

Jiulian Resources Inc.

Interim Financial Statements

Expressed in Canadian Dollars

**For the three months and six months Periods Ended August 31, 2009 and 2008
(Unaudited – Prepared by Management)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying interim financial statements of Jiulian Resources Inc. for the six months period ended August 31, 2009 were prepared by management. They have not been reviewed or audited by the Company's independent external auditor.

This notice is being provided in accordance with part 4, subsection 4.3(3)(a) of the National Instrument 51-102 Continuous Disclosure Obligations.

Contents

Financial Statements

Interim Balance Sheets	3
Interim Statements of Operations' Comprehensive Loss and Deficit	4
Interim Statements of Cash Flows	5
Notes to the Interim Financial Statements	6-9

Julian Resources Inc.

Interim Balance sheets

As at August 31, 2009 and February 28, 2009

(Prepared by Management - Expressed in Canadian Dollars)

	August 31, 2009	February 28, 2009
	(Unaudited)	(Audited)
Assets		
Cash	\$ 53,075	\$ 82,268
Term deposit (Note 3)	1,630,384	1,711,525
Prepaid expenses and deposits	1,650	1,650
GST recoverable	4,838	857
	1,689,947	1,796,300
Equipment (Note 4)	25,365	982
Mineral property (Note 5)	81,389	-
	\$ 1,796,701	\$ 1,797,282
Liabilities		
Accounts payable and accrued liabilities	\$ 2,100	\$ 8,467
Due to related party (Note 6)	10,078	10,078
	12,178	18,545
Shareholders' equity (Note 7)		
Share capital	2,007,950	1,944,950
Contributed surplus	45,500	45,500
Accumulated deficit	(268,927)	(211,713)
	1,784,523	1,778,737
	\$ 1,796,701	\$ 1,797,282

Commitment (Note 8)

Approved on behalf of the Board

"Charlie Cheng"

Director

"James Zhang"

Director

The accompanying notes are an integral part of these interim financial statements.

Julian Resources Inc.

Interim Statements of Cash Flow

For the Three and Six Months Ended August 31, 2009 and 2008

(Prepared by Management - Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	August 31, 2009	August 31, 2008	August 31, 2009	August 31, 2008
Cash provided by (used in)				
Operating activities				
Net loss for the period	\$ (24,981)	\$ (23,144)	\$ (57,214)	\$ (28,957)
Item not affecting cash:				
Amortization	649	201	678	402
Change in non-cash working capital				
Accrued interest on term deposit	(10,163)	(16,261)	(20,366)	(35,836)
GST recoverable	(3,314)	(2,933)	(3,981)	(116)
Prepaid expenses and deposits	3,000	-	-	-
Accounts payable and accrued liabilities	(6,256)	(32,000)	(6,367)	(34,244)
	(41,065)	(74,137)	(87,250)	(98,751)
Investing activity				
Acquisition (redemption) of term deposit	71,189	100,000	101,507	100,000
Purchase of fixed assets	(25,142)	-	(25,061)	-
Mineral property	(71,389)	-	(81,389)	-
	(25,342)	100,000	(4,943)	100,000
Financing activities				
Proceeds from issuance of shares	63,000	-	63,000	-
	63,000	-	63,000	-
CHANGE IN CASH	(3,407)	25,863	(29,193)	1,249
CASH, beginning of the period	56,482	46,964	82,268	71,578
CASH, end of the period	\$ 53,075	\$ 72,827	\$ 53,075	\$ 72,827
Supplementary information				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these interim financial statements.

Julian Resources Inc.

Interim Statements of Cash Flow

For the Three and Six Months Ended August 31, 2009 and 2008

(Prepared by Management - Expressed in Canadian Dollars)

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Note 1 NATURE AND CONTINUANCE OF OPERATIONS

Jiulian Resources Inc. (the “Company”) was incorporated on October 17, 2006 under the laws of British Columbia. The Company was a capital pool Company as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4. On July 28, 2009, the Exchange has accepted for filing the Company’s Qualifying Transaction, as a result, the Company resumed trading as a Tier 2 mining company under the symbol “JLR”, on August 26, 2009. The Company is now pursuing opportunities in the acquisition, exploration and development of mineral resource properties.

The accompanying unaudited interim financial statements are prepared in accordance with Canadian Generally Accepted Accounting principles (“Canadian GAAP”). They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. The preparation of these interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended August 31, 2009 are not necessarily indicative of the results that may be expected for the full year ended February 28, 2010. For further information, see the financial statements including the notes thereto for the year ended February 28, 2009.

