resources Corp. on their exploration projects. This new joint venture charges for the use of the equipment at market rates.

	2009 \$	2008 \$
<b>Due from related parties:</b>		
Due from a director of the Company, non-interest bearing, unsecured and due on demand. Subsequently repaid.	16,858	-
Due from a company with common officers and directors which represents accumulated costs for shared office expenses, administration wages and rent. This amount is non-interest bearing, unsecured and due on demand.	39,467	-
Due from a relative of a director for rental of office space. Subsequently repaid.	656	-
Amounts due from a company controlled by a director for charges relating to mineral expenditures and general and administration costs.	-	85,376
Purchase of equipment, non-interest bearing, unsecured and due on demand.	-	-
<b>Due from related parties</b>	<b>56,981</b>	<b>85,376</b>

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

[c] See Note 7[a] for mineral property option agreements with related parties.

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**13. Income Taxes**

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

	2009	2008	2007
Canadian statutory income tax rate	30.63%	33.47%	34.12%
	\$	\$	\$
Income tax recovery at statutory rate	516,240	498,204	153,690
Effect of income taxes of:			
Accounting gains	–	–	140,108
Share issuance costs	3,567	96,514	36,595
Prescribed resource loss	–	–	(16,950)
Taxable capital gains	–	–	(64,467)
Stock-based compensation	(6,129)	(106,317)	(74,234)
Flow-through shares renounced	(836,217)	61,174	1,344,029
Non-deductible permanent differences	(25,050)	(28,392)	–
Expiry of non-capital losses	(20,398)	(14,656)	–
Change in enacted rates	59,325	80,368	–
Decrease (increase) in valuation allowance	–	353,719	(174,742)
Income tax recovery (expense)	(308,662)	940,614	1,344,029

The tax effects of temporary differences that give rise to significant portions of the future tax assets and liabilities are as follows:

	2009	2008
	\$	\$
Non-capital loss carry-forwards	712,353	566,759
Mineral properties	(1,289,425)	(901,362)
Property and equipment	41,015	18,945
Investment tax credit	123,128	121,487
Share issuance costs	89,210	133,895
Unrealized capital loss	–	(699)
Total gross future income tax liabilities	(323,719)	(60,975)
Valuation allowance	–	–
Net future income tax liability	(323,719)	(60,975)

The Company has approximately \$2,849,000 (2008 - \$2,180,000; 2007 - \$1,387,000) of losses for tax purposes which may be used to reduce income taxes of future years and will expire as follows:

	\$
2010	81,000
2014	92,000
2015	278,000
2026	342,000
2027	484,000
2028	836,000
2029	736,000
	<u>2,849,000</u>

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**13. Income Taxes** (continued)

At March 31, 2009, the Company had cumulative Canadian Exploration Expenses of \$1,132,734 which are deductible at a rate of 100% each year against future years' resource property income and have no expiry date.

At March 31, 2009, the Company had cumulative Canadian Development Expenses of \$2,199,010 which are deductible at a rate of 30% each year against future years' resource property income and have no expiry date.

At March 31, 2009, the Company had Foreign Exploration and Development Expenses of \$281,922 which are deductible at a rate of 10% each year against future years' resource property income and have no expiry date.

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion of all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

**14. Segment Information**

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The mineral properties are located in Canada: British Columbia, Saskatchewan and the Yukon Territory.

**15. Commitments**

[a] The Company is committed to a consulting contract that requires payments of \$3,000 per month and can be terminated on one months notice.

[b] The Company is committed to aggregate premises lease payments of \$93,287, consisting of \$39,980 for the fiscal years 2010 through 2011 and \$13,327 for 2012.

**16. Subsequent Event**

The Company is in the process of raising \$325,000 by issuing 6,500,000 non-flow-through-units through a non-brokered private placement at a price of \$0.05 per unit for total proceeds of \$325,000. Each non-flow-through-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 \$0.10 for a period of two years. To date the Company has received \$203,500 in subscriptions.

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**17. Differences Between Canadian and United States Generally Accepted Accounting Principles**

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada, which differ in certain respect with those principles and practices that the Company would have followed had its financial statements been prepared in accordance with accounting principles and practices generally accepted in the United States.

The Company's accounting principles generally accepted in Canada ("Canadian GAAP") differ from accounting principles generally accepted in the United States ("U.S. GAAP"). The material differences between Canadian GAAP and US GAAP and the rules and regulations of the Securities and Exchange Commission affecting the Company's financial statements are summarized as follows:

<b>Balance Sheets</b>	As at March 31,	
	2009	2008
	\$	\$
Total assets under Canadian GAAP	9,288,057	10,629,513
Decrease in mineral properties due to expensing of mineral property costs(a)	(8,771,367)	(7,048,687)
<b>Total assets under US GAAP</b>	<b>516,690</b>	<b>3,580,826</b>
Shareholders' equity under Canadian GAAP	8,564,537	10,375,598
Cumulative mineral properties adjustment (a)	(8,771,367)	(7,048,687)
Increase in share capital related to flow-through shares (b)	128,129	1,589
Increase in deficit related to future income tax on flow through shares (b)	34,821	(1,589)
<b>Shareholders' equity under US GAAP</b>	<b>(43,880)</b>	<b>3,326,911</b>

