
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 17, 2009

GOLDEN RIVER RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-16097
(Commission
File Number)

98-007697
(I.R.S. Employer
Identification No.)

Level 8, 580 St Kilda Road, Melbourne, Victoria Australia 3004
(Address of Principal Executive Office) (Zip Code)

61-3-8532-2860
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01: Completion of Acquisition or Disposition of Assets

On June 10, 2009, Golden River Resources Corporation (the “Company”) closed the second tranche of the offering by Acadian Mining Corporation (“Acadian”) pursuant to the terms of the previously announced Subscription Agreements dated March 31, 2009 and by and among the Company and Acadian. As a result of the closing, the Company holds a 19.9% equity interest in Acadian.

On June 10, 2009, the Company filed a Current Report on Form 8-K (the “Current Report”) to report the completion of the second tranche of the offering by Acadian. The sole purpose of this Amendment No. 1 to the Current Report is to file the financial statements and pro forma information required by Item 9.01.

Item 9.01: Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

The following historical consolidated audited financial statements of Acadian are attached hereto as Exhibit 99.1 and incorporated herein by reference:

- Independent Auditors’ Report
- Consolidated Balance Sheets as of December 31, 2008 and December 31, 2007
- Consolidated Statements of Loss and Comprehensive Loss and Statement of Deficit for each of the two years ended December 31, 2008
- Consolidated Statements of Cash Flows for each of the two years ended December 31, 2008
- Notes to Consolidated Financial Statements

The following historical consolidated interim unaudited financial statements of Acadian are attached hereto as Exhibit 99.2 and incorporated herein by reference:

- Consolidated Balance Sheet as of March 31, 2009
- Consolidated Statements of Operations and Deficit for each of the three months ended March 31, 2009 and March 31, 2008
- Consolidated Statements of Cash Flows for each of the three months ended March 31, 2009 and March 31, 2008
- Notes to Consolidated Financial Statements

(b) Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information for the Company is attached hereto as Exhibit 99.3 and incorporated herein by reference:

- Unaudited Pro Forma Consolidated Balance Sheet as of March 31, 2009
- Unaudited Pro Forma Consolidated Statement of Operations for the year ended June 30, 2008 and the nine months ended March 31, 2009
- Notes to Unaudited Pro Forma Consolidated Financial Statements

(c) Exhibits

- 2.1 Subscription Agreement dated March 31, 2009 between Golden River Resources Corporation and Acadian Mining Corporation. (Previously filed)
- 2.2 Subscription Agreement dated July 9, 2009 between Golden River Resources Corporation and Acadian Mining Corporation.
- 99.1 Financial Statements listed in Item 9.01(a)
- 99.2 Financial Statements listed in Item 9.01(a)
- 99.3 Unaudited Pro Forma Financial Information listed in Item 9.01(b)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
2.1	Subscription Agreement dated March 31, 2009 between Golden River Resources Corporation and Acadian Mining Corporation (Previously filed)
2.2	Subscription Agreement dated July 9, 2009 between Golden River Resources Corporation and Acadian Mining Corporation
99.1	Financial Statements listed in Item 9.01(a)
99.2	Financial Statements listed in Item 9.01(a)
99.3	Unaudited Pro Forma Financial Information listed in Item 9.01(b)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GOLDEN RIVER RESOURCES CORPORATION (Company)

By:

/s/ Peter Lee

Peter Lee
Secretary

Dated: August 5, 2009

SUBSCRIPTION AGREEMENT FOR COMMON SHARES

TO: Acadian Mining Corporation (the “**Corporation**”)

The undersigned (the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase the number of common shares (the “**Shares**”) of the Corporation for the aggregate subscription price set forth below, representing a subscription price of \$0.03 per Share, upon and subject to the terms and conditions set forth in “**Terms and Conditions of Subscription for Common Shares of Acadian Mining Corporation**” attached hereto (the “**Terms and Conditions**”), including without limitation, the representations, warranties and covenants of the Subscriber set forth in the Terms and Conditions.

<p>Golden River Resources Corporation <i>(Name of Subscriber - please print)</i></p> <p>By: <u>/s/Peter Lee</u> <i>Authorized Signature</i></p> <p>Director, Chief Financial officer & Secretary <i>(Official Capacity or Title - please print)</i></p> <p>Peter James Lee <i>(Please print name of individual whose signature appears above if different than the name of the subscriber printed above.)</i></p> <p>PO Box 6315 St Kilda Road Melbourne Vic 8008 Australia <i>(Subscriber's Address, including postal code)</i></p> <hr/> <p>+61 3 8532 2860 <i>(Telephone Number)</i></p> <p>peterl@axisc.com.au <i>(E-mail Address)</i></p>	<p>Number of Shares @ \$0.03 per Share:</p> <p>300,000,000</p> <hr/> <p>Aggregate Subscription Price:</p> <p>\$9,000,000.00</p> <hr/>
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Register the Shares as set forth below:

(Name)

(Account Reference, if applicable)

(Address, including postal code)

Deliver the Shares as set forth below:

(Name)

(Account Reference, if applicable)

(Contact Name)

(Telephone Number)

(Address, including postal code)

ACCEPTANCE: The Corporation hereby accepts the subscription as set forth above on the Terms and Conditions and confirms that the representations and warranties made by the Corporation in the Terms and Conditions are true and correct in all material respects as of the Initial Closing Date and that the Subscriber is entitled to rely thereon.

ACADIAN MINING CORPORATION

Per: /s/ G William Felderhof

Name: G William Felderhof

Title: President & CEO

Date: July 9, 2009

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
COMMON SHARES OF ACADIAN MINING CORPORATION**

Definitions

- (a) “**CCAA**” means the *Companies Creditors’ Arrangement Act*;
- (b) “**Closing Time**” means the time of closing on a particular closing date;
- (c) “**Corporation**” means Acadian Mining Corporation;
- (d) “**Final Closing**” means the final closing of the purchase of Shares at which the Subscriber will have purchased all remaining Shares;
- (e) “**Final Closing Date**” has the meaning ascribed to it in Section 1 of this Agreement;
- (f) “**Information**” has the meaning ascribed to it in Section 4(y) of this Agreement;
- (g) “**Initial Closing**” means the initial closing of the purchase of the Shares by the Subscriber, such closing to take place as soon as practicable after the Tranche 2 Conditions Precedent have been met;
- (h) “**Initial Closing Date**” has the meaning ascribed to it in Section 1 of this Agreement;
- (i) “**Mineral Rights**” has the meaning ascribed to it in Section 4(y) of this Agreement;
- (j) “**PCMLTFA**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);
- (k) “**Reporting Provinces**” means British Columbia, Alberta, Manitoba, Ontario, New Brunswick, Nova Scotia and Newfoundland;
- (l) “**Shares**” means 300,000,000 common shares in the capital of the Corporation;
- (m) “**Subscriber**” means Golden River Resources Corporation;
- (n) “**Subscription Price**” means \$0.03 per Share;
- (o) “**Subsequent Closing**” means each closing after the Initial Closing pursuant to which the Subscriber purchases a portion of the Shares;
- (p) “**Subsidiaries**” means ScoZinc Limited, 6927692 Canadian Corp., Annapolis Properties Corp., Goldenville Mining Corporation and 6179053 Canada Inc.;
- (q) “**Terms and Conditions**” means the terms and conditions of the subscription for common shares of the Corporation;
- (r) “**Tranche 2 Conditions Precedent**” has the meaning ascribed to it in Section 2 of this Agreement;
- (s) “**TSX**” means the Toronto Stock Exchange; and
- (t) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

Subscription for Shares

1. Upon satisfaction of the Tranche 2 Closing Conditions Precedent and subject to other terms and conditions set out herein, the Subscriber hereby irrevocably subscribes for and offers to purchase 300,000,000 Shares of the Corporation at a price of \$0.03 per Share (the “**Subscription Price**”) on or before the Final Closing Date, in such tranches as set out below.

Initial Closing. Upon satisfaction of the Tranche 2 Closing Conditions Precedent, the Subscriber agrees to subscribe for and purchase from the Corporation, and the Corporation agrees to allot and issue to the Subscriber, that number of shares to be agreed upon by the parties (the “**Initial Closing Date**”).

Subsequent Closings: The subscriber agrees to subscribe for and purchase from the Corporation, and the Corporation agrees to allot and issue to the Subscriber, from time to time between the Initial Closing Date and the Final Closing Date, that number of Shares of the Corporation required to satisfy the cash requirements of the Corporation in accordance with the budget approved by the Subscriber.

Final Closing. On the earlier of i) March 16, 2010 and ii) the date of the Corporation’s annual general meeting in 2010 (the “**Final Closing Date**”), the Subscriber agrees to subscribe for and purchase from the Corporation, and the Corporation agrees to allot and issue to the Subscriber, any remaining portion of the Shares of the Corporation that have not already been subscribed for and issued.

For greater certainty, the Subscriber will not be bound to subscribe for and purchase any Shares until the Tranche 2 Conditions Precedent have been satisfied but once they have been met and the Initial Closing is held, the Subscriber is irrevocably committed to purchase all the Shares on or before the Final Closing Date.

Tranche 2 Closing Conditions Precedent

2. The obligations of the Subscriber to complete the transactions contemplated hereby are subject to the fulfillment of the following conditions (the “**Tranche 2 Conditions Precedent**”):
 - (a) resolution to the satisfaction of the Subscriber of the proceedings of ScoZinc Limited under CCAA;
 - (b) acquisition by the Corporation of the remaining 50% interest in the Fifteen Mile Stream Deposit on terms no less favourable to the Corporation than the following: a 1% NSR payable to the vendor(s) and a \$1,070,000 payment to the vendor(s), with \$70,000 payable on closing of the acquisition and the remaining \$1,000,000 balance to be paid by the Corporation issuing a non-interest bearing note for such amount payable one-year after closing (provided that such repayment period in the note may be extended for up to an additional 12 months at the option of the Corporation so long as at the time of such extension the Corporation pays to the vendor(s) of the Fifteen Mile Stream Deposit \$100,000 on such note, so that the remaining balance is \$900,000. In addition, the Subscriber and Corporation agree that in the event the Corporation completes a financing of at least \$20,000,000 while the note is outstanding, such note will be paid out from the proceeds of such financing. For greater certainty, this acquisition may close concurrently with the Initial Closing;
 - (c) the acquisition by the Corporation from Votix Corporation Limited of land owned by Votix Corporation Limited required for the mining of the Forest Hill Deposit for \$8,000. For greater certainty, this acquisition may close concurrently with the Initial Closing; and

- (d) all covenants, agreements and conditions contained in this Subscription Agreement to be performed by the Corporation on or prior to the Initial Closing Date shall have been performed or complied with in all material respects.

Representations, Warranties and Covenants by Subscriber

- 3. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of the others for whom it is contracting hereunder) represents and warrants to and covenants with the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:
 - (a) *No Prospectus.* It understands and acknowledges that the Shares are being issued pursuant to exemptions from the prospectus requirements under applicable securities legislation on the basis of representations made by the Subscriber hereunder and that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction, and as a result:
 - (i) it is restricted from using certain of the protections, rights, remedies otherwise available under applicable securities laws, including statutory rights of rescission or damages;
 - (ii) it may not receive information that might otherwise be required to be provided to the Subscriber under the applicable securities laws if the exemptions were not being used;
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under the applicable securities laws if the exemptions were not being used; and
 - (iv) the Subscriber hereby expressly waives any and all rights of withdrawal or rescission to which the Subscriber might otherwise be entitled under applicable securities legislation;
 - (b) *No Offering Material.* It has not received, nor has it requested, nor does it have any need to receive, any prospectus, sales or advertising literature, offering memorandum or any other document describing the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the purchase of the Shares and it has not become aware of any advertisement in printed public media, radio, television or telecommunications, including electronic display such as the internet with respect to the distribution of the Shares;
 - (c) *Residence.* It is resident in the jurisdiction set forth in the “Subscriber's Address” on page 1 of this Subscription Agreement;
 - (d) *Purchasing as Principal.* It is purchasing the Shares as principal for its own account, not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Shares and, unless paragraph (e) or subparagraph (g)(iv) applies, or unless the transaction contemplated by this Subscription Agreement is exempted by an order of the securities commission or similar regulatory authority of the province in which it resides:
 - (i) the Subscriber is an “accredited investor” (as that term is as defined in National Instrument 45-106 - *Prospectus and Registration Exemptions*), has not been created or used solely to purchase or hold the Shares as an accredited investor, and has completed and executed the Certification of Accredited Investor

attached hereto as Schedule “B” and hereby confirms the truth and accuracy of all statements made therein by the Subscriber; or

- (ii) the Shares have an acquisition cost to the Subscriber of not less than \$150,000 which will be paid in cash on Closing;
- (e) *Offshore Subscribers.* If it is not a Canadian resident, nor resident in or otherwise subject to the securities laws of the United States, the Subscriber, and any beneficial owner on whose behalf it is acting, is subject to the securities legislation of a jurisdiction other than Canada or the United States and:
 - (i) the Subscriber is, and (if applicable) any beneficial purchaser for whom it is acting is:
 - (A) a purchaser that is recognized as an exempt purchaser by the securities regulatory authority in the jurisdiction in which it is and (if applicable) any other such purchaser for whom it is acting hereunder is resident or otherwise subject and is purchasing the Shares as principal for its or (if applicable) each other such purchaser's own account, and not for the benefit of any other person, for investment only and not with a view to resale or distribution; or
 - (B) a purchaser which is purchasing Shares pursuant to an exemption from any prospectus or securities registration requirements available to the Corporation, the Subscriber and any other such purchaser under applicable securities laws of their jurisdiction of residence or to which the Subscriber and any other such purchaser are otherwise subject, and the Subscriber and any other such purchaser shall deliver to the Corporation such further particulars of the exemption and their qualification thereunder as the Corporation may reasonably request;
 - (ii) the purchase of Shares by the Subscriber, and (if applicable) any other beneficial purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in such jurisdiction and does not trigger: (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise; or (ii) any registration or other obligation on the part of the Corporation; and
 - (iii) the Subscriber, and (if applicable) any other beneficial purchaser for whom it is acting hereunder, will not sell or otherwise dispose of any of the Shares except in accordance with applicable securities laws, and if the Subscriber or (if applicable) such beneficial purchaser sells or otherwise disposes of any the Shares to a person other than a resident of Canada, the Subscriber and (if applicable) such beneficial purchaser will obtain from such purchaser representations, warranties and covenants in the same form as provided in this Subscription Agreement and shall comply with such other requirements as the Corporation may reasonably require;
- (f) *Shares Not Registered Under U.S. Securities Act.* It is aware and accepts that the Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the benefit or account of, any person in the United States or any U.S. Person.

“U.S. Person” has the meaning set forth in Rule 902 of Regulation S promulgated under the U.S. Securities Act;

(g) *U.S. Registration Exemption.* The Subscriber represents and warrants that the Subscriber either:

- (i) is not, and is not purchasing the Shares for the account or benefit of, a U.S. Person;
- (ii) was not offered the Shares in the United States; and
- (iii) did not execute or deliver this Subscription Agreement in the United States; OR
- (iv) has completed and executed the Certification of U.S. Purchaser attached hereto as Schedule “C” and hereby confirms the truth and accuracy of all statements made therein by the Subscriber.

(h) *Resale Restrictions.* The Shares will be subject to statutory resale restrictions under applicable Canadian securities law and the Subscriber covenants that it will not resell the Shares except in compliance with such laws and the Subscriber acknowledges that it is solely responsible (and the Corporation is in no way responsible) for such compliance. The Subscriber also acknowledges that the certificates representing the Shares will bear a legend substantially in the following form and with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE CLOSING DATE]”

In addition, Subscribers resident in or otherwise subject to the securities laws of the United States acknowledge that the certificates representing the Subscriber's Shares will be endorsed with the legend contemplated by the Certification of U.S. Purchaser attached hereto as Schedule “C”;

- (i) *Authorization and Effectiveness.* It has the legal capacity and competence to enter into and be bound by this Subscription Agreement and further certifies that all necessary approvals of directors, shareholders or otherwise have been given and obtained;
- (j) *No Violation.* The entering into of this Subscription Agreement and the transactions contemplated hereby will not result in a violation of any of the terms and provisions of any law applicable to it, or any of its constating documents, or of any agreement to which the Subscriber is a party or by which it is bound;
- (k) *Investment Suitability.* It has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment or as a result of advice received from a registered person other than the Corporation or any affiliates thereof or, where it is not purchasing as principal, each beneficial purchaser, is able to bear the economic risk of loss of its investment;
- (l) *Additional Financings.* The Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the business of the Corporation and to fund its ongoing development; that there is no assurance that such financings will be available and, if available, on reasonable terms; any such future financings may have a dilutive effect on current securityholders, including the Subscriber; that if such future financings are not available, the Corporation may be

unable to fund its ongoing development and the lack of capital resources may result in the failure of its business venture;

- (m) *Filings.* If required by applicable securities legislation, regulations, rules, instruments, policies or orders or by any securities commission, or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Shares as may be required;
- (n) *No Illegal Activities Proceeds.* None of the funds representing the aggregate Subscription Price which will be advanced by or on behalf of the Subscriber to the Corporation hereunder are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities. The funds being used to purchase the Shares which will be advanced by or on behalf of the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (“PCMLTFA”) and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Subscriber's knowledge, none of the funds to be provided by the Subscriber are being tendered on behalf of the person who has not been identified to the Subscriber. The Subscriber covenants that it shall promptly notify the Corporation if the Subscriber discovers that any of such representations cease to be true and to provide the Corporation with appropriate information in connection therewith; and

The Subscriber agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is acting) that the above representations, warranties and covenants will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined in Section 8 below) and will survive the completion of the issuance of the Shares.

