

**RICHMOND MINERALS INC.**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED**  
**FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**

**UNAUDITED – PREPARED BY MANAGEMENT**

## **RICHMOND MINERALS INC.**

### **Responsibility for Financial Statements**

The accompanying interim financial statements for Richmond Minerals Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the audited financial statements for the year ended May 31, 2008. Only changes in accounting information have been disclosed in these interim financial statements. These interim statements are presented on the accrual basis of accounting. Therefore, estimates and approximations have been made using careful judgement. Recognizing that the Company is responsible for both the integrity and objectivity of the interim financial statements, management is satisfied that these interim financial statements have been fairly presented.

### **Auditors' Involvement**

The auditors of Richmond Minerals Inc. have not performed a review of the unaudited financial statements for the three months and nine months ended February 28, 2009 and February 29, 2008.

**RICHMOND MINERALS INC.**  
**BALANCE SHEETS - February 28, 2009**  
**(Comparative figures as at May 31, 2008)**  
**Unaudited - Prepared by Management**

	February 28 2009	May 31 2008
	\$	\$
<b>ASSETS</b>		
Current		
Cash and cash equivalents	85,812	30,411
GST and QST receivable	104,425	30,690
Cash held for future exploration (Note 4)	-	983,098
	<u>190,237</u>	<u>1,044,199</u>
Office equipment	29,809	2,581
Accumulated amortization	<u>(2,597)</u>	<u>(1,094)</u>
	27,212	1,487
Mineral resource properties (Note 5)	<u>2,443,096</u>	<u>1,971,240</u>
	<u>2,660,545</u>	<u>3,016,926</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	46,949	58,211
Loan payable	70,882	-
	<u>117,831</u>	<u>58,211</u>
Future income taxes	<u>101,697</u>	<u>101,697</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (Note 6)	14,483,143	14,346,431
Contributed surplus (Note 10)	152,560	113,760
Deficit	<u>(12,194,686)</u>	<u>(11,603,173)</u>
	<u>2,441,017</u>	<u>2,857,018</u>
	<u>2,660,545</u>	<u>3,016,926</u>

Approved on behalf of the Board

"Birks Bovaird" Director  
 Director

"Andrew Mcquire"  
 Director

*The accompanying notes form an integral part of these financial statements*

**RICHMOND MINERALS INC.****STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008****Unaudited - Prepared by Management**

	Three months ended		Nine months ended	
	February 28 2009	February 29 2008	February 28 2009	February 29 2008
	\$	\$	\$	\$
Revenue				
Interest income	389	-	10,593	-
General and administrative expenses				
Management fees (Note 6)	15,000	15,000	37,000	39,000
Professional fees	1,447	29,186	5,945	40,146
General and administrative	21,327	25,744	57,836	70,915
Interest and bank charges	1,086	-	1,283	-
Shareholders' information and filing fees	9,380	13,211	14,061	36,335
Consulting fees	14,840	-	27,415	13,844
Stock-based compensation	22,600	-	38,800	-
Amortization	725	-	1,503	-
	<u>86,405</u>	<u>83,141</u>	<u>183,843</u>	<u>200,240</u>
Net loss for the period before underrated item	(86,016)	(83,141)	(173,250)	(200,240)
Property write down	(418,263)	-	(418,263)	-
Loss for the period	<u>(504,279)</u>	<u>(83,141)</u>	<u>(591,513)</u>	<u>(200,240)</u>
Net loss per share - basic and diluted	<u>(0.009)</u>	<u>(0.001)</u>	<u>(0.010)</u>	<u>(0.004)</u>
Weighted average number of shares outstanding	<u>58,576,506</u>	<u>57,549,839</u>	<u>57,888,301</u>	<u>48,430,138</u>

**STATEMENTS OF DEFICIT****FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008****Unaudited - Prepared by Management**

Deficit, beginning of period	(11,690,407)	(11,802,384)	(11,603,173)	(11,685,285)
Net loss for the period	<u>(504,279)</u>	<u>(83,141)</u>	<u>(591,513)</u>	<u>(200,240)</u>
Deficit, end of period	<u>(12,194,686)</u>	<u>(11,885,525)</u>	<u>(12,194,686)</u>	<u>(11,885,525)</u>

