Jiulian Resources Inc.

Interim Financial Statements
Expressed in Canadian Dollars

Nine Months Ended November 30, 2007
(Unaudited)

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The interim financial statements of Jiulian Resources Inc. for the Nine months ended November 30, 2007 were prepared by management. They have not been reviewed by the Corporation's independent external auditor.

Jiulian Resources Inc.
Balance Sheet
As at November 30, 2007

		November 30, 2007 In CAD$ (Unaudited)		February 28, 2007 In CAD$ (Audited)
ASSETS				
Current				
Cash and cash equivalents	$	110, 777	$	40, 997
Term deposit (Note 3)		1, 803, 647		100, 249
Accounts Receivable - Other		2, 626		–
GST Recoverable		3, 140		48
		1, 920, 190		141, 294
Capital Assets				
Computer Hardware		2, 278		–
Accumulated Depreciation -Computer Hardwa		(214)		–
		2, 064		–
TOTAL ASSETS:	$	1, 922, 254	$	141, 294
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	3, 033	$	10, 000
Due to related party		10, 078		10, 078
		13, 111		20, 078
Shareholders' equity				
Share capital (Note 4)		1, 953, 766		135, 000
Contributed stock capital		34, 500		
Accumulated deficit		(79, 123)		(13, 784)
		1, 909, 143		121, 216
TOTAL LIABILITIES & EQUITY:	$	1, 922, 254	$	141, 294

- Continuance of operations (Note 1)
- Subsequent events (Note 7)

On behalf of the Board:

"Ian He" Director *"X Charlie Cheng"* Director

See accompanying notes to the financial statements

Jiulian Resources Inc.

Statements of Operations and Deficit

Expressed in Canadian Dollars

		Nine Months Ended November 30, 2007		Period from Incorporation on October 17, 2006 to February 28, 2007
		(Unaudited)		(Audited)
Administration Expenses				
Accounting and audit	$	1, 422	$	7, 500
Bank charges		496		47
Depreciation		214		–
Employee Stock Compensation Expense		24, 500		–
Filing and transfer agent fees		26, 855		1, 284
Legal		9, 055		2, 500
Office, administration		2, 043		125
Travel and related expenses		15, 139		2, 970
Loss before other item:		79, 724		14, 426
OTHER ITEM				
Interest income		(14, 388)		(642)
Gain (Loss) on currency exchange		3		
Net income (loss) for the period	$	(65, 339)	$	(13, 784)
Deficit, beginning of period:	$	(13, 784)	$	–
Deficit, end of period:	$	(79, 123)	$	(13, 784)
Basic and diluted loss per share	$	(0. 02)	$	–
Weighted average number of common shares outstanding				
Basic		3, 902, 411		–
Diluted		4, 383, 152		–

See accompanying notes to the financial statements

Jiulian Resources Inc.

Statements of Cash Flows

Expressed in Canadian Dollars

	Nine Months Ended November 30, 2007	Period from Incorporation on October 17, 2006 to February 28, 2007
	(Unaudited)	(Audited)
Cash Flows From Operating Activities		
Net loss for the period	$ (65,339)	$ (13,784)
Items not affecting cash:		
Depreciation	214	
Employee Stock Compensation Expense	24,500	
Changes in non-cash working capital items:		
Accrued interest on term deposit	(3,398)	(249)
Accounts receivable - other	(2,626)	-
Increased in GST recoverable	(3,092)	(48)
Accounts payable and accrued liabilities	(6,967)	10,000
Net cash flow from operating activities	(56,708)	(4,081)
Cash Flows From Investing Activities		
Acquisition (Redemption) of term deposits	(1,700,000)	(100,000)
Purchase of fixed assets	(2,278)	-
Net cash from investing activities	(1,702,278)	(100,000)
Cash Flows From Financing Activities		
Advance from related party	-	10,078
Proceeds from issuance of shares	1,828,766	135,000
Net cash from financing activities	1,828,766	145,078
Increased (decrease) in cash during the period	69,780	40,997
Cash and cash equivalents, beginning of period	40,997	-
Cash and cash equivalents, end of period	$ 110,777	$ 40,997

see accompanying notes to the financial statements

Note 1 NATURE AND CONTINUANCE OF OPERATIONS

The Corporation was incorporated on October 17, 2006 under the laws of British Columbia. It is a capital pool corporation as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4, and accordingly, its principal purpose is to use its capital to investigate and acquire an asset or assets sufficient for the Corporation to meet the minimum listing requirements of the Exchange as a Tier 1 or Tier 2 issuer (referred to as a “Qualifying Transaction”).

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) with the assumption that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business.

The Exchange may suspend from trading or delist the listed shares of the Corporation where the Corporation has not completed its Qualifying Transaction within twenty four months following the date of listing of the Corporation’s shares on the Exchange. The Qualifying Transaction will be subject to regulatory approval and may be subject to shareholder approval.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with Canadian GAAP and are stated in Canadian dollars.

a) **Estimates and Assumptions**
The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

b) **Income taxes**
Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income tax assets, if any, 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 effects of changes in tax laws and rates at the date of enactment or substantive enactment.