Representations and Warranties of the Corporation

- 4. The Corporation represents and warrants to the Subscriber, and acknowledges that it is relying upon such representations and warranties in entering into this Subscription Agreement or purchasing the Shares, as the case may be, that:
 - (a) *Incorporation and Organization.* Each of the Corporation and the Subsidiaries is a valid and subsisting corporation under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its businesses as now conducted or proposed to be conducted and to own or lease and operate the properties and assets thereof;
 - (b) *Extra-provincial Registration.* Each of the Corporation and the Subsidiaries is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance with all applicable laws, rules and regulations of each such jurisdiction;
 - (c) *Authorized Capital.* The Corporation is authorized to issue, an unlimited number of common shares and an unlimited number of preference shares, of which, as of June 8, 2009, 191,607,241 common shares were issued and outstanding as fully paid and non-assessable shares, excluding any securities issued on Closing;

- (d) *Issue of Shares.* All necessary corporate action has been taken to authorize the issue and sale of, and the delivery of certificates representing, the Shares and, (subject to the provisions of Section 2 hereof) upon payment of the Subscription Price, the Shares will be issued as fully paid and non-assessable common shares of the Corporation;
- (e) *No Conflicts.* None of the offering and sale of the Shares, the execution and delivery of this Subscription Agreement, compliance by the Corporation with the provisions of this Subscription Agreement or the consummation of the transactions contemplated herein and therein and the issue of the Shares to the Subscriber for the consideration and upon the terms and conditions as set forth herein do or will: (i) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Corporation is a party or by which it or any of the properties or assets thereof is bound; or (ii) conflict with or result in any breach or violation of any provisions or, constitute a default under the articles or by-laws of the Corporation or any resolution passed by the directors (or any committee thereof) or shareholders of the Corporation, or (subject to compliance with TSX policies) any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, any arbitrator, or securities regulatory authority applicable to the Corporation or any of the properties or assets thereof;
- (f) *Authority and Authorization.* The Corporation has full corporate power and authority to enter into this Subscription Agreement and to do all acts and things and execute and deliver all documents as are required hereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and the Corporation has taken all necessary corporate action to authorize the creation, execution, delivery and performance of this Subscription Agreement, and to observe and perform the provisions of this Subscription Agreement, in accordance with the provisions hereof;
- (g) *Validity and Enforceability.* This Subscription Agreement has been authorized, executed and delivered by the Corporation and constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms;
- (h) *Issuance of Common Shares.* Save and except as disclosed in the Corporation's public disclosure, common shares to be issued to the Subscriber or its nominee pursuant to the agreement entered into between the Subscriber and the Corporation dated March 16, 2009, and common shares issued under the Corporation's incentive stock option plan or pursuant to the exercise of share purchase warrants, the Corporation has not issued, or agreed to issue, any shares or any securities exchangeable or exercisable for, or convertible into, common shares of the Corporation at an effective price per share which is less than the Subscription Price during the 60 day period immediately preceding the date hereof. Schedule "D" sets out a complete list of all of the options, warrants and other securities convertible or exchangeable into common shares of the Corporation;
- (i) *Certain Securities Law Matters.* The common shares of the Corporation are listed only on the TSX and the Frankfurt Exchange, the Corporation is a reporting issuer or the equivalent only in the Provinces of British Columbia, Alberta, Manitoba, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador ("**Reporting Provinces**") and is not in default of any requirement of the securities laws of any of such provinces;
- (j) *Rights to Acquire Securities.* Other than as set out in Schedule "D", no person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of the Corporation or the Subsidiaries;

- (k) *No Pre-emptive Rights.* Other than as disclosed in the Corporation's public record, the issue of the Shares will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject;
- (l) *Purchased Securities.* Provided that the Subscriber's representations and warranties herein are accurate, the execution of this Subscription Agreement and the issue by the Corporation to the Subscriber of the Shares will be exempt from the registration and prospectus requirements of applicable securities laws;
- (m) *Capital of Subsidiaries.* All of the outstanding shares of the Subsidiaries are issued and outstanding as fully paid and non-assessable shares and such shares are beneficially owned by the Corporation and no person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of any of the subsidiaries or for the purchase or acquisition of any of the outstanding shares or other securities of any of the subsidiaries. The Corporation owns 100% of the outstanding shares of each of ScoZinc Limited, 6927692 Canada Corp., Annapolis Properties Corp. and Goldenville Mining Corporation and Annapolis Properties Corp. owns 50% of the issued and outstanding shares of 6179053 Canada Inc. (collectively, "**Subsidiaries**") and, in addition, the Corporation owns 29% of the outstanding shares of Royal Roads Corp.;
- (n) *Public Disclosure.* Each of the documents which contains any of the Corporation's public record is, as of the date thereof, in compliance in all material respects with the securities laws of the Reporting Provinces and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and such documents collectively constitute full, true and plain disclosure of all material facts relating to the Corporation and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as of the date hereof. There is no fact known to the Corporation which the Corporation has not publicly disclosed which materially adversely affects, or so far as the Corporation can reasonably foresee, will materially adversely affect, the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation or the ability of the Corporation to perform its obligations under this Subscription Agreement or which would otherwise be material to any person intending to make an equity investment in the Corporation, it being acknowledged that the Corporation's wholly-owned subsidiary, ScoZinc Limited, was granted an order by the Nova Scotia Supreme Court under CCAA and that documents filed in connection with such proceeding form part of the Corporation's public record;
- (o) *Timely Disclosure.* The Corporation is in compliance with all timely disclosure obligations under the securities laws of the Reporting Provinces and, without limiting the generality of the foregoing, there has not occurred any material adverse change in the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation or any Subsidiary which has not been publicly disclosed and none of the documents filed by or on behalf of the Corporation pursuant to the securities laws of the Reporting Provinces contain a misrepresentation (as such term is defined in the Securities Act (Nova Scotia)) at the date of the filing thereof;
- (p) *Accounting Controls.* The Corporation now maintains a system of internal accounting controls sufficient to provide reasonable assurance that in all material respects: (i)

transactions are completed in accordance with the general or a specific authorization of management of the Corporation; (ii) transactions are recorded as necessary to permit the preparation of consolidated financial statements for the Corporation in conformity with Canadian generally accepted accounting principles and to maintain asset accountability; (iii) access to assets of the Corporation and the subsidiaries is permitted only in accordance with the general or a specific authorization of management of the Corporation; and (iv) the recorded accountability for assets of the Corporation and the Subsidiaries is compared with the existing assets of the Corporation and the Subsidiaries at reasonable intervals and appropriate action is taken with respect to any differences therein;

- (q) *No Cease Trade Order.* No order preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issue and sale of securities by the Corporation has been issued and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of the Corporation, are pending, contemplated or threatened;
- (r) *Financial Statements.* The audited consolidated financial statements of the Corporation for the year ended December 31, 2008, together with the auditors' report thereon and the notes thereto, and the unaudited interim consolidated financial statements of the Corporation for the period ended March 31, 2009 and the notes thereto, have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with prior periods (except as disclosed in such consolidated financial statements), are substantially correct in every particular and present fairly the financial condition and position of the Corporation on a consolidated basis as at the dates thereof and such consolidated financial statements contain no direct or implied statement of a material fact which is untrue on the date of such consolidated financial statements and do not omit to state any material fact which is required by Canadian generally accepted accounting principles or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (s) *No Contemplated Changes.* Except as disclosed in the Corporation's public documents or pursuant to the transaction contemplated hereby, none of the Corporation or any Subsidiary has approved, is contemplating, has entered into any agreement in respect of, or has any knowledge of:
 - (i) the purchase of any property or assets or any interest therein or the sale, transfer or other disposition of any material property or material assets or any material interest therein currently owned, directly or indirectly, by the Corporation or any Subsidiary whether by asset sale, transfer of shares or otherwise;
 - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or any Subsidiary or otherwise) of the Corporation or any Subsidiary; or
 - (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation or any Subsidiary;
- (t) *Insurance.* The assets of the Corporation and of each Subsidiary and the business and operations thereof are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances, such coverage is in full force and effect and the Corporation and each Subsidiary has not failed to promptly give any notice or present any material claim thereunder;

- (u) *Taxes and Tax Returns.* Other than as set out in Schedule “E”, the Corporation and each Subsidiary has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due (unless being contested in good faith) and none of the Corporation or any Subsidiary is aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in any material adverse change in the condition (financial or otherwise) or in the earnings, business, affairs or prospects of the Corporation or any Subsidiary, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. To the knowledge of management of the Corporation, there are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Corporation or any Subsidiary which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation and each Subsidiary has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;
- (v) *Compliance with Laws, Licenses and Permits.* The Corporation and each Subsidiary has conducted and is conducting the business thereof in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on, or contemplated to be carried on, by it, is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and none of the Corporation or any Subsidiary has received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would materially adversely affect the conduct of the business or operations of, or the assets, liabilities (contingent or otherwise), condition (financial or otherwise) or prospects of, the Corporation or any Subsidiary;
- (w) *Agreements and Actions.* Neither the Corporation nor any Subsidiary is in violation of any term of the articles or by-laws or any constating document thereof. Neither the Corporation nor any Subsidiary is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which would, or could, result in any material adverse effect on the business, condition (financial or otherwise), capital, affairs or operations of the Corporation or any Subsidiary, neither the Corporation nor any Subsidiary is in default in the payment of any obligation owed which is now due and there is no action, suit, proceeding or investigation commenced, pending or, to the knowledge of the Corporation, threatened which, either in any case or in the aggregate, might result in any material adverse effect on the business, condition (financial or

otherwise), capital, affairs, prospects or operations of the Corporation on a consolidated basis or in any of the material properties or assets thereof or in any material liability on the part of the Corporation or any Subsidiary or which places, or could place, in question the validity or enforceability of this Subscription Agreement, or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto or thereto;

- (x) *Owner of Property.* The Corporation and the Subsidiaries are the absolute legal and beneficial owner of, and have good and marketable title to, all of the interest in and to the material property or assets thereof as described in the Corporation's public disclosure, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Corporation's public disclosure, and no other property rights are necessary for the conduct of the business of the Corporation or any Subsidiary as currently conducted or contemplated to be conducted, none of the Corporation or any Subsidiary knows of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and, except as disclosed in the Corporation's public disclosure, none of the Corporation or any Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property rights thereof;

- (y) *Mineral Rights.* The Corporation and the Subsidiaries hold either freehold title, exploration licences, mining leases, mining claims or participating interests or other conventional property, proprietary or contractual interests or rights, or has applied for such, recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and minerals located in properties in which the Corporation and the Subsidiaries have an interest as described in the Corporation's public disclosure ("**Mineral Rights**") under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, or has applied for such, sufficient to permit the Corporation or applicable Subsidiary to explore the minerals relating thereto, all such property, leases, licences or claims, and all property, mining leases or mining claims in which the Corporation or any Subsidiary has an interest or right have been validly located and recorded or are in the process of being recorded, in accordance with all applicable laws and are valid and subsisting, the Corporation and the Subsidiaries have all necessary surface rights, access rights and other necessary rights and interests in the properties in which the Corporation and the Subsidiaries have an interest as described in the Company's continuous disclosure record (the "**Information**") as are necessary to permit the Corporation or Subsidiary to explore for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of the Corporation or applicable Subsidiary and the state of development of the property, with only such exceptions as do not materially interfere with the use made by the Corporation or applicable Subsidiary of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the Corporation or a Subsidiary. Other than as disclosed in the Information: (i) the Mineral Rights, and the Corporation's interest in the Mineral Rights, are free and clear of all encumbrances; (ii) there are no outstanding agreements or options to acquire or purchase the Mineral Rights or any interest in the Mineral Rights; (iii) no person has any royalty or other interest whatsoever in production or profits from the Mineral Rights; and (iv) all work or expenditure obligations applicable to the Mineral Rights, all reports of the work or expenditures and other requirements to be satisfied or filed to keep the Mineral Rights in good standing have been satisfied or filed, and have satisfied the applicable governmental authority. Schedule "F" contains a list of all material mineral licences, leases and other interests held by the Corporation directly or indirectly through subsidiaries or otherwise;

- (z) *No Defaults.* Except as disclosed in the Corporation's public disclosure record, none of the Corporation or any Subsidiary is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Corporation or any Subsidiary is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could have a material adverse effect upon the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or any Subsidiary;
- (aa) *Compliance with Employment Laws.* Except as disclosed in the Corporation's public disclosure record, the Corporation and each Subsidiary is to its knowledge in compliance with all laws and regulations respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance would not constitute an adverse material fact concerning the Corporation on a consolidated basis or result in an adverse material change to the Corporation on a consolidated basis, and has not and is not engaged in any unfair labour practice, there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or, to the knowledge of the Corporation, threatened against the Corporation or any Subsidiary, no union representation question exists respecting the employees of the Corporation or any Subsidiary and no collective bargaining agreement is in place or currently being negotiated by the Corporation or any Subsidiary, neither the Corporation nor any Subsidiary has received any notice of any unresolved matter and there are no outstanding orders under any employment or human rights legislation in any jurisdiction in which the Corporation or any Subsidiary carries on business or has employees, and, except as disclosed in the Information, no employee has any agreement as to the length of notice required to terminate his or her employment with the Corporation or any Subsidiary in excess of twelve months or equivalent compensation and all benefit and pension plans of the Corporation or any Subsidiary are funded in accordance with applicable laws and no past service funding liability exist thereunder;
- (bb) *Employee Plans.* To its knowledge, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or any Subsidiary for the benefit of any current or former officer, director, employee or consultant of the Corporation or any Subsidiary has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan. Schedule "G" contains a list of all such plans of the Corporation and each Subsidiary;
- (cc) *Accruals.* All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, employee or consultant of the Corporation or any Subsidiary have been accurately reflected in the books and records of the Corporation;
- (dd) *Work Stoppage.* There has not been, and there is not currently, any labour trouble which is adversely effecting or could adversely effect, in a material manner, the conduct of the business of the Corporation or any Subsidiary;

- (ee) *Environmental Compliance.* Except as set out in Schedule “H”, the Corporation and the Subsidiaries:
- (i) and the property, assets and operations thereof comply, to their knowledge, in all material respects with all applicable Environmental Laws (which term means and includes, without limitation, any and all applicable international, federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any Environmental Activity (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a Contaminant (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));
 - (ii) do not have any knowledge of, and have not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, either the Corporation or any Subsidiary or any of the property, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Corporation is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and neither the Corporation nor any Subsidiary nor any of the property, assets or operations thereof is the subject of any investigation, evaluation, audit or review by any Governmental Authority (which term means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing) to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;
 - (iii) have not given or filed any notice under any federal, state, provincial or local law with respect to any Environmental Activity, the Corporation and the Subsidiaries do not have any liability (whether contingent or otherwise) in connection with any Environmental Activity and the Corporation is not aware of any notice being given under any federal, state, provincial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Corporation or any Subsidiary or the property, assets, business or operations thereof;
 - (iv) do not store any hazardous or toxic waste or substance on the property thereof and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any applicable Environmental Laws or permits, and there are no Contaminants on any of the premises at which the Corporation or any Subsidiary

carries on business, in each case other than in compliance with applicable Environmental Laws and permits; and

- (v) are not, except as disclosed in the Information, subject to any material contingent or other material liability relating to the restoration or rehabilitation of land, water or any other part of the environment or non-compliance with Environmental Law;
- (ff) *No Litigation.* Except as disclosed in the Corporation's public disclosure, there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Corporation, threatened against or which adversely affect the Corporation or any Subsidiary or to which any of the property or assets thereof is subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may in any way materially adversely affect the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or any Subsidiary or the ability of any of them to perform the obligations thereof and none of the Corporation or any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation on a consolidated basis or the ability of the Corporation to perform its obligations under this Subscription Agreement; and
- (gg) *Non-Arm's-Length Transactions.* Except as disclosed in the Corporation's public disclosure and except with respect to Will Felderhof's interest in 6179053 Canada Inc., neither the Corporation nor any Subsidiary owes any amount to, nor has the Corporation or any Subsidiary any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder of any of them or any Person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation or Subsidiary. Except usual employee or consulting arrangements made in the ordinary and normal course of business or as disclosed in the Corporation's public disclosure, neither the Corporation nor any Subsidiary is a party to any contract, agreement or understanding with any officer, director, employee or securityholder of any of them or any other Person not dealing at arm's length with the Corporation and the Subsidiaries. No officer, director or employee of the Corporation or any Subsidiary and no Person which is an affiliate or associate of any of the foregoing Persons, owns, directly or indirectly, any interest (except for shares representing less than 5% of the outstanding shares of any class or series of any publicly traded company) in, or is an officer, director, employee or consultant of, any Person which is, or is engaged in, a business competitive with the business of the Corporation or any Subsidiary which could materially adversely impact on the ability to properly perform the services to be performed by such Person for the Corporation or any Subsidiary. No officer, director, employee or securityholder of the Corporation or any Subsidiary has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation or any Subsidiary except for claims in the ordinary and normal course of the business of the Corporation or any Subsidiary such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation.

5. The Corporation hereby covenants and agrees with the Subscriber as follows:
- (a) *Reporting Issuer.* The Corporation shall maintain its status as a “reporting issuer” in, and will not be in default of any requirement of the securities laws of, the Reporting Provinces for a period of at least 12 months after the Initial Closing Date unless the Corporation ceases to be a reporting issuer as a result of a merger with, or take over bid by, another corporation;
 - (b) *Corporate Status.* For a period of at least 12 months after the Initial Closing Date, the Corporation shall remain a corporation validly subsisting under the laws of its jurisdiction of continuance, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction unless the Corporation ceases to exist as a result of a merger with, or take-over bid by, another corporation;
 - (c) *Listing on Stock Exchanges.* The Corporation shall maintain the listing on the TSX of its common shares for a period of at least 12 months after the Initial Closing Date unless such listing is terminated as a result of a merger with, or take over bid by, another corporation;
 - (d) *Securities Filings.* Forthwith after each Closing the Corporation shall file such forms and documents as may be required under applicable securities laws relating to the offering of the Shares which, without limiting the generality of the foregoing, shall include a Form 45-106F1 as prescribed by the Canadian Securities Administrators;
 - (e) *Performance of Acts.* The Corporation shall perform and carry out all of the acts and things to be completed by it as provided in this Subscription Agreement; and
 - (f) *Use of Proceeds.* The Corporation shall use the proceeds in respect of the ScoZinc CCAA proceedings, operational overhead and the advancement of the Corporation’s gold projects and other such activities as agreed in writing between the Corporation and the Subscriber, in accordance with a plan and agreed budget between the Corporation and the Subscriber. All payment requests are subject to the approval of the Subscriber. The Corporation agrees to provide the Subscriber with a weekly payment schedule and bank reconciliation from the date of this Agreement to the Final Closing Date. Such information shall be provided by the Subscriber within two business days of the end of each business week.

COLLECTION OF PERSONAL INFORMATION

6. The Subscriber (on its own behalf and, if applicable, on behalf of each beneficial purchaser for whose benefit the Subscriber is acting):
- (a) acknowledges, consents and authorizes the Corporation to collect the Subscriber's (and any beneficial purchaser's) personal information for the purpose of completing the Subscriber's subscription;
 - (b) acknowledges and consents to the Corporation retaining the personal information for as long as permitted or required by applicable law or business practices;
 - (c) acknowledges, consents and authorizes the Corporation to deliver to the Ontario Securities Commission personal information (such as full name, residential address and

telephone number) pertaining to the Subscriber (and any beneficial purchaser) if the Subscriber is resident in Ontario or otherwise subject to the securities legislation of Ontario;

- (d) acknowledges and consents to the fact that the Corporation may be required by applicable securities laws, or regulatory authorities to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser);
- (e) acknowledges that this information is being collected indirectly by the Ontario Securities Commission (as applicable), and may be collected by other securities regulators (as applicable), under the authority granted to it in applicable securities laws;
- (f) if resident in Ontario or otherwise subject to the securities legislation of Ontario acknowledges that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario;
- (g) acknowledges that the public official in Ontario who can answer questions about the Ontario Securities Commission's indirect collection of such information is the Administrative Assistant to the Director of Corporate Finance, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, who may be contacted at (416) 593-8086; and
- (h) represents and warrants that it has the authority to provide the consents, acknowledgements and authorizations set out in this paragraph on behalf of all beneficial purchasers.

Deliveries on Initial Closing

- 7. (a) The Subscriber agrees to deliver to McInnes Cooper, counsel for the Corporation, on the Initial Closing Date the following:
 - (i) this duly completed and executed Subscription Agreement; and
 - (ii) a certified cheque or bank draft payable to “McInnes Cooper in Trust” or wire transfer (in accordance with Schedule “A” attached hereto) for the Subscription Price or payment of the same amount so payable on the Initial Closing Date in such other manner as is acceptable to the Corporation.
- (b) The Corporation agrees to deliver to the Subscriber on the Initial Closing Date the following documents in form satisfactory to the Subscriber:
 - (i) this Subscription Agreement duly executed by the Corporation;
 - (ii) a certified copy of the resolutions of the directors of the Corporation approving this Subscription Agreement and the transactions contemplated hereby, including the allotment and issuance of the Shares;
 - (iii) a share certificate representing the Shares so purchased;
 - (iv) a favourable legal opinion of counsel of the Corporation, in form and content acceptable to the Subscriber and its legal counsel, acting reasonably, relating to the title and right of the ScoZinc Project, Beaver Dam Property, Forest Hill Property, the Tangier Project, the Goldenville Project, the Fifteen Mile Stream Property and the Getty Property.

Deliveries on Subsequent Closings

8. (a) On the closing date of all Subsequent Closings the Subscriber agrees to deliver to McInnes Cooper, counsel for the Corporation, a certified cheque or bank draft payable to “McInnes Cooper in Trust” or wire transfer (in accordance with Schedule “A” attached hereto) for the Subscription Price or payment of the same amount so payable on the such Subsequent Closing date in such other manner as is acceptable to the Corporation. On the closing that is the Final Closing, the Subscriber will deliver to the Corporation the consent to act as a director of the Corporation for each of the Subscriber’s nominees to the Board of Directors of the Corporation in such form required under the governing statute of the Corporation.
- (b) The Corporation agrees to deliver to the Subscriber on all Subsequent Closing dates a share certificate representing the Shares so purchased. On the closing that is the Final Closing, the Corporation will deliver to the Subscriber the resignations of the board members of the Corporation that will resign on such date in order to comply with the provisions of Section 17 hereof.