*The accompanying notes form an integral part of these financial statements*

**RICHMOND MINERALS INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**

**Unaudited - Prepared by Management**

	Three months ended February 28		Nine months ended February 29	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash was provided by (used in) the following activities:				
<b>Operating</b>				
Net loss for the period	(504,279)	(83,141)	(173,250)	(200,240)
Add: Item not involving an outlay of cash				
Amortization	725	-	1,503	-
Stock-based compensation expense	22,600	-	38,800	-
Property write down	418,263	-	418,263	-
Net change in non-cash working capital items (Note 10)	27,082	(31,919)	(14,115)	(76,740)
	<u>(35,609)</u>	<u>(115,060)</u>	<u>(147,062)</u>	<u>(276,980)</u>
<b>Financing</b>				
Issuance of common shares for cash	136,712	1,227,012	136,712	1,227,012
Issuance of common shares for debt settlement	-	-	-	40,000
Issuance of common shares for property acquisition	-	-	-	100,000
Cash held for future exploration	725,786	-	983,098	-
	<u>862,498</u>	<u>1,227,012</u>	<u>1,119,810</u>	<u>1,367,012</u>
<b>Investing</b>				
Deferred exploration expenditures	(723,948)	(138,380)	(890,119)	(460,491)
Acquisition of office equipment	-	-	(27,228)	-
	<u>(723,948)</u>	<u>(138,380)</u>	<u>(917,347)</u>	<u>(460,491)</u>
Net change in cash and cash equivalents	102,941	(973,572)	55,401	(633,524)
Cash, beginning of period	<u>(17,129)</u>	<u>108,316</u>	<u>30,411</u>	<u>452,533</u>
Cash and cash equivalents, end of period	<u>85,812</u>	<u>1,081,888</u>	<u>85,812</u>	<u>1,081,888</u>

*The accompanying notes form an integral part of these financial statements*

**RICHMOND MINERALS INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
(Comparative figures are for the year ended May 31, 2008)

Unaudited – Prepared by Management

**1. Nature of operations and going concern assumption**

Richmond Minerals Inc. (the “Company”) was incorporated under the laws of the Province of Ontario. The Company is engaged in base and precious metal mining and related activities, including exploration and development in Northern Ontario and Quebec.

The Company, directly and through joint ventures, is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

As at February 28, 2009, the Company has no source of operating cash flows. The Company’s ability to meet its obligations and continue as a going concern is dependent on the ability to identify and complete future financings. While the Company has been successful in raising financings to date, there can be no assurance that it will be able to do so in future.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern and do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumption was not appropriate.

**2. Summary of significant accounting policies**

The financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

**(a) Mineral resource properties and deferred exploration expenditures**

The Company carries its mineral resource properties at cost. Exploration expenditures relating to these properties, reduced by sundry income, are charged to deferred expenditures as incurred. If the property is brought into commercial production, the deferred expenditures will be amortized using the unit of production method based on the proven and probable ore reserves of the mine. Should an entire group of mining claims in an area be disproved or abandoned, the related acquisition costs and exploration expenditures will be written off. If the Company surrenders an interest in a property, any proceeds from the disposition of that part of the property is applied to reduce the carrying cost of the property to zero prior to any gain being recognized on the partial disposition.

The net carrying value of mineral properties does not represent the present or future realizable value of such properties. The realization of these assets is dependent upon confirmation of the company’s ownership interest in the claims and attaining viable commercial operations or proceeds from disposition.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
**(Comparative figures are for the year ended May 31, 2008)**  
**Unaudited – Prepared by Management**

**2. Summary of significant accounting policies (continued)**

An impairment loss will be recognized on a mineral property when the carrying value of the property is not recoverable and exceeds its fair value. Mineral properties are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The factors to be considered by management in this determination include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.

**(b) Property, plant and equipment**

Property, plant and equipment, consisting of office equipment, is carried at cost and is depreciated using the declining balance method at a rate of 20%. In the year of acquisition, one-half of the normal depreciation is recorded.