<b>Statements of Operations</b>	Years Ended March 31,		
	2009	2008	2007
	\$	\$	\$
Net Income (Loss) under Canadian GAAP	(1,994,135)	(511,433)	893,590
Mineral property costs expensed and written-off (a)	(2,648,748)	(3,351,186)	(2,420,638)
Mineral properties written off	926,028	426,918	-
Future income tax benefit related to flow through shares (b)	-	(1,589)	(1,344,029)
<b>Net loss in accordance with US GAAP</b>	<b>(3,716,855)</b>	<b>(3,437,290)</b>	<b>(2,871,077)</b>
<b>Net loss per share under US GAAP</b>	<b>(0.08)</b>	<b>(0.09)</b>	<b>(0.09)</b>

<b>Statements of Comprehensive Loss</b>	Years Ended March 31,		
	2009	2008	2007
	\$	\$	\$
Net loss under US GAAP	(3,716,855)	(3,437,290)	(2,871,077)
Other comprehensive income:			
Unrealized gain (loss) on marketable securities	(65,470)	(195,310)	189,930
<b>Comprehensive loss under US GAAP</b>	<b>(3,782,325)</b>	<b>(3,632,600)</b>	<b>(2,681,147)</b>

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**Logan Resources Ltd.**

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(Expressed in Canadian Dollars)

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**17. Differences Between Canadian and United States Generally Accepted Accounting Principles**  
(continued)

<b>Statements of Cash Flows</b>	Years Ended March 31,		
	2009 \$	2008 \$	2007 \$
Operating Activities			
Operating activities under Canadian GAAP	(431,039)	97,093	(1,540,250)
Impairment of mineral property acquisition costs	51,916	244,262	446,388
Deferred exploration and acquisition costs (a)	(2,741,967)	(2,994,806)	(2,275,470)
<b>Operating activities under US GAAP</b>	<b>(3,121,090)</b>	<b>(2,653,451)</b>	<b>(3,369,332)</b>
Investing activities			
Investing activities under Canadian GAAP	(2,368,815)	(1,401,631)	(3,835,872)
Deferred exploration (a)	2,741,967	2,750,544	1,829,082
<b>Investing activities under US GAAP</b>	<b>373,152</b>	<b>1,348,913</b>	<b>(2,006,790)</b>
Financing activities			
<b>Financing activities under Canadian and US GAAP</b>	<b>196,433</b>	<b>3,066,190</b>	<b>5,783,380</b>

**[a] Mineral Property Expenditures**

Canadian GAAP allows mineral exploration costs to be capitalized during the search for a commercially mineable deposit. Under US GAAP, mineral exploration costs are expensed as incurred and mineral property acquisition costs are initially capitalized when incurred using the guidance in EITF 04-02, "Whether Mineral Rights are Tangible or Intangible Assets". The Company assesses the carrying costs for impairment under SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" at each fiscal quarter end. As the Company has not established proven and probable reserves on any of its mineral properties, an impairment loss is recognized for capitalized mineral property acquisition costs.

For Canadian GAAP, cash flows relating to mineral property exploration and development are reported as investing activities. For US GAAP, these costs are characterized as operating activities.

**[b] Flow-through shares**

Under Canadian income tax legislation, the Company is permitted to issue shares whereby the Company agrees to incur Canadian exploration expenditures (as defined in the Income Tax Act, Canada) and renounce the related income tax deductions to the investors. Under Canadian GAAP, the full amount of funds received from flow-through share issuances are initially recorded as share capital. Upon renouncing the expenditures, the amount of deferred tax on the expenditures is removed from share capital. Under U.S. GAAP, the premium paid for the flow-through shares in excess of market value is credited to liabilities and included in income when the Company renounces the related tax benefits.

**[c] Proportionate Consolidation**

Canadian GAAP provides for investments in joint ventures to be accounted for using proportionate consolidation. Under US GAAP, investments in joint ventures are accounted for using the equity method. Under an accommodation of the Securities and Exchange Commission, the accounting for joint ventures allows us to continue to follow proportionate consolidation and a reconciliation from Canadian to US GAAP is not necessary. Additional information concerning our interests in joint ventures is presented in Note 5.

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**17. Differences Between Canadian and United States Generally Accepted Accounting Principles**

(continued)

**Recent Accounting Pronouncements****US GAAP**

In May 2008, the Financial Accounting Standards Board ("FASB") issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts – An interpretation of FASB Statement No. 60". SFAS 163 requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities, and requires expanded disclosures about financial guarantee insurance contracts. It is effective for financial statements issued for fiscal years beginning after December 15, 2008, except for some disclosures about the insurance enterprise's risk-management activities. SFAS 163 requires that disclosures about the risk-management activities of the insurance enterprise be effective for the first period beginning after issuance. Except for those disclosures, earlier application is not permitted. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. It is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles". The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In March 2008, the Financial Accounting Standards Board ("FASB") issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133". SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

FAS 160, Non-controlling Interests - In December 2007, the FASB issued SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51 ("SFAS No.160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non-controlling interest, changes in a parent's ownership interest, and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008 and earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

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**17. Differences Between Canadian and United States Generally Accepted Accounting Principles**

(continued)

**Recent Accounting Pronouncements** (continued)

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations". This statement replaces SFAS 141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS 141R also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. This statement is effective for fiscal years and interim periods within those fiscal years, beginning on or after December 15, 2008 and earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, "Fair Value Measurements". The adoption of this statement did not have a material effect on the Company's financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement did not have a material effect on the Company's future reported financial position or results of operations.