Facsimile Subscriptions, Counterparts

9. The Corporation shall be entitled to rely on delivery of an executed copy of this Subscription Agreement sent by facsimile or other electronic means, and acceptance by the Corporation of such agreement shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

Indemnity

10. The Subscriber acknowledges that the representations, warranties and covenants contained herein including, without limitation, those set forth in Section 3 are made with the intent that they may be relied upon by the Corporation and its counsel in determining the Subscriber's eligibility to purchase the Shares under the relevant securities legislation including, without limitation, the availability of exemptions from the registration and prospectus requirements of applicable securities legislation in connection with the issuance of the Shares to the Subscriber hereunder. The Subscriber further covenants that by the acceptance of the Shares, he or she shall be representing and warranting that such representations and warranties are true as at the Closing Time as if made at that time. The Subscriber hereby agrees to indemnify the Corporation and its directors, officers, employees, advisers, affiliates, shareholders and agents (including its legal counsel) against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur caused or arising from reliance thereon. The Subscriber undertakes to immediately notify the Corporation in writing of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time on a closing date.

Governing Law

11. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein and the Subscriber on its own behalf and, if applicable, of others whom it is contracting hereunder, and the Corporation each irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Nova Scotia with respect to any matters arising out of this Subscription Agreement.

Time of Essence

12. Time shall be of the essence hereof.

Entire Agreement and Headings

13. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. The headings contained are for convenience only and shall not affect the meanings or interpretation hereof.

Subscriber's Expenses

14. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any counsel retained by the Subscriber) relating to the purchase of the Shares by the Subscriber shall be borne by the Subscriber.

Assignment

15. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns; provided that this Subscription Agreement shall not be assignable by either party without the prior written consent of the other.

Acceptance of Subscription

16. The Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional among other things upon the sale of the Shares to the Subscriber being exempt from any prospectus and offering memorandum requirements of applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at closing of the certificates representing the Shares to or upon the direction of the Subscriber in accordance with the provisions hereof.

Board Representation

17. The Corporation agrees that, upon the Final Closing and upon the approval of the TSX to such appointment, the Corporation shall take all such action necessary or advisable to facilitate (i) the appointment to the Board of Directors of the Corporation two nominees of the Subscriber as Directors of the Corporation, (ii) the appointment of a nominee of the Subscriber to the position of Executive Chairman of the Board, (iii) the resolution of the Board of Directors to restructure the Board so as to comprise of six members, and (iv) the Chairman of the Board having a casting vote. The Subscriber acknowledges and agrees that the Corporation shall have no obligation to facilitate the appointment to the Board of Directors of any person who does not provide a personal information form satisfactory to the TSX, or who is otherwise not approved by the TSX, or who is otherwise ineligible to serve as a Director under applicable law. The Corporation may by mutual agreement with the Subscriber amend the date of the restructure of the Board of Directors set out in this clause.

Modification

18. Neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

Miscellaneous

- 19. All covenants, representations, warranties and agreements contained herein shall survive the closing of the transactions contemplated hereby.

Currency

- 20. All references herein to “\$” means, unless otherwise specified, Canadian dollars.

Legal and Tax Advice

- 21. The Subscriber acknowledges and agrees that it is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transaction contemplated hereby.

* * * * *

SCHEDULE "A" TO THE SUBSCRIPTION AGREEMENT

WIRE TRANSFER INSTRUCTIONS

If paying by wire transfer, wire funds as follows:

Intermediary Bank:	Bank of Montreal, 5151 George Street, Halifax, N.S., B3J 1M5, Canada
Swift Code of Bank of Montreal:	BOFMCAM2
For Credit of:	McInnes Cooper, In Trust
Bank No.:	001
Transit No.:	00093
Canadian Dollar Account Name:	McInnes Cooper - Trust Account
Canadian Dollar Account No.:	1008-576
Reference:	Acadian Mining Corporation Private Placement

**SCHEDULE “B” TO THE SUBSCRIPTION AGREEMENT
CERTIFICATE OF ACCREDITED INVESTOR**

TO: ACADIAN MINING CORPORATION (the “Corporation”)

RE: SUBSCRIPTION FOR SECURITIES OF THE CORPORATION

The undersigned Subscriber/duly authorized representative of the Subscriber (or in the case of a trust, the trustee or an officer of the trustee of the trust) hereby certifies that:

1. he/she has read the Subscription Agreement to which this Schedule “B” is attached and understands that the offering of the Securities is being made on a prospectus exempt basis; and
2. the Subscriber and, if applicable, the disclosed principal on whose behalf the Subscriber is purchasing the Securities, is an “accredited investor” as defined in National Instrument 45-106, by virtue of being:

[please check one]

- a. a Canadian financial institution, or a Schedule III bank,
- b. the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- c. a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- d. a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- e. an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
- f. the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
- g. a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
- h. any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- i. a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
- j. an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets^① having an aggregate realizable value that before taxes, but net of any related liabilities^②, exceeds Cdn\$1,000,000,
- k. an individual whose net income before taxes exceeded Cdn\$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn\$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- l. an individual who, either alone or with a spouse, has net assets of at least Cdn\$5,000,000,

- m. _____ a person (including a corporate entity), other than an individual or investment fund, that has net assets of at least Cdn\$5,000,000 as shown on its most recently prepared financial statements,
- n. _____ an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*], and 2.19 [*Additional investment in investment funds*] of National Instrument 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of National Instrument 45-106,
- o. _____ an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,
- p. _____ a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
- q. _____ a person (including a corporate entity) acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction and in Ontario, is purchasing a security that is not a security of an investment fund,
- r. _____ a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
- s. _____ an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function, or
- t. _____ a person (including a corporate entity) in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
- u. _____ an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or
- v. _____ a person (including a corporate entity) that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as:
 - (i) an accredited investor, or
 - (ii) an exempt purchaser in Alberta or British Columbia after National Instrument 45-106 came into force.

① For the purposes of National Instrument 45-106 and this Certificate the term “financial assets” means (a) cash; (b) securities or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

② For the purposes of National Instrument 45-106 and this Certificate the term “related liabilities” means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets.

The statements made in this Schedule are true and will be true on the Closing Date.

DATED _____, 2009.

Signature of Subscriber

Name of Subscriber

Address Of The Subscriber

**SCHEDULE “C” TO THE SUBSCRIPTION AGREEMENT
CERTIFICATION OF U.S. PURCHASER**

TO: ACADIAN MINING CORPORATION (the “Corporation”)

RE: SUBSCRIPTION FOR SECURITIES OF THE CORPORATION

Capitalized terms not specifically defined in this certification have the meaning ascribed to them in the Subscription Agreement to which this Schedule “C” is attached. In the event of a conflict between the terms of this certification and such Subscription Agreement, the terms of this certification shall prevail.

In addition to the covenants, representations and warranties contained in the Subscription Agreement to which this Schedule “C” is attached, the undersigned Subscriber covenants, represents and warrants to the Corporation that:

- (a) It is (i) a U.S. Person or a person in the United States and (ii) authorized to consummate the purchase of the Shares.
- (b) It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares and it is able to bear the economic risk of loss of its entire investment.
- (c) The Corporation has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and it has had access to such information concerning the Corporation as it has considered necessary or appropriate in connection with its investment decision to acquire the Shares, including access to the Corporation's public filings available on the Internet at www.sedar.com, and that any answers to questions and any request for information have been complied with to the Subscriber’s satisfaction.
- (d) It is acquiring the Shares for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Shares in violation of the United States securities laws.
- (e) The address of the Subscriber set out on the front page of the Subscription Agreement is the true and correct principal address of the Subscriber and can be relied on by the Corporation for the purposes of state blue-sky laws and the Subscriber has not been formed for the specific purpose of purchasing the Shares.
- (f) It understands (i) the Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or the securities laws of any state of the United States and will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act; (ii) the sale contemplated hereby is being made in reliance on an exemption from such registration requirements; (iii) subject to certain exceptions provided under the U.S. Securities Act, the Shares may not be offered, sold or otherwise transferred in the United States or to, by or on behalf of a U.S. Person unless such Shares are registered under the U.S. Securities Act and applicable state securities laws, or unless an exemption from such registration requirements is available; and (iv) as a consequence, the Subscriber may be required to bear the economic risks of the investment in the Shares for an indefinite period of time.
- (g) The Subscriber is an “accredited investor” as defined in Rule 501(a) of Regulation D of the U.S. Securities Act by virtue of meeting one of the following criteria (**please hand-write your initials on the appropriate lines**):

- 1. Initials _____ A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

2. Initials _____ A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
3. Initials _____ A broker or dealer registered pursuant to Section 15 of the United States *Securities Exchange Act of 1934*; or
4. Initials _____ An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or
5. Initials _____ An investment company registered under the United States *Investment Company Act of 1940*; or
6. Initials _____ A business development company as defined in Section 2(a)(48) of the United States *Investment Company Act of 1940*; or
7. Initials _____ A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States *Small Business Investment Act of 1958*; or
8. Initials _____ A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US\$5,000,000; or
9. Initials _____ An employee benefit plan within the meaning of the United States *Employee Retirement Income Security Act of 1974* in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US\$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; or
10. Initials _____ A private business development company as defined in Section 202(a)(22) of the United States *Investment Advisers Act of 1940*; or
11. Initials _____ An organization described in Section 501(c)(3) of the United States *Internal Revenue Code*, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of US\$5,000,000; or
12. Initials _____ Any director or executive officer of the Corporation; or
13. Initials _____ A natural person whose individual net worth, or joint net worth with that person's spouse, at the date hereof exceeds US\$1,000,000; or
14. Initials _____ A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
15. Initials _____ A trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the Shares offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or
16. Initials _____ Any entity in which all of the equity owners meet the requirements of at least one of the above categories.

(h) The Subscriber has not purchased the Shares as a result of any form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper,

magazine or similar media or broadcast over radio or television, or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

- (i) If the Subscriber decides to offer, sell or otherwise transfer any of the Shares it will not offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:
 - (i) the sale is to the Corporation;
 - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;
 - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
 - (iv) the securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities,

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Corporation an opinion of counsel reasonably satisfactory to the Corporation stating that such transaction is exempt from registration under applicable securities laws and that the legends referred to in paragraph (1) below may be removed.

- (j) It understands and agrees that the Shares may not be acquired in the United States by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available.
- (k) It acknowledges that it has not purchased the Shares as a result of, and will not itself engage in, any “directed selling efforts” (as defined in Regulation S under the U.S. Securities Act) in the United States in respect of the Shares which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Shares.
- (l) The certificates representing the Shares, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear, on the face of such certificate, the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE

SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.”

“THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE CORPORATION IS A “FOREIGN ISSUER” AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE, AN EXECUTED DECLARATION AND, IF REQUESTED BY THE CORPORATION OR THE TRANSFER AGENT, AN OPINION OF COUNSEL OF RECOGNIZED STANDING, EACH IN FORM SATISFACTORY TO THE TRANSFER AGENT OF THE CORPORATION AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.”;

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S at a time when:

- (i) the Corporation is a “foreign issuer” as defined in Regulation S at the time of sale, and
- (ii) the seller of the Shares is not an “affiliate” of the Corporation, as that term is defined in Rule 405 under the U.S. Securities Act (other than an officer or director who is an affiliate of the Corporation solely by virtue of holding such position),

the legends set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in substantially the form set forth as Appendix A attached hereto (or in such other forms as the Corporation may prescribe from time to time) and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legends may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (m) It understands and acknowledges that the Corporation is not obligated to remain a “foreign issuer”.
- (n) It understands and acknowledges that, for the purposes of the U.S. Securities Act, any person will be presumed to be an “affiliate” of the Corporation if such person beneficially owns or directly or indirectly controls more than 10% of the Corporation’s outstanding voting securities.
- (o) It understands and agrees that there may be material tax consequences to the Subscriber of an acquisition or disposition of the Shares. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the undersigned’s acquisition or disposition of such Shares.

- (p) It understands and agrees that the financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies.
- (q) It consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in this certification and the Subscription Agreement.

ONLY U.S. PURCHASERS NEED COMPLETE AND SIGN

Dated _____ 2009.

X _____
Signature of individual (if Subscriber **is** an individual)

X _____
Authorized signatory (if Subscriber is **not** an individual)

Name of Subscriber (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

**Appendix "A" to
CERTIFICATE OF U.S. PERSON**

Form of Declaration for Removal of Legend

TO: Acadian Mining Corporation (the "Corporation")

AND TO: Registrar and transfer agent for the Common Shares of the Corporation

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), except any officer or director who is an affiliate of the Corporation solely by virtue of holding such position (b) a "distributor" as defined in Regulation S or (c) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange (or another designated offshore securities market) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _____ 200_.

X _____
Signature of individual (if Purchaser **is** an individual)

X _____
Authorized signatory (if Purchaser is **not** an individual)

Name of Purchaser (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, with regard to the sale, for such Seller's account, of the _____ represented by certificate number _____ of the Corporation described therein, and we hereby affirm that, to the best of our knowledge and belief, the facts set forth therein are full, true and correct.

Name of Firm

By:

Authorized Officer

Dated: _____ 200_.

SCHEDULE "D" TO THE SUBSCRIPTION AGREEMENT

**OUTSTANDING OPTIONS, WARRANTS, CONVERTIBLE SECURITIES
AND OTHER RIGHTS TO ACQUIRE
COMMON SHARES OF THE CORPORATION**

1.	Outstanding Incentive Stock Options	6,405,000
2.	Outstanding Warrants	
	- Issued to Desjardin Securities Inc. exercisable at \$0.30 until August 20, 2009	180,000
	- Issued to Desjardin Securities Inc. exercisable at \$0.30 until September 2, 2009	40,000
3.	Options held by Dale Dunlop in connection with Smithfield claims (exercisable at \$0.824 until December 11, 2009)	100,000
4.	Issuable to Dale Dunlop within 5 business days of acquiring the required surface rights to develop the Smithfield property	25,000

SCHEDULE "E" TO THE SUBSCRIPTION AGREEMENT

TAXES AND TAX RETURNS

Acadian Mining Corporation: outstanding filing 2008 Corporate income tax return; drafted, due to be filed June 30, 2009; estimated capital tax \$25,000 provided for in the 2008 financials; employee withholdings and HST are filed and paid to date.

ScoZinc Limited: outstanding filing 2008 Corporate income tax return; drafted, due to be filed June 30, 2009; no balance owing; employee withholdings are in arrears for payment in the amount of \$299,157.54 for months of March and April, current returns and payments are up to date, amounts due are disclosed to Golden River management and a plan of repayment has been put to Canada Revenue Agency, HST returns are filed to date and settled. Province of Nova Scotia royalty reports are due before end of June, they are not finalized as the Mine Assessor is on vacation, the payment of the estimated royalty owing of \$805,000 has been deferred by the Province until the mine at Gays River goes back into production.

6927692 Canada Corp: outstanding filing 2008 Corporate income tax return; due to be filed June 30; Company has no transactions; HST returns filed as required.

Annapolis Properties Corp: outstanding filing 2008 Corporate income tax return; due to be filed June 30; Company has no transactions; HST returns filed as required.

Goldenville Mining Corporation: no assets or activities; this Company was probably struck off the Canada Revenue Agency lists four years ago.

6179053 Canada Inc: outstanding filing 2008 Corporate income tax return; due to be filed June 30; Company has no transactions; HST returns filed as required.

SCHEDULE “F” TO THE SUBSCRIPTION AGREEMENT

MINERAL CLAIMS, LICENSES, LEASES AND SURFACE RIGHTS

ScoZinc Zinc-Lead Mine

Getty Zinc-Lead Property

Beaver Dam Gold Property

Forest Hill Gold Property

Tangier Gold Property

Goldenville Gold Property

Fifteen Mile Stream Gold Property

Lake Catch Gold Property

Oldham Gold Property

Smithfield Zinc-Lead Property

Lake Ainslie Barite Property

Real Property Interests

SCOZINC LIMITED

Claims Comprising Mineral Lease 90-1

Right Holder: ScoZinc Limited

NTS Sheet	Tract	Claims	No. of Claims
11E3B	5	NOP	3
	19	JKPQ	4
	20	BCDE FGK LMNO PQ	13
	28	DEKL MNOP	8
	29	ABCD FGH JKQ	10

Exploration Licences on the ScoZinc Project

Right Holder: ScoZinc Limited

Licence No.	NTS Sheet	Tract	Claims	No. of Claims	Renewal Date
06268	11E3B	19	ABCD EFGH LMN	28	May 2, 2010
	11E3B	18	ABC EFGH		
	11E3B	7	DE JKLM NOPQ		
06304	11E3B	29	E	1	October 13, 2009
06303	11E3B	29	LMNOP	5	October 25, 2009
05851	11E3B	45	FGH JKL O	15	November 5, 2009
	11E3B	46	EFG		

GETTY ZINC-LEAD PROPERTY

Exploration Licences at Getty

Right Holder: Acadian Mining Corporation

Licence No.	NTS Sheet	Tract	Claims	No. of claims	Renewal Date
6959	11 E 3 B	17	Q	80	October 20, 2009
	11 E 3 B	30	ABCDEFGHIJKLMNPOQ		
	11 E 3 B	31	ABCDEFGHIJKLMNPOQ		
	11 E 3 B	32	ABGHJKPQ		
	11 E 3 B	42	ABCGHJK		
	11 E 3 B	43	ABCDEFGHIJKLMNPOQ		
	11 E 3 B	44	ABCDEFGHIJKLMNPOQ		

BEAVER DAM GOLD PROPERTY

Exploration Licences at Beaver Dam

Right Holder: Acadian Mining Corporation

Licence No.	NTS Sheet	Tract	Claims	No. of Claims	Renewal Date
05920	11 E 2 A	59	JKLM NOPQ	8	March 22, 2010
	11 E 2 A	60	EFGHJKLMNOPQ	12	
	11 E 2 A	61	ABCDEFGH	8	
	11 E 2 A	62	ABCDEFGH	8	

FOREST HILL GOLD PROPERTY

Exploration Licences at Forest Hill

Licence No.	NTS Sheet	Tract	Claims	No. of Claims	Renewal Date
06029 ⁽¹⁾	11 F 5 B	47	LMNO	4	March 7, 2010
SL 1/99 ⁽²⁾	11 F 5 B	49	BG	2	March 31, 2010
05985 ⁽¹⁾	11 F 5 A	37	JKLM NOPQ	80	September 20, 2009
	11 F 5 A	60	All Claims		
	11 F 5 B	47	JKPQ		
	11 F 5 B	48	JKLM NOPQ		
	11 F 5 B	49	ACDE FHJK LMNO		
	11 F 5 B	50	PQ		
	11 F 5 A	38	All Claims		
	11 F 5 A	59	MN DEFG JKLM NOPQ		

Notes:

- (1) Right holder of Licence 06029 is Acadian Mining Corporation
 (2) Right holder of SL 1/99 and Licence 05985 is Annapolis Properties Corp.

TANGIER GOLD PROPERTY

Exploration Licences at Tangier

Licence No.	NTS Sheet	Tract	Claims	No. of Claims	Renewal Date
06018 ⁽¹⁾	11 D 15 A	64	ABCD EFGH	8	January 21, 2010
06019 ⁽¹⁾	11 D 15 A	65	JKPQ	4	January 21, 2010
06020 ⁽²⁾	11 D 15 A	66 55	BC LMNO	6	January 21, 2010
06021 ⁽¹⁾	11 D 15 A	56	ABCD EFGH	8	January 21, 2010
06140 ⁽¹⁾	11 D 15 A	39 40 56 57 58 59 65 66 79	OPQ OPQ JKLM NOPQ ABCD EFGH JKLM NOPQ ABCD EFGH JKLM NOPQ ABGH JK ABCD EFGH D EFGH JKLM NOPQ ABCD	77	June 19, 2009
06261 ⁽¹⁾	11 D 15 A	65	LMNO	4	September 14, 2009
08216 ⁽²⁾	11 D 15 A	40 41	J MN	3	April 21, 2010
08217 ⁽²⁾	11 D 15 A	55	E	1	April 21, 2010
08218 ⁽²⁾	11 D 15 A	64	JKL	3	April 21, 2010
08331 ⁽¹⁾	11 D 15 A	35 37 38 39 40 59	PQ ABCGHJ ABCDEFGHJKLMO PQ JKLMN EFGKLMN C	36	September 8, 2009

Notes:

⁽¹⁾ Right holder of Licences 06018, 06019, 06021, 06140, 06261 and 08331 is Acadian Mining Corporation.