**(c) Earnings per share**

The Company has adopted the recommendations of the CICA Handbook Section 3500 “Earning per Share” (“EPS”). The section requires the presentation of both basic and diluted EPS on the face of the income statement regardless of the materiality of the difference between them. In addition, the recommendations require the use of the treasury stock method to compute the dilutive effects of options, warrants, and similar instruments as opposed to the previous method used which was the imputed earnings approach. The section also requires the disclosure of a reconciliation of the calculation of basic and diluted EPS.

**(d) Cash and cash equivalents**

Cash and cash equivalents consist of cash and investments in demand guaranteed investment certificates.

**(e) Stock-based compensation**

The Company has a common share purchase option plan that is described in Note 7. The CICA Handbook, Section 3870, establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments for goods and or services. The section requires that awards of stock be measured at fair value.

**(f) Income taxes**

The Company has adopted the liability method of accounting for income taxes in accordance with the recommendations of the Canadian Institute of Chartered Accountants. Future income tax relates to the expected consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment or substantive enactment.

**(g) Marketable securities**

Marketable securities are carried at the lower of cost and market.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
**(Comparative figures are for the year ended May 31, 2008)**  
**Unaudited – Prepared by Management**

**2. Summary of significant accounting policies (Continued)**

**(h) Asset retirement obligations**

Effective June 1, 2004, the Company adopted CICA 3110 “Asset Retirement Obligations” which requires that the estimated fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and depreciated over the life of the asset. The estimates used in the valuations are based primarily on legal and regulatory requirements. It is possible that the Company’s estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised.

An obligation has not been recorded with respect to asset retirement obligations (i.e. environmental remediation) for the Company’s exploration and development properties. This is based on the fact that the mining and processing activities that give rise to the legal obligation have not yet occurred and/or the environmental disturbance which has occurred is not yet significant.

**(i) Long-lived assets**

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company’s policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset.

**(j) Flow-through shares**

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

Effective March 19, 2004, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants issued EIC-146 under which the Company is required to recognize the future income tax liability created upon the issuance of flow-through shares, and to treat it as a cost of issuing the flow-through shares.

**(k) Use of estimates**

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

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
**(Comparative figures are for the year ended May 31, 2008)**  
**Unaudited – Prepared by Management**

**3. Changes in Accounting Policies**

**(a) Inventories**

In June 2007, CICA issued Handbook Section 3031 “Inventories” which replaces Section 3030 “Inventories”. Under the new section, inventories are required to be measured at the “lower of cost and net realizable value”, which is different from the existing guidance of the “lower of cost and market”. The new section contains guidance on the determination of cost and also requires reversal of any write-downs previously recognized should market value increase. Certain minimum disclosures are required, including the accounting policies used, carrying amounts, and amounts recognized as expenses, write-downs, and the amount of any reversal of any write-downs recognized as a reduction in expenses. The new standard became effective on January 1, 2008 for the Company. The adoption of this new section had no impact on the financial statements as currently the Company has no inventory.

**(b) Capital disclosures**

CICA Handbook Section 1535 “Capital Disclosures”, issued in December 2006, establishes standards for disclosures about capital that are effective for fiscal years beginning on or after October 1, 2007. It requires an entity to disclose its objectives, policies and processes for managing capital and to disclose quantitative data about what it considers to be capital. It also requires an entity to disclose whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance. The new standards are not expected to have impact on the Company’s financial statements beyond the additional disclosure.

**(c) Financial Instruments – Recognition and Measurement**

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. All derivatives are recorded on the balance sheet at fair value. Mark-to-market adjustments are included in net income, unless the instruments are designated as part of a cash flow hedge relationship.

All other financial instruments will be recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance. Regular way purchases and sales of financial assets are accounted for on the trade date.

Upon adoption of these new standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable and loan receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and loan payable are classified as other financial liabilities, which are measured at amortized cost, using effective interest rate method.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
**(Comparative figures are for the year ended May 31, 2008)**  
**Unaudited – Prepared by Management**

**3. Changes in Accounting Policies (Continued)**

**(d) Comprehensive Income**

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self sustaining foreign operations, all of which are not included in the calculation of net earnings until the period that the related asset or liability affects income.