Note 2 **SIGNIFICANT ACCOUNTING POLICIES (**Cont'd**)**

c) **Loss per Share**

Loss per share is computed by dividing the net earnings for the period by the weighted average number of common shares outstanding during the year. To compute diluted earnings per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, if later, all options were exercised. If the Corporation is in a loss position, the diluted loss per share will not be presented since it is "anti-dilutive".

The shares outstanding at February 28, 2007 have been excluded from the weighted average number of shares because they are contingently returnable.

d) **Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid investments redeemable at any time and are stated at cost, which approximates market value.

e) **Financial instruments**

The Corporation's financial instruments consist of cash, term deposit, accounts payable and accrued liabilities, and amount due to related party. It is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from its financial instruments, since all cash and the term deposit are placed with a major Canadian financial institution and their fair values approximate their carrying values except where separately disclosed.

f) **Equipment**

Equipments are stated at cost less accumulated amortization. Amortization is provided for at the following annual rates and methods:

Computer equipment	-	30% using the declining balance method
Furniture and equipment	-	20% using the declining balance method

Equipment are tested for impairment when evidence of a decline in value exists. If it is determined that the carrying value of the equipment is not recoverable, a write-down to fair value is charged to earnings in the year that such a determination is made.

g) **Stock Based Compensation**

The fair value of stock options granted is determined using the Black-Scholes options pricing method and is expensed over the period of vesting. Any consideration paid on the exercise of stock option is credited to capital stock.

Note 3 **TERM DEPOSIT**

Term investment (redeemable) is through a charted Canadian bank and interest is accrued at a fixed rate of 4.35% per annum, with maturity date on November 12, 2008.

Note 4 **SHARE CAPITAL**

a) Authorized:
Unlimited number of common shares without par value

b) Escrow Shares:
During the period ended February 28, 2007, the Corporation issued 2,700,000 common shares at a price of $0.05 per share for total proceeds of $135,000. These shares were subscribed for by the Corporation's directors, allotted from treasury, and are held in escrow. The shares will be released from escrow upon issuance of notice of final acceptance of a Qualifying Transaction by the Exchange. A Qualifying Transaction has been announced but not closed. Such releases will either be over a period of 18 months or 3 years depending on the valuation of the assets acquired and on the determination as to the Tier upon which the Corporation's shares are listed. While escrowed, the escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the Exchange.

c) IPO Shares:
On June 19, 2007, the Corporation completed an initial public offering ("IPO") of 2,000,000 common shares of the Corporation at $0.10 per share for gross proceeds of $200,000.

d) Private Placement:
On November 6, 2007, the Corporation completed a non-brokered private placement and issued 4,620,000 common shares of the Corporation at a price of $0.36 per share for gross proceeds of $1,663,200.

As of November 30, 2007, the Corporation has 9,320,000 issued and outstanding common shares in total.

Note 5 **STOCK OPTIONS**

The Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors and officers to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Corporation, exercisable for a period of up to five years, from the date of grant. However, while the Corporation is a capital pool company, Note 5 **STOCK OPTIONS** (Con't)

the Corporation is restricted to stock option grants that in aggregate do not exceed 10% of the issued and outstanding shares of the Corporation as at completion of its IPO. There are no vesting requirements under the stock option plan. The Board may, however, add such provisions in its discretion on a grant by grant basis.

a) On June 19, 2007, the Corporation completed the IPO and received net proceeds of $155,566.33, after deducting agent's fees, commissions and consideration of stock options issued to the agent. Pursuant to an agency agreement with Leede Financial Markets Inc. (the "agent"), the agent received a commission of 10% of the gross proceeds. The Corporation granted the agent a non-transferable option to purchase 200,000 common shares at an exercise price of $0.10 per common share exercisable for a period of 24 months from the date of listing of the common shares on the Exchange.

b) On June 19, 2007, the Corporation granted stock options to directors and officers of the Corporation to purchase up to a total of 350,000 common shares at an exercise price of $0.10 per common share for a period of 5 years from the date of grant. Subsequently, the Corporation granted additional stock options to purchase up to 40,000 common shares at an exercise price of $0.10 per common share for a period of 5 years from the date of grant to one director under the same plan.

c) At November 30, 2007 the Corporation had outstanding stock options enabling the holders to acquire 590,000 shares as follows:

	Number of Shares	Exercise Price	Expiry Date
Stock options (1)	200,000	$ 0.10	June 20, 2009
Stock options (1)	350,000	$ 0.10	June 19, 2012
Stock options	40,000	$ 0.10	July 15, 2012

(1) These options were issued in conjunction with the IPO in June 2007.

Note 6 **RELATED PARTY TRANSACTION**

During the period ended February 28, 2007, the Corporation received a loan from a director of the Corporation in the amount of $10,078. The loan is unsecured, non-interest bearing and has no specific date of repayment. Accordingly the fair value cannot be determined.

Note 7 **SUBSEQUENT EVENT**

The Corporation issued a press release on December 20, 2007, announcing that the Corporation has entered into an acquisition agreement, with a possible earn-in of up to a 98% equity interest in a nickel-copper exploration property located at Sunite Zuoqi area, Inner Mongolia, China, with Inner Mongolia Tuoye Mining Development Co., an arm's length Chinese private exploration company.

Subject to the execution of a final agreement, the transaction is expected to constitute the Corporation's Qualifying Transaction in accordance with the policies of the TSX Venture Exchange.