⁽²⁾ Right holder of Licences 06020, 08216, 08217 and 08218 is Annapolis Properties Corp.

GOLDENVILLE GOLD PROPERTY

Exploration Licences at Goldenville

Licence No.	NTS Sheet	Tract	Claims	No. of Claims	Renewal Date
05817 ⁽¹⁾	11 F 04 B	108	LMNO	40	December 9, 2009
	11 F 04 C	12	CDEF		
	11 E 01 A	97	JKLM NOPQ		
	11 E 01 A	98	JKLM NOPQ		
	11 E 01 D	1	ABCD EFGH		
	11 E 01 D	2	ABCD EFGH		
08324 ⁽²⁾	11 E 01 A	97	EFGH	76	April 9, 2010
	11 E 01 A	98	EFGH		
	11 E 01 A	99	JKLMNOPQ		
	11 E 01 A	100	JKLMNOPQ		
	11 E 01 A	101	JKPQ		
	11 E 01 D	1	JKLM		
	11 E 01 D	2	JKLM		
	11 E 01 D	3	ABCDEFGHJKLM		
	11 E 01 D	4	ABCDEFGHJKLM		
	11 E 01 D	5	ABGHJK		
	11 F 04 B	108	EFGKP		
	11 F 04 C	12	BGKLM		

Notes:

(1) Right holder of Licence 05817 is Annapolis Properties Corp.

(2) Right holder of Licence 08324 is Acadian Mining Corporation.

FIFTEEN MILE STREAM GOLD PROPERTY
Exploration Licences at Fifteen Mile Stream

License No.	NTS Sheet	Tract	Claims	No. of Claims	Renewal Date
06134 ⁽¹⁾	11 E 02 D 11 E 02 C 11 E 02 C 11 E 02 C 11 E 02 C	1 23 24 12 13	JKLMNOPQ J ABCDEFGHJKLM LMNO CDEF	29	May 20, 2010
06135 ⁽¹⁾	11 E 02 D	2	PQ	2	July 25, 2009
SL11/90 ⁽¹⁾	11 E 02 D	23	ABCDEFGH	8	December 11, 2009
05929	11 E 01 C	13	OP	2	April 8, 2010
08365 ⁽²⁾	11 E 02 D	24	O	1	August 18, 2009
08371 ⁽²⁾	11 E 02 D	2	GH	2	August 21, 2009
08443	11 E 02 D 11 E 02 D	23 24	KLOPQ N	6	June 20, 2010
08444	11 E 02 D 11 E 02 D 11 E 02 D 11 E 02 D 11 E 02 D 11 E 02 D 11 E 02 D 11 E 02 A 11 E 02 A	1 2 3 4 5 21 22 100 101	DE ABCDEFM ABCDEFGHJKLMN OP ABCDEFGHJKLMN OPQ AB ABCDEFGHJKLMQ ABEFKLMNOP NO JKPQ	71	October 1, 2009
08445	11 E 01 C 11 E 02 C 11 E 02 C 11 E 02 C 11 E 02 C 11 E 02 D 11 E 02 D	13 14 15 35 36 24 25	ABGHJKLMNQ EFGHJKLMNOPQ N ABCDEFGH ABCDEFGH PQ ABGH	45	April 18, 2010
05930	11 E 01 C	14	CD	2	April 8, 2010

Notes:

(1) * Licences held by 6179053 Canada Inc., in which Acadian Mining Corporation holds a 50% interest.

(2) Licences held by Annapolis Properties Corp. All other licences are held by Acadian Mining Corporation.

LAKE CATCHA GOLD PROPERTY

Exploration Licences at Lake Catcha

Licence No.	NTS Sheet	Tract	Claims	No. of claims	Renewal Date
05849 ⁽¹⁾	11 D 11 D 11 D 11 D 11 D 11 D	87 88 105	A EFGHJKQ N DE	11	February 23, 2010
05894 ⁽¹⁾	11 D 11 D 11 D 11 D 11 D 11 D	86 87 106	JQ LMNOP ABCDEFGHI	14	February 16, 2010
06392 ⁽²⁾	11 D 11 D	105 106 107 86 87	CFLM FJKLM ABHJ ABGHKP D	20	November 4, 2009

Notes:

- (1) Right holder of Licences 05849 and 05894 is Acadian Mining Corporation.
(2) Right holder of Licence 06392 is Annapolis Properties Corp.

OLDHAM GOLD PROPERTY

Exploration Licences at Oldham

Licence	NTS Sheet	Tract	Claims	No.of Claims	Renewal Date
06016 ⁽¹⁾	11 D 14 C	37	BGK	3	January 9, 2010
06183 ⁽¹⁾	11 D 14 C 11 D 14 C 11 D 14 C	35 36 38	N OPQ DE	6	March 20, 2010
06185 ⁽¹⁾	11 D 14 C	37	CD	2	May 6, 2010
06187 ⁽¹⁾	11 D 14 C	37	EF	2	May 2, 2010
06136	11 D 14 C	37	J	1	July 3, 2009
06177	11 D 14 C	37	AH	2	July 9, 2009
06572	11 D 13 D 11 D 13 D 11 D 14 C	25 48 36	JKLOPQ AB MN	10	September 2, 2009
06292	11 D 14 C 11 D 14 C	38 37	MN LMOPQ	7	September 21, 2009
06462	11 D 13 D 11 D 13 D	25 26	EFGMN H	6	December 20, 2009
06462A	11 D 13 D	48	C	1	December 20, 2009
06462B	11 D 13 D	48	GH	2	December 20, 2009

Notes:

⁽¹⁾ Right holder of Licences 06016, 06183, 06185 and 06187 is Acadian Mining Corporation. All other Licences listed above are held by Annapolis Properties Corp.

SMITHFIELD ZINC-LEAD PROPERTY

Exploration Licences at Smithfield

Right Holder: Acadian Mining Corporation

Licence No.	NTS Sheet	Tract	Claims	No. of claims	Renewal Date
06120	11 E 06 A	21	BCDEFGKLM	9	May 27, 2010

LAKE AINSLIE BARITE PROPERTY

Exploration Licences at Lake Ainslie

Right Holder: Acadian Mining Corporation

Licence No.	NTS Sheet	Tract	Claims	No.of Claims	Renewal Date
07099	11 K 03 A	90	ABGHJKPQ	52	February 28, 2010
	11 K 03 A	91	DEMN		
	11 K 03 A	102	DEMN		
	11 K 03 A	103	ABCFGHJKLOPQ		
	11 K 03 D	6	DEM		
	11 K 03 D	7	ABCFGHJKLOPQ		
	11 K 03 D	18	ABCFGHJKL		

ACADIAN MINING CORPORATION
Real Property Interests

1	18 Goldmine Rd, Tangier, NS	Land and Building
2	East Lake Ainslie, Inverness, NS	Land and Building
3	17404 Highway #7 Tangier, NS	Land and Building
4	17735 Highway #7 Tangier, NS	Land and Building
5	Marine Terminal, Sheet Harbour, NS	Ore Concentration Storage Building; land is leased
6	15601 Hwy 224, Gays River, NS	Land and Building

SCHEDULE “G” TO THE SUBSCRIPTION AGREEMENT

EMPLOYEE PLANS

- Incentive Stock Option Plan
- Great West Life health, drug, dental, long-term disability and life insurance plan
- Group RRSP administered by Great West Life – currently no active participants
- Vacation plan in force for all staff

SCHEDULE "H" TO THE SUBSCRIPTION AGREEMENT

ENVIRONMENTAL COMPLIANCE EXCEPTIONS

The following items have been identified for Scozinc facilities in relationship to real or potential environmental issues.

Sheet Harbour:

- There is currently a drainage issue adjacent to Scozinc storage and unloading facility. Conestoga – Rivers & Associates Limited has an engineered design for dealing with the situation which will cost an estimated \$20,000.

Scozinc Mine/Mill:

- **Hull Property:**
 - There is a small area (~1 acre) of contaminated soil located on the former Hull Brothers property that resulted from spillage through the culvert at SW6. This area has been identified by Nova Scotia Department of Environment ("DOE"). A design plan has been formulated by Scozinc engineers to clean up the site and move the associated metal bearing material into the tailings facility. The estimated price is \$25,000. Part of this work will also require the removal of the culvert so that all potential contamination in this area will subsequently flow back into the pit.
- **Mill Reagents:**
 - There are a number of reagents currently stored on site. These materials are to be removed from site prior to their expiry date as indicated. As of April 1st, 2009, these include the following:
 - 10 barrels of MIBC (205 litres) – Aug.2010-July 2012 expiry,
 - 23 barrels of denatured alcohol (205 litres) – no expiry date,
 - 11 pallets of zinc sulphate (25 kg bags) - Nov. 2009 expiry,
 - 7 pallets of copper sulphate (25 kg bags) – Nov. 2010 expiry,
 - 12 boses of S.I.X. (750 kg), 1 part box (~150 kg) – Oct. 2010 expiry,
 - 324 drums of Cyanide (100 kg) – Nov. 2010 expiry,
 - 2 boxes of Cyanide (1000 kg), 1 part box (~250 kg) – Sept. 2010 expiry, and
 - 8 bags of lime, no expiry.
- **Saddle Dam:**
 - DOE has identified that the five pipes in the saddle dam are to be removed to prevent potential leakage. An engineering plan has been established for the project at an associated cost of \$20,000.
- **Bone Yard:**
 - There are two environmental issues at this location that have been identified by DOE and a directive issued. They are:
 - Removal of contaminated soil (less than one truckload), and
 - Removal of barrels containing hazardous waste materials.
 - The associated cost for this has been quoted at ~\$20,000.
- **Empty Barrels:**
 - There are a number of empty barrels in front of the mill building that contained either steel balls or identified chemicals. All of these barrels can be crushed and placed in a dumpster with other metal scrap for subsequent removal. This was identified as an area where the barrels were primarily regarded as unsightly.

- ***Concentrate on ground at Mill Doors:***
 - No directive from DOE has been issued for this situation. However, there is a minor amount of both lead and zinc concentrate on the ground in the loading area that should be cleaned up and placed back in the pit area.
- ***Diesel Gas and Propane Tanks:***
 - All fuel tanks are in good shape and there are no associated environmental issues pertaining to spillage or leakage. All tanks (except the administrative building tank) are double walled.
- ***Gallant Crushed Stone:***
 - There is ~500 tonnes of crushed stone north of the administrative building, which stone was the property of Gallant Aggregate. It contains a small quantity of lead (~0.05%). This has not been identified by DOE as an issue at this time. All drainage from this area is back into the pit as required.
- ***Tarp Building:***
 - Lead concentrate was stored temporarily in the core storage tarp building and there will be minor residual concentrate remaining on the floor of the facility. This has not been identified as an issue by DOE and all drainage is back into the pit.
- ***Main Transformer:***
 - There was a small oil leak at the main transformer which has been repaired. Although DOE has not identified an issue in this regard, it is recommended that new seals be installed in the transformer as soon as possible at an estimated cost of ~\$1,000.
- ***Timbers by Bridge:***
 - There are a few creosote timbers located near the bridge over the Gays River at the entrance to the mine site. These have not been identified by DOE but it is recommended that they be removed during the general cleanup.
- ***Asbestos:***
 - There is no known asbestos anywhere on site.
- ***Septic Tank:***
 - The top ring of the septic tank was cracked during winter snow plowing. This has not been identified as an issue by DOE but it is recommended that a new ring cover be installed. The cost is ~\$200.
- ***Fire Suppression System:***
 - There is currently no chemical in the fire retardant system in the Master Control Centre (electrical room). It is recommended that this be filled as soon as possible. Cost for filling is ~\$20,000.
- ***Paints, flammables, etc.:***
 - All paints and other flammable materials are properly stored in locked containers. There has been no concern expressed by DOE in this regard.
- ***MMER:***
 - There was one non-compliance Metal Mining Effluent Regulations report resulting from failure to submit a hard copy of the quarterly report. The issue was subsequently rectified.

ACADIAN MINING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Acadian Mining Corporation:

We have audited the consolidated balance sheets of Acadian Mining Corporation as at December 31, 2008 and 2007 and the consolidated statements of loss and comprehensive loss, deficit and cash flows for the years then ended. 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 and United States generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Markham, Ontario
March 25, 2009
except Note 18 which is
at July 16, 2009

“Wasserman Ramsay”
Chartered Accountants
Licensed Public Accountants

COMMENTS BY AUDITORS FOR U.S. READERS ON CANADA-US REPORTING DIFFERENCES

The reporting standards in the United States for auditors require the addition of an explanatory paragraph (following the opinion 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. Our report to the shareholders, dated March 25, 2009, is expressed in accordance with Canadian reporting standards which do not permit a reference to such events and conditions in the auditors' report when these are adequately disclosed in the consolidated financial statements.

Markham, Ontario
July 16, 2009

“Wasserman Ramsay”
Chartered Accountants
Licensed Public Accountants

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

CONSOLIDATED BALANCE SHEETS - DECEMBER 31

	2008	2007
ASSETS		
Current:		
Cash and cash equivalents <i>(Note 7)</i>	\$ 210,211	\$ 3,022,868
Accounts receivable	619,297	4,957,044
Inventories <i>(Note 12)</i>	1,455,355	4,274,202
Prepaid expenses and deposits	177,543	325,404
	2,462,406	12,579,518
Cash held for site remediation	1,612,500	1,562,500
Property, plant and equipment <i>(Note 3)</i>	11,496,431	24,463,613
Deferred mine development costs	-	1,245,455
Investment Royal Roads Corp. <i>(Note 14)</i>	4,043,039	7,741,767
Mineral resource properties <i>(Note 4)</i>	14,046,331	15,450,583
	\$ 33,660,707	\$ 63,043,436
LIABILITIES		
Current:		
Debtor in possession financing <i>(Note 6)</i>	\$ 170,000	\$ -
Accounts payable and accrued liabilities	6,703,976	4,446,692
Capital lease obligation due within one year <i>(Note 11)</i>	4,753,821	1,247,506
Equipment loans payable <i>(Note 11)</i>	370,997	-
Due to Royal Roads Corp. <i>(Note 6)</i>	2,778,367	-
	\$ 14,777,161	\$ 5,694,198
Accrued site remediation	1,017,002	990,777
Obligation under capital lease <i>(Note 11)</i>	-	4,169,661
	1,017,002	5,160,438
SHAREHOLDERS' EQUITY		
Capital stock <i>(Note 5)</i>	57,116,962	57,449,188
Contributed surplus <i>(Note 10)</i>	5,829,343	2,345,076
Deficit	(45,079,761)	(7,605,464)
	17,866,544	52,188,800
	\$ 33,660,707	\$ 63,043,436

See Description of operations, basis of presentation and going concern issue - (Note 1)

See Commitments - (Note 7)

Approved on behalf of the Board:

"G. William Felderhof"

G. William Felderhof, Director

"Terrence F. Coughlan"

Terrence F. Coughlan, Director

ACADIAN MINING CORPORATION

**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
Revenue		
Lead sales	\$ 11,421,567	\$ 2,695,256
Zinc Sales	14,895,614	7,038,791
	26,317,181	9,734,047
Cost of sales		
Production costs	27,490,838	9,068,838
Depreciation, depletion and amortization	3,729,665	1,100,410
Accretion	27,807	18,402
	31,248,310	10,187,650
Gross Profit (loss)	(4,931,129)	(453,603)
Expenses		
Amortization	\$81,121	\$83,421
Filing fees	75,687	236,995
Insurance	350,820	218,243
Financing charges (Note 13)	543,073	164,757
Investor relations and shareholder information	279,074	453,067
Office and general	714,869	343,025
Professional fees (Note 6)	1,287,936	628,948
Rent	94,028	90,825
Royalties	513,571	200,317
Salaries and benefits	2,364,432	1,441,959
Stock-based compensation expense	317,610	1,995,185
Supplies	584,073	84,416
Transfer agent fees	78,240	26,218
Travel	176,708	201,558
	7,461,242	6,168,934
Operating loss before impairment charge, investment income and share investees	(12,392,371)	(6,622,537)
Interest and other income (Note 13)	89,017	411,039
Share of income (loss) of investees accounted for using the equity method	(420,943)	(189,481)
Impairment charge	(24,750,000)	-
Net loss before income tax	(37,474,297)	(6,400,979)
Future income tax recovery	-	(1,029,240)
Net loss and comprehensive loss for the year	\$ (37,474,297)	\$ (5,371,739)
Loss per share - basic and diluted	\$ (0.26)	\$ (0.05)
Weighted average number of shares outstanding - basic and diluted	146,248,770	116,561,926

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

ACADIAN MINING CORPORATION

**CONSOLIDATED STATEMENTS OF DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008		2007
	\$		\$
Deficit, beginning of year	\$ (7,605,464)	\$	(2,233,725)
Net loss for the year	(37,474,297)		(5,371,739)
			<hr/>
Deficit, end of year	\$ (45,079,761)	\$	(7,605,464)
			<hr/>

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008		2007
Cash was provided by (used in) the following activities:			
Operating:			
Net loss for the year	\$ (37,474,297)	\$	(5,371,739)
Item not requiring an outlay of cash:			
Impairment charge	24,750,000		-
Depreciation, depletion and amortization	3,810,786		1,265,252
Accretion	26,225		18,402
Future income tax	-		(3,147,845)
Non-controlling interest in earnings	420,943		189,481
Stock-based compensation	317,610		1,995,185
Net change in non-cash working capital items (Note 9)	9,542,991		(5,889,568)
	<hr/>		<hr/>
	1,394,258		(10,940,832)
			<hr/>
Investing:			
Expenditures on mineral resource properties	(4,295,790)		(4,095,762)
Acquisitions, net of cash acquired	-		-
Investment and advances investee	56,820		-
Acquisition of ScoZinc Royalty	-		(1,362,121)
Mine development costs	-		(1,245,455)
Purchase of Property, plant and equipment	(5,196,393)		(17,330,683)
	<hr/>		<hr/>
	(9,435,363)		(24,034,021)
			<hr/>
Financing:			
Issuance of shares capital - net of cash costs and flow-through funds	2,873,941		27,795,151
Redemption and cancellation of common shares	(81,511)		-
Proceeds of equipment financing (net of repayments)	370,997		-
Proceeds of capital lease financing	585,600		7,363,010
Repayment of capital lease obligation	(1,248,946)		(1,945,843)
Loan from Royal Roads Corp.	2,778,367		-
Net change in Flow-through funds	-		2,706,558
Cash held for site remediation	(50,000)		(1,562,500)
	<hr/>		<hr/>
	5,228,448		34,356,376
			<hr/>
Net change in cash and cash equivalents for the year	(2,812,657)		(618,477)
Cash and cash equivalents, beginning of the year	3,022,868		3,641,345
			<hr/>
Cash and cash equivalents, end of the year	\$ 210,211	\$	3,022,868
			<hr/>

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

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. Description of operations, basis of presentation and going concern issues

Scozinc Limited Companies' Creditor Arrangement Act Proceedings

On December 22, 2008, Acadian Mining Corporation's (the "Company") wholly owned subsidiary Scozinc Limited ("ScoZinc"), requested and was granted protection under the Companies' Creditors Arrangement Act ("CCAA") for an initial period of 30 days. This was subsequently extended by the Nova Scotia Supreme Court ("Court") until May 22, 2009. The purpose of the protection and extension is to enable ScoZinc to conclude all operations and complete necessary mine site remediation efforts in order to put the mine site on care and maintenance. It will also enable ScoZinc to prepare a plan of arrangement or compromise for submission to its creditors and to the Court - Scozinc mining and milling operations ceased March 24, 2009.