**(e) Hedges**

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13 “Hedging Relationships” and Section 1650 “Foreign Currency Translation” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company currently does not have any instruments that are covered in this standard.

**(f) Accounting Changes**

Effective June 1, 2007, the Company adopted revised CICA Section 1506 “Accounting Changes” which requires that: a) a voluntary change in accounting policies can be made if, and only if, the changes result in more reliable and relevant information; b) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change; and c) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting policies since the adoption of the revised standard.

**4. Cash held for future exploration**

	February 28 2009	May 31 2008
Cash held for future exploration	<u>nil</u>	<u>\$983,098</u>

During the prior year, the Company raised \$1,227,012 in a flow-through share offering of which \$983,098 have not been expended by May 31, 2008. As these funds were committed to Canadian Exploration Expenditures (“CEE”), they were not available for current working capital purposes. At February 28, 2009 all of these funds have been expended on CEE.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
(Comparative figures are for the year ended May 31, 2008)  
Unaudited – Prepared by Management

**5. Mineral resource properties**

	February 28 2009	May 31 2008
Opening balance	\$1,971,240	\$1,263,493
Current period deferred exploration expenditures	890,119	805,518
Acquisition of mining properties	-	203,317
Mineral property write-down	418,263	-
Refundable tax credit received, Province of Quebec	-	(336,088)
Balance, end of period	<u>\$2,443,096</u>	<u>\$1,971,240</u>

	February 28 2009	May 31 2008
Represented by:		
Swayze Township, Thunder Bay Mining Division (Note 5(a))	\$ 1	\$ 1
Lac Colombet, Province of Quebec (Note 5(b))	345,824	345,824
Guibord Township, Highway 101 (Note 5(c))	78,580	78,580
Fort Chimo (Note 5(d))	1,744,745	845,074
Triple Lake (Note 5(e))	1	411,637
Mistamisk (Note 5(f))	290,176	290,176
	<u>\$2,443,096</u>	<u>\$1,971,240</u>

(a) The Company holds a 100% interest in a group of 65 contiguous unpatented mining claims and a 50% interest in 35 claims located in the Swayze Area, Porcupine Mining Division, Ontario. During a prior year, the Company acquired from Carlson Mines Ltd., a related company at the time of the acquisition, the balance of its interest in the claims for forgiveness of debt of \$123,000 and a 1.5% royalty which may be purchased for \$1,500,000 and issuance of 200,000 common shares. As a result of a legal settlement, the royalty has been dropped.

In 2006, management wrote down these claims to a nominal amount due to the fact that the Company has had no success in having the lien lifted and the fact that they do not figure prominently in the Company's present plans.

(b) In 2006, the Company signed two agreements under which it acquired a 100% interest, subject to a 2% net smelter return royalty, in 86 mining claims (the "Lac Colombet" property) located in the north eastern portion of the Province of Quebec, near the Labrador border. Under the terms of the agreement, the Company paid \$25,000 in cash and issued 1,000,000 common shares to acquire the property.

(c) By a vending agreement dated January 9, 2006 with Tandem Resource Ltd., the Company acquired an option to acquire a 100% interest, subject to a 2% net smelter return royalty, in 32 mining claims located in the northwest corner of Guibord Township, Larder Lake Mining Division, District of Cochrane, Ontario. To acquire the property, the Company must pay a total of \$35,000 in cash (2007 - \$15,000) and issue 200,000 common shares at a value of \$0.10 each. During the prior year, the Company paid the final payment of \$20,000 cash.

**RICHMOND MINERALS INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
(Comparative figures are for the year ended May 31, 2008)

Unaudited – Prepared by Management

**5. Mineral resource properties (Continued)**

(d) By an option agreement dated May 9, 2006 with Fort Chimo Minerals Inc. ("Fort Chimo"), the Company entered into an agreement to acquire an undivided 50% interest in 1,339 mining claims in the Limestone Basin Area, Province of Quebec. In order to exercise the option, the Company is required to spend \$2,000,000 in exploring the property and issue 1,000,000 common shares to Fort Chimo over a two year period. Fort Chimo has granted the Company an extension to the joint venture earn-in period due to delays pertaining to aboriginal negotiations.