The Company is in the process of exploring its mineral properties and has not yet determined whether the property contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral property and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the reserve, the achievement of profitable production, or alternatively upon the Company’s ability of dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. In addition, although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The Company’s exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

Management in accordance with generally accepted accounting principles in Canada has prepared the financial statements of the Company. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements, in management's opinion, have been properly prepared using careful judgment with reasonable limits of materiality.

The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended February 28, 2009, except as stated below. These interim financial statements do not contain all disclosures required under general accepted accounting principles for annual financial statements and should therefore be read in conjunction with the financial statements and the notes for the year ended February 28, 2009.

Newly Adopted Accounting Policy

Section 3064, Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064 "Goodwill and intangible assets" which is required to be adopted for fiscal years beginning on or after October 1, 2008. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The Company adopted this section on March 1, 2009. The adoption of this new Section did not have any impact on the Company's financial results.

Note 3 TERM DEPOSIT

The term investment (redeemable) is made through a chartered Canadian bank and interest is accrued at a fixed rate of 2.45% per annum with a maturity date of November 20, 2009.

Note 4 EQUIPMENT

Description	August 31, 2009			February 28, 2009
	Cost	Amortization	Net Book Value	Net Book Value
Computer	\$ 2,160	\$ 1,399	\$ 761	\$ 982
Vehicle	\$ 25,143	\$ 539	\$ 24,604	\$ -
Total	\$ 27,303	\$ 1,938	\$ 25,365	\$ 982

Jiulian Resources Inc.
Notes to the Interim Financial Statements
For the six months ended August 31, 2009

Note 5 MINERAL PROPERTY

Pursuant to an option agreement with Happy Creek Minerals Ltd, the Company has an option agreement to acquire up to a 65% interest, in the Hawk project located in the south-central Cariboo region of British Columbia, subject to an existing 2.5% NSR on the Hawk Property and an existing 2% NSR on the Grey Option.

Consideration for an initial 55% interest consists of cash payments of \$150,000, issuing an aggregate of 700,000 shares to Happy Creek and incurring aggregate exploration expenditures on the Hawk Project of \$700,000 over a period of three years.

The Company has the exclusive option right to acquire an additional 10% interest in the Hawk Project by incurring additional exploration expenditures of \$500,000 on the project on or before August 25, 2013.

Pursuant to the option agreement, the Company paid cash 15,000 and issued 100,000 common shares to Happy Creek on August 25, 2009. The securities are subject to a hold period expiring December 26, 2009.

Accumulated mineral property costs have been incurred as follows:

Hawk Property, British Columbia	Opening Balance	Three Months Ended August 31, 2009	Total
Acquisition Costs	\$ -	\$ 68,000	\$ 68,000
Exploration Costs			
Consulting	-	1,500	1,500
Licenses, tax and insurance	-	2,179	2,179
Geological survey and reports	-	9,342	9,342
Field supplies and miscellaneous	-	368	368
Balance, end of the period	\$ -	\$ 81,389	\$ 81,389

Note 6 RELATED PARTY TRANSACTION

The Company received a loan from a director of the Company 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.

The following related transactions occurred and were reflected in the financial statements during the six months ended August 31, 2009:

Jiulian Resources Inc.
Notes to the Interim Financial Statements
For the six months ended August 31, 2009

	Three month ended	
	August 31, 2009	August 31, 2008
Exploration expense:		
Geologist services were charged by an officer and director	\$ 1,600	\$ -
Consulting fees expense:		
Corporate administrative fees were charged by an officer and director	\$ 500	\$ -

The transactions with related parties are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Note 7 AGENT OPTIONS

As at August 31, 2009, the Company has no more outstanding agent options. The agent options were excised (200,000 shares with excised price \$0.10 each share) on June 18, 2009.

Note 8 COMMITMENT

Hawk Property, British Columbia	Cash Payments	Share Issuances	Exploration Expenditures
Upon conditional acceptance by TSX Venture Exchange of the transaction (paid)	\$ 10,000	-	\$ -
Upon receipt of final acceptance of the transaction by TSX Venture Exchange (paid, and issued)	15,000	100,000	-
on or before March 31, 2010	20,000	-	-
on or before August 25, 2010	-	100,000	200,000
on or before March 31, 2011	45,000	-	-
on or before August 25, 2011	-	200,000	200,000
on or before March 31, 2012	60,000	-	-
on or before August 25, 2012	-	300,000	300,000
	\$ 150,000	700,000	\$ 700,000