Under the terms of the initial order, Grant Thornton Limited, was named court appointed monitor under the CCAA Proceedings. The Monitor will report to the court from time to time on the financial and operational position of the Company as well as any other matters deemed relevant to the CCAA Proceedings.

As a consequence of the CCAA Proceedings, all actions to enforce or otherwise effect payment or repayment of any liabilities preceding the petition date (December 22, 2008) have been stayed until May 22, 2009.

As part of the CCAA Proceedings, ScoZinc obtained an order granting it access to Debtor in Possession financing ("DIP" financing) of up to \$1.0 million. The DIP order grants TCE Capital Corporation (the DIP provider) a priority charge and security interest in all of the property of ScoZinc as security for repayment of amounts advanced pursuant to the DIP Facility. In the initial order the Company was granted approval for temporary DIP financing of up to \$250,000 provided by two officers of the Company, which was subsequently repaid from funds advanced by TCE Capital Corporation. The Company estimates that ScoZinc will be cash flow negative in the amount of approximately \$900,000 during the CCAA proceedings and that the DIP lender will be required to realize on ScoZinc's assets or rely on its guarantee from the Company to recover their advances.

As a result of this filing the Company's long term debt, including capital lease obligations and equipment financing, was in default and has therefore been reclassified as current liabilities.

Contributing factors

The selling price of base metal minerals decreased dramatically during the course of the current year and particularly after November 1st which, in combination with certain production issues at ScoZinc's mine site resulted in the Company incurring operational losses, facing an increase in debt load and becoming unable to meet its cash flow requirements. This occurred in combination with the collapse of the equity and debt financing markets associated with the current global credit crisis and therefore the Company was unable to secure any additional long term debt or equity financing to help mitigate the financial impact of these issues.

Impairment charge

As a result of the matters described in the preceding paragraphs it was necessary to assess the recoverability of the carrying value of ScoZinc's mining assets. The Company reviewed the impact of the above noted variables, including the CCAA Proceeding and the cessation of mining operations. The estimated realizable value was then calculated by estimating the future cash flow which includes; estimating recoverable reserves; future metal prices and foreign exchange rates; and, estimating future operating and capital costs.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. Description of operations, basis of presentation and going concern issues (Continued)

Based on the financial matters described above and the current business environment it is not possible to accurately determine the estimated realizable value of the mine equipment and mineral properties. It is also not possible, at this time, to determine whether or not the Company will continue as a going concern and realize its assets and discharge its liabilities and commitments in the ordinary course of business. Should the Company be unable to continue as a going concern, further write downs will likely occur and they will likely be material.

As well, given that the CCAA process being undertaken by ScoZinc is incomplete and additional financing has not been completed, further material write-downs could occur. This preliminary valuation represents management's best estimate at this time. Based on this review, the Company recorded an asset impairment charge of \$24,750,000 during the year ended December 31, 2008. The allocation of the impairment charge against the various asset classes is as noted below:

Mining equipment and pit costs	\$14,800,000
Mineral properties and deferred exploration expenditures	5,362,000
Deferred Mine development costs	1,368,000
Investment in Royal Roads Corp.	<u>3,220,000</u>
Total impairment charge	<u>\$24,750,000</u>

The investment in Royal Roads Corp. ("RRO") has a market value as at December 31, 2008 of \$981,500. This is a long term investment of the Company and the carrying value has been adjusted to the 29.18% ownership applied to the December 31, 2008 book value of RRO representing management's estimate of the fair value of the investment.

Financing Update

Management of the Company continues to pursue debt and/or equity funding to resolve its current financial position, investigate possible asset sales and seek potential partners to advance its gold mineral properties to the development and mining stage. In this regard on March 17, 2009 the Company announced it had entered into an agreement with Golden River Resources Corporation ("Golden River") to complete a private placement of up to 338,111,334 common shares for aggregate proceeds of up to \$10,000,000. The first tranche of \$1.0 million dollars (38,111,334 shares at \$0.026 per share) is subject to regulatory approvals and is expected to occur in one or more closings on or before April 10, 2009. The second tranche of \$9.0 million (300,000,000 shares at \$0.03 per share) will close in one or more closings and is subject to the completion of due diligence by Golden River, the resolution of ScoZinc's CCAA Proceedings, the acquisition by the Company of the remaining 50% interest in the Fifteen Mile Stream mineral claims for a cash payment of \$70,000, a non-interest bearing note payable for \$1.0 million due one year from the date of acquisition and a 1% Net Smelter Royalty to Mr. Will Felderhof, President of the Company and members of his family, as well as shareholder and regulatory approval.

Basis of presentation and going concern issues

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presumes the ScoZinc will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. The events noted above bring into question this assumption.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. Description of operations, basis of presentation and going concern issues (Continued)

As at December 31, 2008, the Company has negative working capital in the amount of \$12,314,755 and shareholders equity in the amount of \$17,860,493. While ScoZinc is under CCAA protection, these financial statements have been prepared using the going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The CCAA provides ScoZinc with a period of time to wind down its operations and pursue additional financing. This allowed the Company to pursue other financial options including additional financing, sale of assets or a partner for its gold properties. Should the going concern assumption prove not to be appropriate further adjustments will be required to the carrying amounts and/or classification of the Company's assets and liabilities and the adjustments are likely to be material. The consolidated financial statements do not reflect any adjustments related to conditions that occurred subsequent to December 31, 2008.

The consolidated financial statements do not purport to reflect or provide for the consequences of the CCAA Proceedings. Specifically, these financial statements do not purport to show assets at their net realizable value on a liquidation basis or their availability to satisfy liabilities.

2. 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) Basis of Consolidation

The Company accounts have been consolidated with its subsidiary, ScoZinc Limited. The Company accounts were consolidated with Royal Roads Corp. until March 31, 2007. Subsequent to March 31, 2007 Royal Roads Corp. issued shares sufficient to drop the Company's holdings to less than fifty percent. The financial statements now include Royal Roads Corp. activities on an equity accounted basis.

In accordance with the Company's stated accounting policy, long lived assets are reviewed and evaluated for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Management reviewed the recoverability based on the decline in world base metal prices and the lack of credit facilities which have negatively impacted base metals mines.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash, demand deposits and highly liquid short term investments with an initial term of 90 days or less.

(c) Revenue recognition and receivables

Revenue is recognized at the time that the crushed ore is shipped, which is also the time that title transfers. The crushed ore is sold under contracts that provide for the final prices to be determined by the quoted market prices in a period subsequent to the date of sale. Revenue is recorded using a provisional pricing based on the market prices in the month of shipment and the assayed amount of minerals contained in the crushed ore.

Variations between the price recorded at shipment and the final prices are caused by changes in the market and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until the final settlement occurs, with changes in the fair value classified as a component of revenue.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

2. Accounting policies (Continued)

(d) Inventories

Inventory is recorded at the lower of cost and net realizable value. The classifications include stockpiled ore, in-process inventory, finished goods inventory and materials. The costs of production inventory include direct production costs and attributable overheads including amortization and accretion expenses.

Stockpiles are comprised of coarse ore that has been extracted from the mine and is awaiting further processing. Mining production costs are added to the stockpiles as incurred and removed from the stockpile based on an average cost per tonne as the material is moved to a further phase of production.

In process and concentrate inventories include costs of the ore removed from the stockpile as well as mill production costs incurred to convert the ore into a saleable product. Costs are determined on an average basis.

Mine and mill supplies include equipment parts, fuel and reagents consumed in ore processing. Materials and supplies are valued at the lower of average cost or replacement cost.

(e) Mining interests and deferred development and exploration expenditures

It is the Company's policy to defer expenditures related to the exploration and development of its mining properties, including direct administrative expenditures, until such time as they are brought into production or are deemed economically unfeasible. Upon commencement of commercial production, the cost of acquiring the mining property and all related deferred exploration and development expenditures will be amortized on a unit of production basis. Should the properties be abandoned or be determined to be economically unfeasible they will be written off in their entirety.

(f) Stripping Costs

The Company accounts for stripping costs according to CICA Emerging Issues Committee (EIC) No. 160, "Stripping Costs Incurred in the Production Phase of a Mining Operation". EIC-160 clarifies the treatment of costs associated with activity of removing overburden and other mine waste materials in the production stage and requires that these costs be charged to income in the period in which they are incurred, except when the stripping activity provides a betterment to the property. Costs represent a betterment when the stripping provides access to reserves that will be produced in future periods that would not have otherwise been accessible in the absence of the activity.

(g) Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided for on head-office assets using the declining balance method at the following annual rates (in the year of acquisition one-half of the calculated depreciation is recognized):

Vehicles	30%
Building	5%
Office fixtures and computer equipment	20%

Assets from the ScoZinc acquisition are depreciated on a straight line balance method over the expected life of the mine at thirteen and one half years, assets under capital lease are depreciated on a straight line basis over the four year term of the lease.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

2. Accounting policies (Continued)

(h) Leases

Leases meeting certain criteria are accounted for as a capital lease. Imputed interest is charged against income. The capitalized value of the assets is depreciated over the term of the lease. The Company has entered into leasing agreements of four year terms for mining equipment. Obligations under capital leases are reduced by the rental payments net of imputed interest. All other leases are treated as operating lease.

(i) Stock based compensation

The Company has a stock-based compensation plan that is described in Note 6. 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.

(j) Earnings per share

The Company has adopted the new recommendations of the CICA Handbook section 3500, Earning per Share ("EPS"). The revised 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 new 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.

(k) Flow-through shares

The Company accounts for the future income tax effect of flow-through share offerings as laid out in Emerging Issues Committee ("EIC") 146. As required under EIC 146 any future income tax effect of the flow-through offering is recognized as a share issue expense in the period in which the expenditures are renounced under the provision of the Income Tax Act.

(l) Reclamation and Closure Costs

Effective January 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.

(m) 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.

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2. Accounting policies (Continued)

(n) Financial instruments

Effective January 1, 2007, the Company adopted the following new CICA Handbook sections regarding financial instruments: (i) Section 3855, Financial Instruments - Recognition and Measurement; (ii) Section 3861 – Financial Instruments - Disclosure and Presentation; (iii) Section 3865, Hedges; and (iv) Section 1530 – Comprehensive Income. These sections provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives. The standard requires all financial instruments within its scope, including derivatives, to be included on the balance sheet and measured either at fair value or in certain circumstances at cost or amortized cost. Changes in fair value are recognized in either the statement of operations or the statement of comprehensive income.

All financial assets and liabilities are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. Held for trading financial assets are measured at fair value and changes are recognized in net income; available for sale financial assets are measured at fair value with changes recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income. Loans and receivables, held to maturity investments and other financial liabilities are measured at amortized cost.

Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook sections had no impact on the opening retained earnings.

The Company has designated its cash and cash equivalents as held for trading, which are measured at fair value. Accounts receivable are classified as loans and receivables which are measured at amortized cost. As mentioned in Note 2(c) the Company's accounts receivable from mineral sales have an embedded derivative due to the price fluctuations in the quoted market prices. Under the new standards, embedded derivatives are treated as separate derivatives if their economic characteristics and risks are not clearly or closely related to that of the host instrument, the terms of the embedded derivative are the same as those of a stand alone derivative, and the combined contract is not held for trading or designated at fair value. These embedded derivatives are measured at fair value at each balance sheet date with subsequent changes recognized in net earnings (loss) in the period the changes arise. Accounts payable and accrued liabilities are classified as other financial liabilities. The Company has neither available for sale or held to maturity instruments.

As at December 31, 2008 the fair values of the Company's assets and liabilities approximate their carrying value due to the relatively short maturity or current market rate associated with these instruments.

Section 3865 of the CICA Handbook specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not hold any financial instruments designated for hedge accounting.

Section 1530 of the CICA Handbook introduces the term Comprehensive income, which consists of net earnings and other comprehensive income (OCI). Comprehensive income represents changes in Shareholders equity during the period arising from transactions and other events with non-owner sources. OCI includes gains and losses unrealized from available for sale assets, that are excluded from net earnings in accordance with GAAP. The Company currently has not designated any instruments as available for sale and therefore does not currently have any OCI.

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2. Accounting policies (Continued)

(o) Future income taxes

The Company accounts for income taxes under the asset and liability method. The difference between the tax basis of assets and liabilities and their carrying value on the balance sheet is used to calculate future tax assets and liabilities. The future tax assets and liabilities have been measured using substantively enacted tax rates that will be in effect when the differences are expected to reverse.

(p) Foreign Currency Translation

Revenues and expenses denominated in foreign currencies are translated into Canadian dollars at the average exchange rate for the period.

(q) Investment in Company Subject to Significant influence

Investments in companies subject to significant influence are carried using the equity method of accounting under which the investment is originally recorded at costs and is adjusted for the investors share of the investees income or loss. The investment in companies subject to significant influence will be written down when there is a decline in value that is other than temporary.

(r) 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 amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

(s) Changes in Accounting policies

The Canadian Institute of Chartered Accountants ("CICA") issued the following new Handbook Sections, which were effective for interim periods beginning on or after October 1, 2007 and were adopted in the current fiscal year:

- i) Section 3862, "Financial Instruments – Disclosures", describes the required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. This section and Section 3863, "Financial Instruments – Presentation" replaced Section 3861, "Financial Instruments – Disclosure and Presentation".
- ii) Section 3863, "Financial Instruments – Presentation", establishes standards for presentation of financial instruments and nonfinancial derivatives.
- iii) Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure requirements of the entity's objectives, policies and processes for managing capital, the quantitative data relating to what the entity regards as capital, whether the entity has complied with capital requirements, and, if it has not complied, the consequences of such non-compliance.

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2. Accounting policies (Continued)

(s) Changes in Accounting policies (Continued)

The additional disclosures, required as a result of the adoption of (i) Sec 3862 and 3863, have been included in Note 15, Financial Instruments and (ii). Sec 1535, have been included in Note 16, Capital management.

- iv) In June 2007, the CICA issued Section 3031, "Inventories", to harmonize accounting for inventories under Canadian GAAP with IFRS. This standard requires the measurement of inventories at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs to inventory. The standard also requires the consistent use of either first-in, first-out (FIFO) or weighted average cost formula to measure the cost of inventories and requires the reversal of previous write downs to net realizable value when there is a subsequent increase in the value of inventories. The new standard applies to fiscal years beginning on or after January 1, 2008. The Company adopted this standard on January 1, 2008.

(t) Accounting pronouncements applicable to future periods

- i) Sections 3064 and 1000 – Goodwill and Intangible Assets

In February 2008, the CICA issued new Section 3064, "Goodwill and intangible assets", replacing Section 3062, "Goodwill and Other intangible assets", and Section 3450, "Research and development costs". Section 3064 addresses when an internally developed intangible asset meets the criteria for recognition as an asset. The Section also issued amendments to Section 1000, "Financial Statement Concepts". These changes are effective for fiscal years beginning on or after October 1, 2008, with earlier adoption permitted, and will be adopted by the Company effective January 1, 2009. The objectives of the changes are to reinforce a principles-based approach to the recognition of costs as assets and to clarify the application of the concept of matching revenues and expenses in Section 1000. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards and U.S. GAAP by eliminating the practice of recognizing as assets a variety of startup, preproduction and similar costs that do not meet the definition and recognition criteria of an asset. The Company has determined that adoption of the new standards will not have a significant effect on the Company's financial statements.

- ii) International Financial Reporting Standards ("IFRS")

The CICA plans to require public companies to adopt IFRS effective no later than January 1, 2011. Management is planning to review the transition to IFRS and determine the potential impact, if any, on the Company's consolidated financial statements.

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3. Property, plant and equipment

	Cost	Accumulated Depreciation	Impairment Charge	Net
Office:				
Building	\$ 120,840	\$ 9,457	\$ -	\$ 111,383
Automotive equipment	122,748	46,366	-	76,382
Equipment	165,000	29,550	-	135,450
Office fixtures and computer equipment	525,732	155,345	-	370,387
	<u>934,320</u>	<u>240,718</u>	<u>-</u>	<u>693,602</u>
Mine site:				
Land	566,950	-	-	566,950
Building	2,370,491	283,628	-	2,086,863
Automotive equipment	392,547	97,153	-	295,394
Mobile equipment under capital lease	8,183,999	2,551,611	1,878,500	3,753,888
Equipment	18,709,641	1,688,407	12,921,500	4,099,734
	<u>30,223,628</u>	<u>4,620,799</u>	<u>14,800,000</u>	<u>10,802,829</u>
Balance December 31, 2008	<u>\$ 31,157,948</u>	<u>\$ 4,861,517</u>	<u>\$ 14,800,000</u>	<u>\$ 11,496,431</u>
Office:				
Building	\$ 53,932	\$ 5,355	\$ -	\$ 48,577
Automotive equipment	72,394	24,421	-	47,973
Equipment	165,000	14,775	-	150,225
Office fixtures and computer equipment	335,719	63,636	-	272,083
	<u>627,045</u>	<u>108,187</u>	<u>-</u>	<u>518,858</u>
Mine site:				
Land	83,761	-	-	83,761
Building	2,238,454	106,224	-	2,132,230
Automotive equipment	321,656	32,166	-	289,490
Equipment	7,451,450	728,991	-	6,722,459
	<u>15,235,954</u>	<u>519,139</u>	<u>-</u>	<u>14,716,815</u>
	<u>25,331,275</u>	<u>1,386,520</u>	<u>-</u>	<u>23,944,755</u>
Balance December 31, 2007	<u>\$ 25,958,320</u>	<u>\$ 1,494,707</u>	<u>\$ -</u>	<u>\$ 24,463,613</u>

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4. Mineral resource properties

Mineral resource properties consist of the following:

	Cost	Accumulated Depreciation	Impairment Charge	Total
Nova Scotia:				
Forest Hill	\$ 1,347,481	\$ 2,174,760	\$ -	\$ 3,522,241
Beaver Dam	564,762	4,546,424	-	5,111,186
Tangier	290,598	476,426	-	767,024
Goldenville	183,483	598,275	-	781,758
ScoZinc Mine ¹	2,756,289	722,305	3,478,594	-
Other	1,499,887	4,247,641	1,883,406	3,864,122
Balance December 31, 2008	\$ 6,642,500	\$ 12,765,831	\$ 5,362,000	\$ 14,046,331
Nova Scotia:				
Forest Hill	\$ 1,345,245	\$ 2,086,774	\$ -	\$ 3,432,019
Beaver Dam	556,470	4,252,703	-	4,809,173
Tangier	282,580	362,170	-	644,750
Goldenville	178,892	572,807	-	751,699
ScoZinc Mine	2,452,494	666,205	-	3,118,699
Other	838,709	1,855,534	-	2,694,243
Balance December 31, 2007	\$ 5,654,390	\$ 9,796,193	\$ -	\$ 15,450,583

¹ As of July 1, 2007, ScoZinc Limited's Scotia Mine property is being amortized over the expected life of the mine, which was eight years. The costs are net of accumulated amortization of \$479,836 (2007-\$49,756).

² In accordance with the Company's stated accounting policy, long lived assets are reviewed and evaluated for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Management reviewed the recoverability based on the decline in world base metal prices and the lack of credit facilities which contributed to its subsidiary ScoZinc Limited seeking protection under the Companies' Creditors Arrangement Act.

Based on the review, the Company recorded an impairment charge which was allocated to the open pit at Scotia Mine, zinc milling, mining and storage assets and base metal claims associated with the Scotia Mine.