Phase One of the exploration work, which was completed during 2007, consisted of an airborne geophysical survey of the property. Based on the results of this initial work on the property, the Company elected to proceed with the two year option and, therefore, issued 1,000,000 common shares of the Company to Fort Chimo and committed to spend the remaining \$1,600,000 over the two years from the date of signing of the agreement. During the period, an additional \$723,948 (May 31, 2008 - \$287,635) was spent on exploration on this property. During the prior year, the Company received a tax credit refund of \$336,088 which was offset against expenditures on this property.

One of the directors of Fort Chimo was also a director of the Company. This director abstained from voting at the meeting of directors approving the transaction.

(e) By a vending agreement dated October 3, 2007, the Company acquired a 100% interest in 34 mining claims located in the Townships of McArthur, Bartlett and Musgrove, in the Larder Lake Mining Division, in the Province of Ontario, subject to a 3% net smelter return royalty on the property. The Company paid cash of \$25,000 and issued 300,000 common shares of the Company at a price of \$0.10 per share with three additional installments of 250,000 shares per installment on each of the next three anniversary dates of the signing of the agreement. During the third quarter ended February 28, 2009 the Company concluded that additional work on this property was not justified and wrote the property down to \$1.

(f) By option agreement dated July 13, 2007, the Company acquired a 100% interest in 98 mineral claim licences located 200 km northwest of Schefferville, in the Province of Quebec, subject to a 3% net smelter return royalty on these claims. The Company paid cash of \$25,000 and issued 1,000,000 common shares of the Company at a price of \$0.13 per share with further payment of 4,400,000 shares to be issued in two years from the signing of the agreement.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
**(Comparative figures are for the year ended May 31, 2008)**  
**Unaudited – Prepared by Management**

**6. Share capital**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

	February 28		May 31	
	2009		2008	
	<u># of shares</u>	<u>Amount</u>	<u># of shares</u>	<u>Amount</u>
Opening balance	57,549,839	14,346,431	43,576,792	13,311,831
Private placement for cash (i)	2,800,000	140,000	11,154,654	1,227,012
Shares issued for debt settlement (ii)	-	-	400,000	40,000
Shares issued for finders' fees (i)	-	-	728,393	80,123
Exercise of stock options	-	-	390,000	60,140
Shares issued for mining properties	-	-	1,300,000	160,000
Less share issue costs	-	<u>3,288</u>	-	<u>(532,675)</u>
Closing balance	<u>60,349,839</u>	<u>14,483,143</u>	<u>57,549,839</u>	<u>14,346,431</u>

(i) On January 26, 2009 the company completed a non-brokered private placement of 2,800,000 units at \$0.05 per unit for gross proceeds of \$140,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share for \$0.10 per share until January 25, 2010. An amount of \$22,600 was allocated to the warrants based on the Black-Scholes option formula using the following assumptions; dividend yield of 0%, expected volatility of 115%, risk-free interest rate of 0.93% and expected life of 12 months. In addition, share issue costs of \$3,288 were incurred and charged to share capital.

During the prior year, the Company completed a non-brokered private placement for 11,154,654 flow-through shares for gross proceeds of \$1,227,012. An aggregate of cash \$9,355, 728,393 common shares and 728,393 broker warrants were issued as finder's fees. Each broker warrant is exercisable into one common share at a price of \$0.30 for the first year and at \$0.50 per share in the second year.

The Company has recognized a future income tax liability in the amount of \$443,197 related to this private placement. This amount has been recorded as a share issue cost. The future income tax liability has been partially offset through the recognition of previously unrecognized loss carry forwards.

(ii) During the prior year, the Company settled \$40,000 in debt by issuing 400,000 shares at a price of \$0.10 per share.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
(Comparative figures are for the year ended May 31, 2008)  
Unaudited – Prepared by Management

**6. Share capital (Continued)**

**Stock Options**

The Company has a common share purchase option plan (the “Plan”) for directors, officers, and employees. Options granted under the Plan have a five year term and vest immediately. Options are generally granted at market price but a certain discount from market is allowed depending on the price at which the shares trade.

