

# Julian Resources Inc.

## **Interim Financial Statements**

**Expressed in Canadian Dollars**

**For the Three and Nine Month Periods Ended November 30, 2010 and 2009  
(Unaudited – Prepared by Management)**

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# Julian Resources Inc.

## Notice Pursuant to Part 4.3 (3) of the National Instrument 51-102 Continuous Disclosure Obligations

The quarterly report of Julian Resource Inc. filed for the Three and Nine months ended November 30, 2010 has been prepared by management without review by our auditors. These unaudited financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Generally Accepted Accounting Principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

<b>Julian Resources Inc.</b>			
Interim Balance sheets			
(Unaudited - Prepared by Management - Expressed in Canadian Dollars)			
	<b>November 30, 2010</b>		<b>February 28, 2010</b>
	(Unaudited)		(Audited)
<b>Assets</b>			
Cash	\$ 61,053	\$	55,334
Term deposit (Note 3)	1,283,587		1,532,285
Prepaid expenses and deposits	6,650		2,905
GST/HST recoverable	14,396		8,272
	<b>1,365,686</b>		<b>1,598,796</b>
Equipment (Note 4)	17,830		21,912
Mineral Properties (Note 6)	223,010		79,368
	<b>\$ 1,606,526</b>	<b>\$</b>	<b>1,700,076</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 37,200	\$	11,875
<b>Shareholders' equity (Note 8)</b>			
Share capital	1,995,950		1,984,950
Contributed surplus	35,500		35,500
Accumulated deficit	(462,124)		(332,249)
	<b>1,569,326</b>		<b>1,688,201</b>
	<b>\$ 1,606,526</b>	<b>\$</b>	<b>1,700,076</b>
Continuance of operations (Note 1)			
Commitment (Note 9)			
Approved on behalf of the Board			
<i>"Charlie Cheng"</i>		<i>"James Zhang"</i>	
Director		Director	

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

<b>Julian Resources Inc.</b>				
Interim Statements of Operations' Comprehensive Loss and Deficit				
For the Three and Nine Months Ended November 30, 2010 and 2009				
(Prepared by Management - Expressed in Canadian Dollars)				
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>November 30, 2010</b>	<b>November 30, 2009</b>	<b>November 30, 2010</b>	<b>November 30, 2009</b>
<b>Exquipenses</b>				
Acquisition related expenses	\$ 25,480	\$ -	\$ 51,274	\$ -
Accounting and audit	-	-	730	3,270
Amortization	1,719	1,727	5,065	2,487
Bank charges	51	45	141	347
Consulting fees	4,500	4,500	19,602	14,000
Filing and transfer agent fees	1,564	3,194	12,370	13,278
Legal	1,156	2,541	7,329	18,464
Office, administration	6,154	5,781	17,270	17,588
Salaries and benefits	13,223	9,620	39,669	28,860
Travel	1,606	-	2,609	329
<b>Loss before other items:</b>	<b>55,453</b>	<b>27,408</b>	<b>156,059</b>	<b>98,623</b>
<b>Other Items</b>				
Interest income	4,678	9,154	12,343	29,519
Consulting income	15,000	-	15,000	-
Foreign exchange gain (loss)	(1,657)	(1,409)	(1,159)	(7,773)
	18,021	7,745	26,184	21,746
<b>Net loss and comprehensive loss</b>	<b>(37,432)</b>	<b>(19,663)</b>	<b>(129,875)</b>	<b>(76,877)</b>
Deficit, beginning of period	(424,692)	(268,927)	(332,249)	(211,713)
<b>Deficit, end of period</b>	<b>\$ (462,124)</b>	<b>\$ (288,590)</b>	<b>\$ (462,124)</b>	<b>\$ (288,590)</b>
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares				
outstanding - basic and diluted	9,379,427	9,454,055	9,379,427	9,454,055
<i>The accompanying notes are an integral part of these interim financial statements</i>				

<b>Julian Resources Inc.</b>				
Interim Statements of Cash Flow				
For the Three and Nine Months Ended November 30, 2010 and 2009				
(Prepared by Management - Expressed in Canadian Dollars)				
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>November 30, 2010</b>	<b>November 30, 2009</b>	<b>November 30, 2010</b>	<b>November 30, 2009</b>
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Net loss for the period	\$ (37,432)	\$ (19,663)	\$ (129,875)	\$ (76,877)
Item not affecting cash:				
Amortization	1719	1727	5065	2487
Change in non-cash working capital				
Accrued interest on term deposit	(4,678)	(9,154)	(4,260)	(29,519)
GST/HST recoverable	(2,713)	(1,900)	(6,124)	(5,880)
Prepaid expenses and deposits	-	(10)	(3,744)	(10)
Accounts payable and accrued liabilities	37,200	(2,100)	25,325	(8,468)
	(5,904)	(31,100)	(113,613)	(118,267)
<b>Investing activity</b>				
Acquisition (redemption) of term deposit	20,000	30,636	252,956	132,143
Purchase of fixed assets	-	-	(983)	(25,143)
Mineral property	(1,316)	(23,167)	(143,641)	(104,557)
	18,684	7,469	108,332	2,443
<b>Financing activities</b>				
Proceeds from issuance of shares	-	-	11,000	63,000
	-	-	11,000	63,000
<b>CHANGE IN CASH</b>	<b>12,780</b>	<b>(23,631)</b>	<b>5,719</b>	<b>(52,824)</b>
<b>CASH, beginning of the period</b>	<b>48,273</b>	<b>53,075</b>	<b>55,334</b>	<b>82,268</b>
<b>CASH, end of the period</b>	<b>\$ 61,053</b>	<b>\$ 29,444</b>	<b>\$ 61,053</b>	<b>\$ 29,444</b>
Supplementary information				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

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

**Jiulian Resources Inc.**  
**Notes to the Interim Financial Statements**  
**For the three and nine months ended November 30, 2010**

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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 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 November 30, 2010 are not necessarily indicative of the results that may be expected for the full year ended February 28, 2011. For further information, see the financial statements including the notes thereto for the year ended February 28, 2010.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties 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 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.