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5. Capital Stock

Authorised:

Unlimited number of common shares
Unlimited number of preference shares

Capital stock is made up as follows:

	2007	2008
Warrants (i)	\$ 3,330,829	\$ 53,900
Unlimited number of preference shares (ii)	54,118,359	57,063,062
	\$ 57,449,188	\$ 57,116,962

(i) Warrants issued:

Balance December 31, 2006		\$ 1,190,561
Issued during the year - private placements		2,888,883
Value allocated to common shares on exercise		(748,615)
Balance December 31, 2007		3,330,829
Broker warrants issued		53,900
Value of expired warrants allocated to contributed surplus		(3,330,829)
Balance December 31, 2008		\$ 53,900

(ii) Common shares issued:

	# of shares	\$ value
Balance December 31, 2006	106,658,941	29,708,038
Issued for mining properties	117,500	112,275
Options exercised	330,000	127,905
Warrants exercised	15,931,466	8,829,314
Warrant value allocated to common shares on exercise		748,615
Private placement	19,050,000	17,854,059
Less: Share issue costs		(3,261,847)
Balance December 31, 2007	142,087,907	54,118,359
Issued for mining properties	120,000	42,000
Options exercised	350,000	208,000
Warrants exercised	(155,000)	(51,589)
Warrant value allocated to common shares on exercise		
Private placement	11,000,000	3,000,000
Less: Share issue costs		(253,708)
Balance December 31, 2008	153,402,907	\$ 57,063,062

(a) During the prior year the Company completed a private placement for a total of 19,050,000 equity units ("Units") at a price of \$1.05 per Unit for aggregate gross proceeds of \$20,002,500 ("Offering"). Each Unit consisted of one common share and one-half of one common share purchase warrant ("Warrant"). One whole Warrant entitled the holder to subscribe for one common share for \$1.35 at any time until September 30, 2008. The Warrants were allocated a value of \$1,492,520. None of the warrants were exercised before they expired.

The Company paid the underwriters a work fee and a cash commission equal to 6.75% of the proceeds of the Offering and issued warrants to acquire 1,285,875 Underwriter Unit Warrants. The Underwriter Unit Warrants were exercisable at \$1.05 at any time until July 21, 2008. Each Underwriter Unit Warrant was comprised of one Common Share and one quarter of one Common Share purchase warrant, with each whole warrant entitling the holder to acquire one Common Share at \$1.35 at any time July 21, 2008. None of the Underwriter Unit Warrants were exercised before they expired. # The securities issued in connection with the Offering were subject to a four month hold period from the date of issue.

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5. Capital Stock (Continued)

- (b) During the year the Company completed a private placement for 6,000,000 common shares at a price of \$0.25 per share and 5,000,000 flow-through common shares at a price of \$0.30 for aggregate gross proceeds of \$3,000,000.

The Company paid the underwriters a work fee and a cash commission equal to 6% of the proceeds of the private placement and issued Broker warrants to acquire 220,000 common shares at \$0.30 per common share exercisable anytime until September 2, 2009.

The securities issued in connection with the Offering were subject to a four month hold period from the date of issue.

Stock-based compensation plan

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. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

A summary of the Company's options at December 31, 2007 and December 31, 2008 is presented below:

	Options Outstanding	Weighted-Average Exercise Price
At December 31, 2006	5,377,000	\$0.46
Exercised	(330,000)	\$0.20
Cancelled	(300,000)	\$1.10
Granted	3,300,000	\$1.03
	<u>8,047,000</u>	<u>\$0.68</u>
At December 31, 2007		
Granted	685,000	\$0.58
Cancelled	(350,000)	\$1.10
Expired	(1,172,000)	\$0.35
Exercised	(350,000)	\$0.20
	<u>(350,000)</u>	<u>\$0.20</u>
At December 31, 2008	<u>6,860,000</u>	<u>\$0.80</u>

The weighted average exercise price of options granted during the year was \$0.46 (2007 - \$0.60)

The following table summarizes information about the options outstanding at December 31, 2008:

Exercise Price	Options Outstanding and Exercisable	Remaining Contractual Life
\$0.38	200,000	.1 years
\$0.20	475,000	.8 years
\$0.18	125,000	4.8 years
\$0.82	100,000	3.9 years
\$0.71	1,500,000	2.3 years
\$0.53	1,350,000	2.9 years
\$1.12	350,000	3.3 years
\$1.00	2,000,000	3.5 years
\$1.01	200,000	3.7 years
\$0.71	2,000,000	3.5 years
\$1.01	260,000	4.2 years
\$0.58	300,000	4.5 years
	<u>6,860,000</u>	<u>3.0 years</u>

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5. Capital Stock (Continued)

The following table summarizes information about the options outstanding at December 31, 2007:

Exercise Price	Options Outstanding and Exercisable	Remaining Contractual Life
\$0.20	825,000	0.4 years
\$0.35	1,172,000	0.9 years
\$0.38	200,000	1.1 years
\$0.71	1,500,000	1.8 years
\$0.53	1,350,000	3.9 years
\$1.12	350,000	4.7 years
\$1.00	2,000,000	4.5 years
\$1.01	250,000	4.3 years
\$1.10	300,000	0.3 years
\$0.82	100,000	4.9 years
	<u>8,047,000</u>	<u>3.0 years</u>

Share purchase warrants

A summary of the Company's warrants at December 31, 2007 and December 31, 2008 is presented below:

	Warrants Outstanding	Weighted-Average Exercise Price
At December 31, 2006	15,973,128	\$0.55
Exercised	(15,920,616)	\$0.55
Expired	(52,512)	\$0.51
Granted	11,132,344	\$1.32
	<u>11,132,344</u>	<u>\$1.32</u>
At December 31, 2007		
Expired	(11,132,344)	\$1.32
Granted	220,000	\$0.30
	<u>220,000</u>	<u>\$0.30</u>
At December 31, 2008	220,000	\$0.30

The following table summarizes information about the warrants outstanding at December 31, 2008:

Exercise Price	Warrants Outstanding and Exercisable	Expiry
\$0.30	220,000	0.3 years

The following table summarizes information about the warrants outstanding at December 31, 2007:

Exercise Price	Warrants Outstanding and Exercisable	Expiry
\$1.35	9,525,000	.75 years
\$1.05	1,285,875	.5 years
\$1.35	321,469	.5 years
	<u>11,132,344</u>	<u>0.71 years</u>

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6. Related Party Transactions

At year end there were \$2,778,367 in advances payable to Royal Roads Corp. due November 30, 2009 with interest at 10 percent per annum, payable quarterly. The Company guaranteed the full amount of the debt and, as security therefore, granted security over all of its assets, including the share of Royal Roads Corp. that it owns. In addition, ScoZinc issued a debenture in the amount of \$2.775 million over all of its assets with a fixed charge on the Scotia Mine facility in support of the borrowings. The Company has accrued \$124,898 in interest on this loan. Royal Roads Corp. released its security, as it relates to ScoZinc assets, as part of the CCAA Proceedings disclosed in note 1.

The Company shares office facilities with Royal Roads Corp and Buchans River Ltd. During the year the Company recovered \$207,893 in common costs from these companies. The amount recovered is estimated to be the fair value of the costs.

Included in Professional Fees is \$60,500 and in Deferred Exploration costs is \$60,500 in consulting fees paid to a director of the Company.

As at December 31, 2008, the Debtor in Possession financing (of \$170,000) was provided by two individuals who are officers and directors of the Company, which was subsequently repaid from the Debtor in Possession financing provided by TCE Capital Corporation.

All related party transactions and balances have been recorded at amounts agreed to by the parties which approximate the exchange amount.

7. Commitments

The Company is committed to minimum annual lease payments of \$ 103,607 on its premises until October, 2013.

The Company has agreed with the Province of Nova Scotia to remediate the Scotia Mine facility to an agreed status at the end of mining operations at the site. The Company had previously deposited \$1,400,000 with the Province to guarantee the remediation work. The rehabilitation cost has been set up in the Company accounts and is being charged to operations over the estimated life of the mine.

In March of 2009 the Company commenced a slope stability project in the Scotia Mine pit with an estimated cost of \$700,000. The Province of Nova Scotia has agreed to release funds from the remediation bond to fund the project. The Company has agreed to restore the bond to \$1,400,000 prior to the re-commencement of operations in the pit.

During the year the Company raised \$1,500,000 in capital through the issue of flow through shares. At year end the Company had spent \$557,139 on qualifying activities. If the Company does not expend the balance of funds, \$942,861, prior to December 31, 2009 they would be liable to repay the investors the tax credits claimed on these funds. The estimated maximum liability is one half of the funds not spent.

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8. Income taxes

The Company has available approximately \$28,151,000 (2007 - \$9,845,000) in non-capital loss carry-forwards which can be carried forward and used against future taxable income until expiry as noted below. In addition, the Company has available approximately \$1,991,000 in share issue costs for tax purposes which can be deducted from taxable income on a straight line basis over a five year period. The benefit associated with these losses has not been recognized.

2009	\$	138,000
2010		800,000
2014		1,070,000
2015		1,393,000
2026		4,125,000
2027		8,425,000
2028		12,200,000
	\$	<u>28,151,000</u>

The Company has the following future income tax assets and (liabilities):

	<u>2007</u>		<u>2008</u>
Non capital losses and share issue costs	\$ 3,556,000	\$	7,885,000
Mineral resource properties	(1,466,000)		1,233,000
Property, plant and equipment and other	815,000		2,590,000
Valuation allowance	(2,905,000)		(11,708,000)
Liability recognized in the financial statements	\$ -	\$	-

The following reconciles the effective tax rate to the statutory rate on a percentage basis:

	<u>2007</u>	<u>2008</u>
Statutory tax rate	36.12%	34.67%
Tax effect of losses not recognized	-20.05%	-34.67%
Tax effect of non deductible expenses	0.00%	0.00%
Effective tax rates	<u>16.07%</u>	<u>0.00%</u>

9. Supplemental cash flow information

	<u>2007</u>		<u>2008</u>
Change in non-cash working capital:			
Accounts receivable	\$ (4,659,217)	\$	4,337,747
Prepaid expenses and deposits	4,582		1,743
Accounts payable and accrued liabilities	3,039,270		2,257,284
Debtor in possession financing	-		170,000
Inventory	(4,274,203)		2,776,217
	<u>\$ (5,889,568)</u>	\$	<u>9,542,991</u>

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9. Supplemental cash flow information (Continued)

	2007		2008
Non-cash financing and investing activities:			
Common shares issued for interest in mineral resource properties	\$ 42,000	\$	112,275
Agents warrants issued	\$ 53,900	\$	760,442
Future income tax recognized on renounced CEE	\$ -	\$	1,029,240
Cash paid for interest	\$ 365,407	\$	131,624
Cash paid for income taxes	\$ -	\$	-

10. Contributed surplus

Balance December 31, 2006		\$	540,571
Issue of options on acquisition of claims			43,351
Stock based compensation			1,761,154
Balance December 31, 2007		\$	2,345,076
Excess of acquisition price over capital value of cancelled shares			(29,922)
Value of unexercised expired warrants			3,330,829
Stock based compensation			317,610
Transfer to share capital on exercise of options			(134,250)
Balance December 31, 2008		\$	5,829,343

In determining the stock-based compensation expense, the fair value of the options issued were estimated using a Black-Scholes option pricing model with the following weighted average assumptions used: dividend yield of 0% (2007-0%), expected volatility of 108% (2007-77%), risk free interest rate of 3.25% (2007-4.4%) and expected life of 60 months (2007 - 60 months).

11. Obligation Under Capital Leases and Equipment loans payable

Obligation Under Capital Lease

ScoZinc has entered into lease agreements for heavy equipment with Komatsu Finance ("Komatsu") which transfer substantially all the benefits and risks of ownership to ScoZinc. The leases bear interest at 7.2%, are for a four year term and have an option for Scozinc to acquire the assets for 10% of the original cost. ScoZinc placed a twenty percent down payment on the leases. ScoZinc's obligations under the leases are guaranteed by the Company.

ScoZinc suspended payments to Komatsu in December 2008 prior to seeking protection under the Companies' Creditor Arrangement Act. In February ScoZinc returned a portion of the leased fleet and Komatsu has agreed to leave the balance of the equipment in place until mid April when ScoZinc's slope stability project is scheduled to be completed. ScoZinc is currently paying \$7,000 per week in interest to Komatsu. As the lease payments are in default they are all considered to be current liabilities.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

11. Obligation Under Capital Leases and Equipment loans payable (Continued)

Obligation Under Capital Lease (Continued)

The annual lease payments due in each of the next 5 years were:

2009	\$	1,820,251
2010		1,726,896
2011		1,603,590
2012		91,569
		5,242,306
Less: amount representing interest		(488,485)
		\$ 4,753,821

Equipment loans:

During the current year ScoZinc entered into equipment loans for various pieces of equipment with an average interest rate of 2%. The loans are secured by the equipment financed and are guaranteed by the Company. ScoZinc has defaulted on payments are therefore the loans are all considered current liabilities.

The annual principal payments due in each of the next 5 years were:

2009	\$	162,905
2010		157,810
2011		50,282
		370,997
Less: current portion		(370,997)
		\$ -

12. Inventories

Inventories are valued at the lower of cost and net realizable value.

	2007	2008
Parts inventory	\$ 496,253	\$ 772,451
Ore in stock piles	2,012,524	-
Zinc and lead concentrates	1,765,425	682,904
	\$ 4,274,202	\$ 1,455,355

Inventories of lead and zinc concentrates in the current year are being carried at net realizable value as the ScoZinc's cost is higher than net realizable value. The Ore in stock piles has been completely written off due to the fact that based on current selling prices ScoZinc is only recovering the costs of milling the ore. The write down of inventory during the year amounted to approximately \$3.0 million dollars and is included in production costs.

ACADIAN MINING CORPORATION
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

13. Interest and Other Income

	2007		2008
Interest Income	\$ 280,381	\$	119,058
Foreign exchange loss	(11,760)		(37,432)
Miscellaneous revenue	142,418		7,391
	\$ 411,039	\$	89,017

Financing Charges

Interest on Long term debt	\$ 131,624	\$	365,407
Interest and bank charges	33,133		52,768
Interest on Royal Roads Corp. loan	-		124,898
	\$ 164,757	\$	543,073

14. Investment in Royal Roads Corp.

At year end the Company owned approximately 32.7 million shares of Royal Roads Corp. representing 29.18% of the issued and outstanding shares of Royal Roads Corp. The investment is accounted for using the equity method of accounting.

During the current year as part of its impairment analysis the Company wrote down this investment from its carrying value of approximately 0.22 per share to 0.12 per share. Management believes that this value more accurately reflects the investments long term value. The write down amounted to \$3.2 million.

The market value of the investment at December 31, 2008 was approximately \$981,500.

15. Financial Instruments

Credit Risk

There are no significant concentration on credit risk. The credit risk exposure is considered normal for the business.

Fair value of financial instruments

The book value of cash and cash equivalents, receivables, and accounts payable and accrued liabilities all approximate their fair values at December 31, 2008.

The fair value of the embedded derivative in the accounts receivable sales contracts at December 31, 2008 was a liability of \$736,548 which is netted against the accounts receivable account where the original contract is recorded.

Interest rate risk

The Company's debt is limited to accounts payable and an obligation under capital leases therefore there is limited exposure to interest rate risk.

Foreign currency rate risk

The Company does not currently have any hedges in place for foreign currency risk. All revenue and expenses denominated in foreign currencies are recorded using the average exchange rate for the period.

ACADIAN MINING CORPORATION
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

16. Capital Management

The Company's objective when managing capital are: (i) to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans; (ii) to minimize the cost of capital while taking into consideration current and future industry, market and economic risks and conditions, and (iii) to maintain an optimal capital structure that provides necessary financial flexibility while also ensuring compliance with any financial covenants.

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 mining properties and to maintain flexible capital structure which optimizes the costs of capital at an acceptable rate.

In the management of capital the Company includes shareholders' equity and long term debt in the definition of capital as follows:

	2007		2008
Shareholders' Equity	\$ 52,188,500	\$	17,860,493
Equipment loans	-		370,997
Capital Leases	5,417,173		4,753,821
	<u>\$ 57,605,673</u>	\$	<u>22,985,311</u>

There are no externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it depending on economic conditions and the rate of anticipated expenditures. To maintain or adjust the capital structure, the company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

17. Subsequent Event

On March 17, 2009 the Company announced it had entered into an agreement with Golden River to complete a private placement of up to 338,111,334 for aggregate proceeds of up to \$10,000,000. The first tranche of \$1.0 million (38,111,334 shares at \$0.026 per share) is subject to regulatory approvals and is expected to occur April 10, 2009. The second tranche of \$9.0 million (300,000,000 shares at \$0.03 per share) will close in one or more closings and is subject to completion of due diligence by Golden River, the resolution of ScoZinc's CCAA proceedings, the acquisition by the Company of the remaining 50% in the Fifteen Mile Stream mineral claims for a cash payment of \$70,000, a non-interest bearing note payable of \$1.0 million due one year from the date of acquisition and a 1% Net Smelter Royalty to Mr. Will Felderhof, President of the Company and members of his family, as well as regulatory and shareholder approval.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

18. Differences between Canadian and United States Generally Accepted Accounting principles

The impact of the differences between Canadian GAAP and US GAAP on the consolidated balance sheets would be as follows:

	2008		
	Balance Cdn GAAP	Adjustments	Balance US GAAP
Current assets	\$ 2,462,406	\$ -	\$ 2,462,406
Cash held for site remediation	1,612,500	-	1,612,500
Property, plant and equipment	11,496,431	-	11,496,431
Investment in Royal Roads Corp. (i)	4,043,039	(2,652,608)	1,390,431
Mineral resource properties (ii)	14,046,331	(12,203,425)	1,842,906
	<u>\$ 33,660,707</u>	<u>\$ (14,856,033)</u>	<u>\$ 18,804,674</u>
Current Liabilities (v)	\$ 14,777,161	\$ 250,000	\$ 15,027,161
Accrued site remediation	1,017,002	-	1,017,002
Shareholders' equity	17,866,544	(15,106,033)	2,760,511
	<u>\$ 33,660,707</u>	<u>\$ (14,856,033)</u>	<u>\$ 18,804,674</u>
	2007		
	Balance Cdn GAAP	Adjustments	Balance US GAAP
Current assets	\$ 12,579,518	\$ -	\$ 12,579,518
Cash held for site remediation	1,562,500	-	1,562,500
Property, plant and equipment	24,463,613	-	24,463,613
Deferred development costs (iii)	1,245,455	(1,245,455)	-
Investment in Royal Roads Corp. (i)	7,741,767	(4,310,814)	3,430,953
Mineral resource properties (ii)	15,450,583	(12,112,256)	3,338,327
	<u>\$ 63,043,436</u>	<u>\$ (17,668,525)</u>	<u>\$ 45,374,911</u>
Current Liabilities (v)	\$ 5,694,198	\$ -	\$ 5,694,198
Accrued site remediation	990,777	-	990,777
Obligation under capital lease	4,169,661	-	4,169,661
Shareholders' equity	52,188,800	(17,668,525)	34,520,275
	<u>\$ 63,043,436</u>	<u>\$ (17,668,525)</u>	<u>\$ 45,374,911</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

18. Differences between Canadian and United States Generally Accepted Accounting principles (Continued)

The impact of the differences between Canadian GAAP and US GAAP on the consolidated statements of loss and comprehensive loss would be as follows:

	<u>2008</u>	<u>2007</u>
Net loss and comprehensive loss for the year, Canadian GAAP	\$ (37,474,297)	\$ (5,371,739)
Adjustment		
Reversal of write off of deferred exploration costs included in impairment charge	3,713,800	-
Partial reversal of write down of investment in Royal Roads Corp (vi)	2,376,550	-
Deferred exploration costs (ii)	(2,982,678)	(1,800,027)
Share of income (loss) of investees accounted for using the equity method (i)	(1,540,586)	(931,398)
Deferred development costs (iii)	1,245,455	(1,245,455)
Flow through shares (v)	-	(406,240)
Net loss for the year and comprehensive loss, US GAAP	<u>\$ (34,661,586)</u>	<u>\$ (9,754,859)</u>
Loss per share - basic and diluted	<u>\$ (0.24)</u>	<u>\$ (0.08)</u>
Weighted average number of shares - basic and diluted	<u>146,248,770</u>	<u>116,561,926</u>

The impact of the differences between Canadian GAAP and US GAAP on the consolidated statements of cash flows would be as follows:

	<u>2008</u>	<u>2007</u>
Cash flows provided by (used in) operating activities, Canadian GAAP	\$ 1,394,258	\$ (10,940,832)
Adjustment		
Deferred development costs	-	(1,245,455)
Exploration expenditures	(2,982,678)	(1,800,027)
Cash flows used in operating activities, US GAAP	<u>(1,588,420)</u>	<u>(13,986,314)</u>
Cash flows provided by financing activities, Canadian and US GAAP	<u>5,228,448</u>	<u>34,356,376</u>
Cash flows from investing activities, Canadian GAAP	(9,435,363)	(24,034,021)
Adjustment		
Deferred development costs	-	1,245,455
Exploration expenditures	2,982,678	1,800,027
	<u>(6,452,685)</u>	<u>(20,988,539)</u>
Increase (decrease) in cash and cash equivalents	(2,812,657)	(618,477)
Cash and cash equivalents, beginning of year	<u>3,022,868</u>	<u>3,641,345</u>
Cash and cash equivalents, end of year	<u>\$ 210,211</u>	<u>\$ 3,022,868</u>

ACADIAN MINING CORPORATION
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

18. Differences between Canadian and United States Generally Accepted Accounting principles (Continued)

(i) Under Canadian and US GAAP, the Company accounts for its investment in Royal Roads Corp. using the equity method of accounting. Under US GAAP, the Company's share of Royal Roads Corp. loss was \$1,540,586 and \$931,398 higher in 2008 and 2007, respectively, to reflect the fact that Royal Roads Corp. is required to expense exploration expenditures under US GAAP as described in (ii) below, to reflect the difference in accounting for the dilution gain as described in (iv) below and to account for differences in the US GAAP treatment of flow-through shares as described in (v) below.