A summary of the Company’s options at February 28, 2009 and May 31, 2008 and the changes for the period is presented below:

	<u>Options Outstanding</u>	<u>Weighted-Average Exercise Price</u>
Balance, May 31, 2008	2,560,000	\$0.10
Changes during the period:		
Granted	2,400,000	\$0.10
Exercised	-	-
Expired/Cancelled	<u>(444,000)</u>	<u>\$0.11</u>
Balance, February 28, 2009	<u>4,516,000</u>	<u>\$0.10</u>

The following table summarizes information about the options outstanding at February 28, 2009:

<u>Exercise Price</u>	<u>Options Outstanding and Exercisable</u>	<u>Remaining Contractual Life</u>
\$0.10	100,000	0.7 years
\$0.10	300,000	0.9 years
\$0.10	50,000	1.0 years
\$0.12	400,000	2.1 years
\$0.10	676,000	2.6 years
\$0.10	890,000	3.4 years
\$0.10	1,300,000	4.7 years
\$0.10	400,000	4.8 years
\$0.10	<u>400,000</u>	<u>4.9 years</u>
	<u>4,516,000</u>	<u>3.5 years</u>

In determining the stock-based compensation expense recorded in the nine months ended February 28, 2009, the fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 115%, risk-free interest rate of 0.93% - 2.73% and expected life of 12 - 60 months.

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
(Comparative figures are for the year ended May 31, 2008)  
Unaudited – Prepared by Management

**6. Share capital (Continued)**

**Share Purchase Warrants**

A summary of the Company's warrants at February 28, 2009 and May 31, 2008 and the changes for the period then ended is presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance May 31, 2008	9,498,393	\$0.24
Granted	2,800,000	\$0.10
Expired	<u>(8,770,000)</u>	<u>\$0.24</u>
Balance February 28, 2009	<u>3,528,393</u>	<u>\$0.18</u>

The following table summarizes information about the share purchase warrants and broker's warrants outstanding at February 28, 2009 and May 31, 2008:

Exercise Price	Warrants Outstanding and Exercisable	Remaining Contractual Life
\$0.10	2,800,000	0.9 years
\$0.50	<u>728,393</u>	<u>0.8 years</u>
	<u>3,528,393</u>	<u>0.9 years</u>

**7. Contingencies**

In March 1990, an individual launched a lawsuit against the Company along with other individuals and companies in regard to a flow-through financing arrangement carried out by the defendants. In connection with this lawsuit, a lien has been placed on the Company's mining interest in the Swayze Area, Porcupine Mining District, Province of Ontario (see Note 4(a)). The Company's involvement is limited to certain project fees earned in consideration for services and supplies provided to the project. Management believes that the claim has no merit and is unlikely to succeed. The Company's management and certain other defendants in the action have made a counter claim for damages for \$20,000,000.

**8. Commitments**

The Company has signed an operating lease for its premises under which it is committed to the following remaining minimum lease payments for the fiscal years ending May 31:

2009	\$ 7,628
2010	30,513
2011	<u>17,799</u>
	<u>\$ 55,940</u>

**RICHMOND MINERALS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008**  
**(Comparative figures are for the year ended May 31, 2008)**  
**Unaudited – Prepared by Management**

**8. Commitments (Continued)**

**Property commitments**

The Company is committed to making the payments (cash, exploration expenditures, and shares) under the terms of mineral resource property acquisition and option agreements as described in Notes 5 (d), (e), and (f).

**9. Supplemental cash flow information**

Net change in non-cash working capital for the nine months ended February 28, 2009

Accounts payable and accrued liabilities	\$ 59,620
GST and sundry receivables	<u>(73,735)</u>
	<u><u>\$(14,115)</u></u>

**10. Contributed surplus**

Balance May 31, 2008	\$113,760
Stock based compensation recorded during the period	<u>38,800</u>
Balance February 28, 2009	<u><u>\$152,560</u></u>