(ii) Under Canadian GAAP, exploration costs and costs of acquiring mineral rights are capitalized during the search for a commercially mineable body of ore. For US GAAP purposes, exploration expenditures can only be deferred subsequent to the establishment of proven and probable reserves. For US GAAP purposes, the Company has therefore expensed its exploration expenditures.

During 2008 under Canadian GAAP the Company took an impairment charge against certain of its assets including a portion of the deferred exploration costs related to lead and zinc properties. Under US GAAP these expenditures would have been expensed as incurred and therefore the portion of the write off related to these assets is reversed under US GAAP.

(iii) Under Canadian GAAP in 2007, the Company had capitalized certain pre-production costs associated with the Scozinc Mine. For US GAAP purposes these items would be expensed as incurred. As these costs were written off for Canadian GAAP purposes in 2008 the write-down is reversed in 2008 for US GAAP purposes.

(iv) During 2007, an investee of Royal Roads Corp had issued additional shares and diluted Royal Roads Corp.'s equity interest. For Canadian GAAP purposes, Royal Roads Corp. recorded a gain on dilution of \$191,309 as a component of the equity loss in 2007 with Company's share being 29.18% of this amount. Under US GAAP, gains on dilution related to investments in development stage enterprises are considered to be capital transactions and recorded directly to shareholders' equity.

(v) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to investors. The Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, Flow-Through Shares in 2007. At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the flow through expenditures to the investors, the Company records a future income tax liability with a charge directly to shareholders' equity. There was no renunciation of the flow-through shares in 2008.

For US GAAP purposes, the premium paid for flow-through shares in excess of market value at the time of issue is credited to other liabilities and included in income as the qualifying expenditures are made. The liability is relieved and the corresponding future income tax liability is recognized when the Company renounces its exploration expenditures to the flow-through share investors. The difference between the liability recorded at the time of the issuance and the deferred tax liability upon renunciation is included as income tax expense. The Company issued 5,000,000 flow-through shares for \$1,500,000 in 2008 which had not yet been renounced by the end of the year. Under US GAAP the premium paid on the shares was \$250,000. As a result for US GAAP purposes a liability has been set up for \$250,000 at year end and charged to equity.

ACADIAN MINING CORPORATION
(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

18. Differences between Canadian and United States Generally Accepted Accounting principles (Continued)

The Company issued 4,153,846 flow-through shares for \$2,700,000 in 2006 which were renounced in 2007. Under US GAAP the premium paid on the shares was \$623,000. The difference between this amount and the deferred tax liability recognized upon renunciation in the amount of \$1,029,240 was \$406,240 and would be recognized as a deferred tax expense in 2007 under US GAAP.

The Company's investee, Royal Roads, also issued flow-through shares in 2006 and 2007 which were renounced in 2007 and 2008, respectively. The Company's share of the loss of Royal Roads increased in the amount of \$76,200 and \$431,300 in 2007 and 2008, respectively, due to the difference in accounting for the flow-through shares under US GAAP.

- (vi) Under Canadian GAAP, the Company had taken a write down in its December 31, 2008 financial statements in the value of its investment in Royal Roads Corp. in the amount of \$3,220,000 to adjust the carrying value of its net realizable value. As the carrying value of this investment under US GAAP is less than that under Canadian GAAP (due to items noted in (i) above), the amount of the required write down under US GAAP is correspondingly less than the Canadian GAAP write down by \$2,376,550.

Recent US Accounting Pronouncements impacting the Company

In June 2009, the FASB issued SFAS No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles". This statement establishes the FASB Accounting Standards Codification, ("codification") as the single source of authoritative GAAP in the United States to be applied by nongovernmental entities, except for the interpretive releases of the SEC under authority for federal securities laws, which are sources of authoritative GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The codification is effective for fiscal and interim and annual periods ending after September 15, 2009. The Company is currently assessing the impact of the adoption of this standard, if any, on its financial position, results of operations or cash flows.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS 165"), which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 is effective for interim or fiscal periods ending after June 15, 2009. Management is currently evaluating the impact of the adoption of SFAS 165 but does not expect the adoption of SFAS 165 to materially impact the Company's results of operations, financial position or cash flows.

In April 2008, the FASB issued FASB staff position ("FSP") FAS 142-3, Determination of the Useful Life of Intangible Assets ("FSP 142-3"). FSP FAS 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, "Goodwill and Other Intangible Assets". This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP FAS 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. The Company is currently evaluating the impact, if any, that FSP FAS 142-3 will have on its financial position, results of operations, or cash flows.

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(formerly Acadian Gold Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

18. Differences between Canadian and United States Generally Accepted Accounting principles (Continued)

Recent US Accounting Pronouncements impacting the Company (Continued)

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an Amendment of ARB No. 51 ("FAS 160"). FAS 160 amends ARB No. 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. FAS 160 also clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. FAS 160 is effective for fiscal years beginning on or after December 15, 2008. Based on its current operations, the Company does not believe that FAS 160 will have a significant impact on its financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141(revised 2007), Business Combinations ("SFAS 141R"). SFAS 141R will significantly change the accounting for business combinations in a number of areas including the treatment of contingent consideration, contingencies, acquisition costs, IPR&D and restructuring costs. In addition, under SFAS 141R, changes in deferred tax asset valuation allowances and acquired income tax uncertainties in a business combination after the measurement period will impact income taxes. SFAS 141R is effective for fiscal years beginning after December 15, 2008 and, as such, the Company will adopt this standard in the first quarter of 2009.

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 " ("SFAS 159"). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. This provides entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without being required to apply complex hedge accounting provisions. The provisions of SFAS No. 159 are effective as of the beginning of fiscal years that start after November 15, 2007. The Company adopted SFAS No. 159 on January 1, 2008 and the adoption did not have any material impact on its financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and states that a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements.

SFAS 157, among other things, requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the company's market assumptions. The effective date was for fiscal years beginning after November 15, 2007. The adoption of SFAS 157 did not have any material impact on its financial position, results of operation or cash flows. In February 2008, the FASB issued FSP FAS 157-2, which delays the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years, for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

ACADIAN MINING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2009

Notice of disclosure of non-auditor review of interim consolidated financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying consolidated financial statements of Acadian Mining Corporation (the "Company") for the period ended March 31, 2009 have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Company's management. The Company's independent auditors, Wasserman Ramsay & Associates, have not performed an audit or a review of these interim consolidated financial statements.

Dated: May 14, 2009

ACADIAN MINING CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31 2009	December 31 2008
ASSETS		
Current:		
Cash	\$ 181,651	\$ 210,211
Receivables	342,448	619,297
Inventories (Note 12)	679,001	1,455,355
Prepaid expenses and deposits	111,554	177,543
	<u>1,314,694</u>	<u>2,462,406</u>
Cash held for site remediation	1,278,720	1,612,500
Property, plant and equipment (Note 3)	10,864,451	11,496,431
Investment Royal Roads Corp. (Note 2a and 14)	4,005,942	4,043,039
Mineral resource properties (Note 4)	14,088,282	14,046,331
	<u>\$ 31,552,089</u>	<u>\$ 33,660,707</u>
LIABILITIES		
Current:		
Debtor in possession financing (Note 17)	\$ 950,000	\$ 170,000
Accounts payable and accrued liabilities	6,653,993	6,703,976
Capital lease obligation due within one year (Note 11)	4,753,821	4,753,821
Equipment loans payable (Note 11)	370,997	370,997
Due to Royal Roads Corp. (Note 6)	2,784,659	2,778,367
	<u>\$ 15,513,470</u>	<u>\$ 14,777,161</u>
Accrued site remediation	1,023,837	1,017,002
	<u>16,537,307</u>	<u>15,794,163</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 5)	56,577,951	57,116,962
Contributed surplus (Note 10)	5,829,343	5,829,343
Deficit	(47,392,511)	(45,079,761)
	<u>15,014,782</u>	<u>17,866,544</u>
	<u>\$ 31,552,089</u>	<u>\$ 33,660,707</u>

ACADIAN MINING CORPORATION
INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited)

For the three month period ended March 31	2009	2008
Revenue	\$ 1,968,786	\$ 9,832,088
Cost of sales		
Production costs	2,455,332	6,342,225
Depreciation, depletion and amortization	585,673	776,238
Accretion	6,834	6,380
Pit reclamation	483,670	-
	3,531,509	7,124,843
Gross Profit (loss)	(1,562,723)	2,707,245
Expenses		
Amortization	90,254	37,604
Filing fees	10,212	31,886
Insurance	73,145	99,378
Interest and bank charges	266,939	81,177
Investor relations and information	11,878	57,917
Office and general	77,846	192,172
Professional fees	307,978	223,107
Rent	22,519	21,661
Royalties	130,861	195,871
Salaries and benefits	263,920	674,000
Supplies	23,802	75,914
Transfer agent fees	2,246	2,443
Travel	18,181	63,118
	1,299,781	1,756,248
Operating income (loss)	(2,862,504)	950,997
Interest and other income	39,000	21,570
Future income taxes recovered (<i>Note 5a</i>)	541,800	-
Loss from investee accounted for using the equity method	(31,046)	(60,394)
Net income (loss)	(2,312,750)	912,173
Deficit, beginning of period	(45,079,761)	(7,605,463)
Deficit, end of period	\$ (47,392,511)	\$ (6,693,290)
Net income (loss) per share	\$ (0.15)	\$ 0.006

ACADIAN MINING CORPORATION
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

For the three month period ended March 31	2009	2008
Cash was provided by (used in) the following activities:		
Operations:		
Net income/(loss) for the period	\$ (2,312,750)	\$ 912,173
Future income taxes	(541,800)	-
Depreciation, depletion and amortization	675,927	868,249
Accretion	6,834	6,380
Non-controlling interest in earnings	31,046	60,394
Net change in non-cash working capital items (Note 9)	1,855,461	(780,152)
	(285,282)	1,067,044
Investing:		
Expenditures on mineral resource properties	(83,109)	(1,049,591)
Investment and advances to subsidiaries	6,051	55,404
Acquisition of capital assets		(2,115,987)
	(77,058)	(3,110,174)
Financing:		
Issue of share capital - net of costs and flow-through funds	-	45,457
Decrease (increase) in cash held for site remediation	333,780	(13,117)
Cash held for site remediation	-	273,589
	333,780	305,929
Net change in cash for the period	(28,560)	(1,737,201)
Cash, beginning of the period	210,211	3,022,868
Cash, end of the period	\$ 181,651	\$ 1,285,667

ACADIAN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
FOR THE PERIOD ENDED MARCH 31, 2009

1. Description of operations, basis of presentation and going concern issues

Scozinc Limited Companies' Creditor Arrangement Act Proceedings

In the previous year, Acadian Mining Corporation's (the "Company") wholly owned subsidiary Scozinc Limited ("ScoZinc"), requested and was granted protection under the Companies' Creditors Arrangement Act ("CCAA") that was subsequently extended by the Nova Scotia Supreme Court ("Court") until May 28, 2009. The purpose of the protection and extension was to enable ScoZinc to conclude all operations and complete necessary mine site remediation efforts in order to put the mine site on care and maintenance. It will also enable ScoZinc to prepare a plan of arrangement or compromise for submission to its creditors and to the Court. Scozinc mining and milling operations ceased March 25, 2009, the pit rehabilitation project was concluded April 28, 2009 and the creditors meeting for consideration of the proposal is scheduled for May 28, 2009.

Under the terms of the initial order, Grant Thornton Limited was named court appointed monitor under the CCAA Proceedings. The Monitor reports to the court from time to time on the financial and operational position of the Company as well as any other matters deemed relevant to the CCAA Proceedings.

As a consequence of the CCAA Proceedings, all actions to enforce or otherwise effect payment or repayment of any liabilities preceding the petition date (December 22, 2008) have been stayed until May 28, 2009.

As part of the CCAA Proceedings, ScoZinc obtained an order granting it access to Debtor in Possession financing ("DIP" financing) of up to \$1.0 million. The DIP order grants TCE Capital Corporation (the DIP provider) a priority charge and security interest in all of the property of ScoZinc as security for repayment of amounts advanced pursuant to the DIP Facility. The Company estimates that ScoZinc will be cash flow negative in the amount of approximately \$1,100,000 during the CCAA proceedings and that the DIP lender will be repaid with funds that Acadian loans to ScoZinc, subject to the investment of \$9.0 million by Golden River Resources in the Company.

As a result of this filing the Company's long term debt, including capital lease obligations and equipment financing, was in default and has therefore been reclassified as a current liability.

Contributing factors

The selling price of base metal minerals decreased dramatically during the course of the prior year and particularly after November 1st which, in combination with failure to rapidly complete the cost reduction program at ScoZinc's mine site resulted in the Company incurring operational losses, facing an increase in debt load and becoming unable to meet its cash flow requirements. This occurred in combination with the collapse of the equity and debt financing markets associated with the current global credit crisis and therefore the Company was unable to secure any additional long term debt or equity financing to help mitigate the financial impact of these issues.

Impairment charge

As a result of the matters described in the preceding paragraphs it was necessary to assess the recoverability of the carrying value of ScoZinc's mining assets. The Company reviewed the impact of the above noted variables, including the CCAA Proceeding and the cessation of mining operations. The estimated realizable value was then calculated by estimating the future cash flow which includes; estimating recoverable reserves; future metal prices and foreign exchange rates; and, estimating future operating and capital costs.

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Based on the financial matters described above and the current business environment it is not possible to accurately determine the estimated realizable value of the mine equipment and mineral properties. It is also not possible, at this time, to determine whether or not the Company will continue as a going concern and realize its assets and discharge its liabilities and commitments in the ordinary course of business. Should the Company be unable to continue as a going concern, further write downs will likely occur and they will likely be material.

As well, given that the CCAA process being undertaken by ScoZinc is incomplete and additional financing has not been completed, further material write-downs could occur. This preliminary valuation represents management's best estimate at this time. Based on this review, the Company recorded an asset impairment charge of \$24,750,000 during the year ended December 31, 2008. The allocation of the impairment charge against the various asset classes was as noted below:

Mining equipment and pit costs	\$ 14,800,000
Mineral properties and deferred exploration expenditures	5,362,000
Deferred Mine development costs	1,368,000
Investment in Royal Roads Corp.	3,220,000
	<hr/>
	\$ 24,750,000

Management's opinion is that no further impairment has occurred in the first quarter.

The investment in Royal Roads Corp. ("RRO") has a market value as at March 31, 2009 of \$980,000. This is a long term investment of the Company and the carrying value has been adjusted to the 29.18% ownership applied to the current book value of RRO representing management's estimate of the fair value of the investment.

Financing Update

Management of the Company continues to pursue equity funding to resolve its current financial position and seek potential partners to advance its gold mineral properties to the development and mining stage.

On March 17, 2009 the Company announced it had entered into an agreement with Golden River Resource Corporation ("Golden River") to complete a private placement of up to 338,111,334 common shares for aggregate proceeds of up to \$10,000,000. The first tranche of \$1.0 million dollars (38,111,334 shares at \$0.026 per share) is subject only to regulatory approvals. The initial closing of the first tranche (17,053,205 shares for aggregate proceeds of \$447,457) occurred April 3, 2009 and the second closing for the balance will occur when regulatory authorities approve the Personal Information Forms of the principals of Golden River. The second tranche of \$9.0 million (300,000,000 shares at \$0.03 per share) will close in one or more closings and is subject to the completion of due diligence by Golden River, the resolution of ScoZinc's CCAA Proceedings, the acquisition by the Company of the remaining 50% interest in the Fifteen Mile Stream mineral claims for a cash payment of \$70,000, a non-interest bearing note payable for \$1.0 million due one year from the date of acquisition and a 1% Net Smelter Royalty to Mr. Will Felderhof, President of the Company and members of his family, as well as shareholder and regulatory approval.

Basis of presentation and going concern issues

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities

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and commitments in the ordinary course of business. The events noted above bring into question this assumption; unless the second tranche of the private placement with Golden River is completed.

As at March 31, 2009, the Company has negative working capital in the amount of \$14,198,776 and shareholders equity in the amount of \$15,014,782. While ScoZinc is under CCAA protection, these financial statements have been prepared using the going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The CCAA provides ScoZinc with a period of time to wind down its operations and prepare a plan of arrangement for presentation to its creditors. It also allowed the Company to pursue other financial options including additional financing, sale of assets or a partner for its gold properties. Should the going concern assumption prove not to be appropriate further adjustments will be required to the carrying amounts and/or classification of the Company's assets and liabilities and the adjustments are likely to be material. The consolidated financial statements do not reflect any adjustments related to conditions that occurred subsequent to March 31, 2009.

The consolidated financial statements do not purport to reflect or provide for the consequences of the CCAA Proceedings. Specifically, these financial statements do not purport to show assets at their net realizable value on a liquidation basis or their availability to satisfy liabilities.

2. Accounting policies

The consolidated 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) Basis of Consolidation

The Company accounts have been consolidated with its subsidiary, ScoZinc Limited. The Company accounts were consolidated with Royal Roads Corp. until March 31, 2007. Subsequent to March 31, 2007 Royal Roads Corp. issued shares sufficient to drop the Company's holdings to less than fifty percent. The financial statements now include Royal Roads Corp. activities on an equity accounted basis.

In accordance with the Company's stated accounting policy, long lived assets are reviewed and evaluated for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Management reviewed the recoverability based on the decline in world base metal prices and the lack of credit facilities which have negatively impacted base metals mines.

b) Cash and cash equivalents:

Cash and cash equivalents consists of cash, demand deposits and highly liquid short term investments with an initial term of 90 days or less.

c) Revenue recognition and receivables

Revenue is recognized at the time that the crushed ore is shipped, which is also the time that title transfers. The crushed ore is sold under contracts that provide for the final prices to be determined by the quoted market prices in a period subsequent to the date of sale. Revenue is recorded using a provisional pricing based on the market prices in the month of shipment and the assayed amount of minerals contained in the crushed ore.

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2. Accounting policies (continued)

Variations between the price recorded at shipment and the final prices are caused by changes in the market and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until the final settlement occurs, with changes in the fair value classified as a component of revenue.

d) Inventories

Inventory is recorded at the lower of cost and net realizable value. The classifications include stockpiled ore, in-process inventory, finished goods inventory and materials. The costs of production inventory include direct production costs and attributable overheads including amortization and accretion expenses.

Stockpiles are comprised of coarse ore that has been extracted from the mine and is awaiting further processing. Mining production costs are added to the stockpiles as incurred and removed from the stockpile based on an average cost per tonne as the material is moved to a further phase of production.

In process and concentrate inventories include costs of the ore removed from the stockpile as well as mill production costs incurred to convert the ore into a saleable product. Costs are determined on an average basis.

Mine and mill supplies include equipment parts, fuel and reagents consumed in ore processing. Materials and supplies are valued at the lower of average cost or replacement cost.

e) Mining interests and deferred development and exploration expenditures

It is the Company's policy to defer expenditures related to the exploration and development of its mining properties, including direct administrative expenditures, until such time as they are brought into production or are deemed economically unfeasible. Upon commencement of commercial production, the cost of acquiring the mining property and all related deferred exploration and development expenditures will be amortized on a unit of production basis. Should the properties be abandoned or be determined to be economically unfeasible they will be written off in their entirety.

f) Stripping Costs

The Company accounts for stripping costs according to CICA Emerging Issues Committee (EIC) No. 160, "Stripping Costs Incurred in the Production Phase of a Mining Operation". EIC-160 clarifies the treatment of costs associated with activity of removing overburden and other mine waste materials in the production stage and requires that these costs be charged to income in the period in which they are incurred, except when the stripping activity provides a betterment to the property. Costs represent a betterment when the stripping provides access to reserves that will be produced in future periods that would not have otherwise been accessible in the absence of the activity.

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2. Accounting policies (continued)

g) Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided for on head-office assets using the declining balance method at the following annual rates (in the year of acquisition one-half of the calculated depreciation is recognized):

Vehicles	30%
Building	5%
Office fixtures and computer equipment	20%

Assets from the ScoZinc acquisition are depreciated on a straight line balance method over the expected life of the mine at thirteen and one half years, assets under capital lease are depreciated on a straight line basis over the four year term of the lease.

h) Leases

Leases meeting certain criteria are accounted for as a capital lease. Imputed interest is charged against income. The capitalized value of the assets is depreciated over the term of the lease. The Company has entered into leasing agreements of four year terms for mining equipment. Obligations under capital leases are reduced by the rental payments net of imputed interest. All other leases are treated as operating lease.

i) Stock based compensation

The Company has a stock-based compensation plan that is described in Note 5. 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.

j) Earnings per share

The Company has adopted the new recommendations of the CICA Handbook section 3500, Earning per Share ("EPS"). The revised 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 new 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.

k) Flow-through shares

The Company accounts for the future income tax effect of flow-through share offerings as laid out in Emerging Issues Committee ("EIC") 146. As required under EIC 146 any future income tax effect of the flow-through offering is recognized as a share issue expense in the period in which the expenditures are renounced under the provision of the Income Tax Act.

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2. Accounting policies (continued)

l) Reclamation and Closure Costs

Effective January 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.

m) 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.

n) Financial instruments

Effective January 1, 2007, the Company adopted the following new CICA Handbook sections regarding financial instruments: (i) Section 3855, Financial Instruments - Recognition and Measurement; (ii) Section 3861 – Financial Instruments - Disclosure and Presentation; (iii) Section 3865, Hedges; and (iv) Section 1530 – Comprehensive Income. These sections provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives. The standard requires all financial instruments within its scope, including derivatives, to be included on the balance sheet and measured either at fair value or in certain circumstances at cost or amortized cost. Changes in fair value are recognized in either the statement of operations or the statement of comprehensive income.

All financial assets and liabilities are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. Held for trading financial assets are measured at fair value and changes are recognized in net income; available for sale financial assets are measured at fair value with changes recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income. Loans and receivables, held to maturity investments and other financial liabilities are measured at amortized cost.

Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook sections had no impact on the opening retained earnings.

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2. Accounting policies (continued)

The Company has designated its cash and cash equivalents as held for trading, which are measured at fair value. Accounts receivable are classified as loans and receivables which are measured at amortized cost. As mentioned in Note 2(c) the Company's accounts receivable from mineral sales have an embedded derivative due to the price fluctuations in the quoted market prices. Under the new standards, embedded derivatives are treated as separate derivatives if their economic characteristics and risks are not clearly or closely related to that of the host instrument, the terms of the embedded derivative are the same as those of a stand alone derivative, and the combined contract is not held for trading or designated at fair value. These embedded derivatives are measured at fair value at each balance sheet date with subsequent changes recognized in net earnings (loss) in the period the changes arise. Accounts payable and accrued liabilities are classified as other financial liabilities. The Company has neither available for sale or held to maturity instruments.

As at March 31, 2009 the fair values of the Company's assets and liabilities approximate their carrying value due to the relatively short maturity or current market rate associated with these instruments.

Section 3865 of the CICA Handbook specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not hold any financial instruments designated for hedge accounting.

Section 1530 of the CICA Handbook introduces the term Comprehensive income, which consists of net earnings and other comprehensive income (OCI). Comprehensive income represents changes in Shareholders equity during the period arising from transactions and other events with non-owner sources. OCI includes gains and losses unrealized from available for sale assets that are excluded from net earnings in accordance with GAAP. The Company currently has not designated any instruments as available for sale and therefore does not currently have any OCI.

o) Future income taxes

The Company accounts for income taxes under the asset and liability method. The difference between the tax basis of assets and liabilities and their carrying value on the balance sheet is used to calculate future tax assets and liabilities. The future tax assets and liabilities have been measured using substantively enacted tax rates that will be in effect when the differences are expected to reverse.

p) Foreign Currency Translation

Revenues and expenses denominated in foreign currencies are translated into Canadian dollars at the average exchange rate for the period.

q) Investment in Company Subject to Significant influence

Investments in companies subject to significant influence are carried using the equity method of accounting under which the investment is originally recorded at costs and is adjusted for the investors share of the investees income or loss. The investment in companies subject to significant influence will be written down when there is a decline in value that is other than temporary.

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2. Accounting policies (continued)

r) 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 amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

s) Changes in Accounting policies:

The Canadian Institute of Chartered Accountants ("CICA") issued the following new Handbook Sections, which were effective for interim periods beginning on or after October 1, 2007 and were adopted in the prior fiscal year:

- i) Section 3862, "Financial Instruments – Disclosures", describes the required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. This section and Section 3863, "Financial Instruments – Presentation" replaced Section 3861, "Financial Instruments – Disclosure and Presentation".
- ii) Section 3863, "Financial Instruments – Presentation", establishes standards for presentation of financial instruments and nonfinancial derivatives.
- iii) Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure requirements of the entity's objectives, policies and processes for managing capital, the quantitative data relating to what the entity regards as capital, whether the entity has complied with capital requirements, and, if it has not complied, the consequences of such non-compliance.

The additional disclosures, required as a result of the adoption of (i) Sec 3862 and 3863, have been included in Note 15, Financial Instruments and (ii). Sec 1535, have been included in Note 16, Capital management.

- iv) In June 2007, the CICA issued Section 3031, "Inventories", to harmonize accounting for inventories under Canadian GAAP with IFRS. This standard requires the measurement of inventories at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs to inventory. The standard also requires the consistent use of either first-in, first-out (FIFO) or weighted average cost formula to measure the cost of inventories and requires the reversal of previous write downs to net realizable value when there is a subsequent increase in the value of inventories. The new standard applies to fiscal years beginning on or after January 1, 2008. The Company adopted this standard on January 1, 2008.

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2. Accounting policies (continued)

t) *Accounting pronouncements applicable to future periods*

i) Sections 3064 and 1000 – Goodwill and Intangible Assets

In February 2008, the CICA issued new Section 3064, "Goodwill and intangible assets", replacing Section 3062, "Goodwill and Other intangible assets", and Section 3450, "Research and development costs". Section 3064 addresses when an internally developed intangible asset meets the criteria for recognition as an asset. The Section also issued amendments to Section 1000, "Financial Statement Concepts". These changes are effective for fiscal years beginning on or after October 1, 2008, with earlier adoption permitted, and will be adopted by the Company effective January 1, 2009. The objectives of the changes are to reinforce a principles-based approach to the recognition of costs as assets and to clarify the application of the concept of matching revenues and expenses in Section 1000. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards and U.S. GAAP by eliminating the practice of recognizing as assets a variety of startup, preproduction and similar costs that do not meet the definition and recognition criteria of an asset. The Company has determined that adoption of the new standards will not have a significant effect on the Company's financial statements.

ii) International Financial Reporting Standards ("IFRS")

The CICA plans to require public companies to adopt IFRS effective no later than January 1, 2011. Management is planning to review the transition to IFRS and determine the potential impact, if any, on the Company's consolidated financial statements.

iii) Business Combinations

In January 2009, the CICA issued Handbook Section 1582, "Business combinations," which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

iv) Non-controlling interests

In January 2009, the CICA issued Handbook Section 1602, "Non-controlling interests," which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

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2. Accounting policies (continued)

- v) Consolidated financial statements

In January 2009, the CICA issued Handbook Section 1601, "Consolidated financial statements," which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company's consolidated financial statements.

3. Property, plant and equipment:

	Cost	Accumulated Depreciation	Net
Office:			
Building	\$ 120,840	\$ 10,849	\$ 109,991
Automotive equipment	122,748	52,095	70,653
Equipment	165,000	44,325	120,675
Office fixtures and computer equipment	525,732	165,861	359,871
	<u>934,320</u>	<u>273,130</u>	<u>661,190</u>
Mine site:			
Land	566,950	-	566,950
Building	2,370,491	310,686	2,059,805
Automotive equipment	392,547	111,922	280,625
Mobile equipment under capital lease	6,305,499	3,074,610	3,230,889
Equipment	5,789,255	1,724,263	4,064,992
	<u>15,424,742</u>	<u>5,221,481</u>	<u>10,203,261</u>
Balance March 31, 2009	<u>\$ 16,359,062</u>	<u>\$ 5,494,611</u>	<u>\$ 10,864,451</u>
Balance December 31, 2008:			
	Cost	Accumulated Depreciation	Net
Office:			
Building	\$ 120,840	\$ 9,457	\$ 111,383
Automotive equipment	122,748	46,366	76,382
Equipment	165,000	29,550	135,450
Office fixtures and computer equipment	525,732	155,345	370,387
	<u>934,320</u>	<u>240,718</u>	<u>693,602</u>
Mine site:			
Land	566,950	-	566,950
Building	2,370,491	283,628	2,086,863
Automotive equipment	392,547	97,153	295,394
Mobile equipment under capital lease	8,183,999	2,551,611	5,632,388
Equipment	18,709,641	1,668,407	17,021,234
Less: Impairment charge	-	-	(14,800,000)
	<u>30,223,628</u>	<u>4,620,799</u>	<u>10,802,829</u>
Balance December 31, 2008	<u>\$ 31,157,948</u>	<u>\$ 4,861,517</u>	<u>\$ 11,496,431</u>

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4. Mineral resource properties:

Mineral resource properties consists of the following:

	Claim Cost	Deferred Exploration	Total
Nova Scotia:			
Forest Hill	\$ 1,347,592	\$ 2,175,892	\$ 3,523,484
Beaver Dam	570,348	4,566,214	5,136,562
Tangier	290,598	479,733	770,331
Goldenville	184,334	598,275	782,609
ScoZinc Mine (1)	-	-	0
Other	1,512,453	2,362,843	3,875,296
Balance March 31, 2009	\$ 3,905,325	\$ 10,182,957	\$ 14,088,282

	Claim Cost	Deferred Exploration	Total
Nova Scotia:			
Forest Hill	\$ 1,347,481	\$ 2,174,760	\$ 3,522,241
Beaver Dam	564,762	4,546,424	5,111,186
Tangier	290,598	476,426	767,024
Goldenville	183,483	598,275	781,758
ScoZinc Mine (1)	2,756,289	722,305	3,478,594
Other	1,499,887	4,247,641	5,747,528
Less: Impairment charge	-	-	(5,362,000)
Balance December 31, 2008	\$ 6,642,500	\$ 12,765,931	\$ 14,046,331

(1) As of July 1, 2007 the Scozinc Mine property is being amortized over the expected life of the mine, which is eight years. The costs are net of accumulated amortization of \$479,836 (2007-\$49,756). Included in the impairment charge is \$3,478,594 related to ScoZinc Mine.

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5. Capital Stock

Authorised:

Unlimited number of common shares
Unlimited number of preference shares

Capital stock is made up as follows:	December 31, 2008	March 31, 2009
Warrants (i)	\$ 53,900	\$ 53,900
Common shares (ii)	57,063,062	56,524,051
	\$ 57,116,962	\$ 56,577,951

(i) Warrants issued:

Balance December 31, 2007	\$ 3,330,829
Broker warrants issued	53,900
Value of expired warrants allocated to contributed surplus	(3,330,829)
Balance December 31, 2008 and March 31, 2009	\$ 53,900

(ii) Common shares issued:

	# of shares	\$ Value
Balance December 31, 2007	142,087,907	\$ 54,118,358
Issued for mining properties	120,000	42,000
Options exercised	350,000	208,000
Purchased and cancelled	(155,000)	(51,589)
Warrant value allocated to common shares on exercise	-	-
Private placement	11,000,000	3,000,000
Less: Share issue costs	-	(253,708)
Balance December 31, 2008	153,402,907	57,063,061
Issued for mining properties	93,000	2,790
Less: Share issue costs	-	(541,800)
Balance, end of the period	153,495,907	\$ 56,524,051

(a) During the quarter the Company issued 93,000 common shares at a deemed price of \$0.03 as consideration for the extension of the option terms on the Oldham claims.

The Company renounced \$1,500,000 in eligible expenditures relating to the flow-through shares common shares issued during 2008 and recognized \$541,800 in future taxes as a cost of issuing the shares.

(b) During the prior year the Company completed a private placement for 6,000,000 common shares at a price of \$0.25 per share and 5,000,000 flow-through common shares at a price of \$0.30 for aggregate gross proceeds of \$3,000,000.

The Company paid the underwriters a work fee and a cash commission equal to 6% of the proceeds of the private placement and issued Broker warrants to acquire 220,000 common shares at \$0.30 per common share exercisable anytime until September 2, 2009.

The securities issued in connection with the Offering were subject to a four month hold period from the date of issue.

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Stock-based compensation plan:

The Company has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. Options granted under the Plan have a five-year term. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

A summary of the Company's options at December 31, 2008 and March 31, 2009 is presented below:

	Options Outstanding	Weighted-Average Exercise Price
At December 31, 2007	8,047,000	\$0.68
Granted	685,000	\$0.58
Cancelled	(350,000)	\$1.10
Expired	(1,172,000)	\$0.35
Exercised	(350,000)	\$0.20
At December 31, 2008	6,860,000	\$0.80
Expired	(200,000)	\$0.38
At March 31, 2009	6,660,000	\$0.81

The following table summarizes information about the options outstanding at March 31, 2009:

Exercise Price	Options Outstanding and Exercisable	Remaining Contractual Life
\$0.20	475,000	.5 years
\$0.18	125,000	4.5 years
\$0.82	100,000	3.6 years
\$0.71	1,500,000	2.3 years
\$0.53	1,350,000	2.0 years
\$1.12	350,000	3.1 years
\$1.00	2,000,000	3.2 years
\$1.01	200,000	3.4 years
\$1.01	260,000	3.9 years
\$0.58	300,000	4.2 years
	6,660,000	

Share purchase warrants:

A summary of the Company's warrants at December 31, 2008 and March 31, 2009 is presented below:

	Warrants Outstanding	Weighted-Average Exercise Price
At December 31, 2007	11,132,344	\$1.32
Expired	(11,132,344)	\$1.32
Granted	220,000	\$0.30
At December 31, 2008 and March 31, 2009	220,000	\$0.30

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The following table summarizes information about the warrants outstanding at December 31, 2009:

Exercise Price	Warrants Outstanding and Exercisable	Expiry
\$0.30	220,000	0.5 years

6. Related Party Transactions

The Company shares office facilities with Royal Roads Corp and Buchans River Ltd. During the quarter the Company charged \$40,000 in common costs to these companies. The amount charged is estimated to be the fair value of the costs.

At quarter end there were \$2,784,659 in advances payable to Royal Roads Corp. due from ScoZinc November 30, 2009 with interest at 10 percent per annum, payable quarterly. The Company guaranteed the full amount of the debt and, as security therefor, granted security over all of its assets, including the shares of Royal Roads Corp. that it owns. The amount due includes interest of \$130,147 which Royal Roads Corp. has agreed to defer until after the meeting of ScoZinc's creditors respecting the CCAA proceedings.

Included in Professional Fees is \$7,500 and in Deferred Exploration costs is \$7,500 in consulting fees paid to a director of the Company.

All related party transactions and balances have been recorded at amounts agreed to by the parties which approximates the exchange amount.

7. Commitments

The Company is committed to minimum annual lease payments of \$77,705 on its premises until October, 2013.

The Company has agreed with the Province of Nova Scotia to remediate the Scotia Mine facility to an agreed status at the end of mining operations at the site. The Company had previously deposited \$1,400,000 with the Province to guarantee the remediation work. The rehabilitation cost has been set up in the Company accounts and is being charged to operations over the estimated life of the mine.

In March of 2009 the Company commenced a slope stability project in the Scotia Mine pit with an estimated cost of \$800,000. The Province of Nova Scotia has agreed to release funds from the remediation bond to fund the project. The Company has agreed to restore the bond to \$1,400,000 prior to the re-commencement of operations in the pit.

During the prior year the Company raised \$1,500,000 in capital through the issue of flow through shares. At quarter end the Company had spent \$596,300 on qualifying activities. If the Company does not expend the balance of funds, \$903,700, prior to December 31, 2009 it will be liable to repay the investors the tax credits claimed on these funds. The estimated maximum liability is one half of the funds not spent.

8. Income taxes

The Company has available approximately \$30,951,000 (2007 - \$9,845,000) in non-capital loss carry-forwards which can be carried forward and used against future taxable income until expiry as noted below. In addition, the Company has available approximately \$1,991,000 in share issue costs for tax purposes which can be deducted from taxable income on a straight line basis over a five year period. The benefit associated with these losses has not been recognized.

2009	\$	138,000
2010		800,000
2014		1,070,000
2015		1,393,000

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2026	4,125,000
2027	8,425,000
2028	12,200,000
2029	2,800,000
	<u>\$ 30,951,000</u>

The Company has the following future income tax assets and (liabilities):

	<u>2008</u>	<u>2009</u>
Non capital losses and share issue costs	\$ 7,885,000	\$ 8,855,000
Mineral resource properties	1,233,000	1,233,000
Property, plant and equipment and other	2,590,000	2,590,000
Valuation allowance	(11,708,000)	(12,678,000)
Liability recognized in the financial statements	<u>\$ -</u>	<u>\$ -</u>

The following reconciles the effective tax rate to the statutory rate on a percentage basis:

	<u>2008</u>	<u>2009</u>
Statutory tax rate	34.67%	34.67%
Tax effect of losses not recognized	-34.67%	-34.67%
Tax effect of non deductible expenses	0.00%	0.00%
Effective tax rates	<u>0.00%</u>	<u>0.00%</u>

9. Supplemental cash flow information

Change in non-cash working capital:	<u>Three months ended March 31, 2008</u>	<u>Three months ended March 31, 2009</u>
Accounts receivable	\$ (572,991)	\$ 276,809
Prepaid expenses and deposits	62,663	65,989
Accounts payable and accrued liabilities	(44,678)	(49,983)
Debtor in possession financing	-	780,000
Debtor in possession financing	-	6,292
Inventory	(225,146)	776,354
	<u>\$ (780,152)</u>	<u>\$ 1,855,461</u>

Non-cash financing and investing activities:

Common shares issued for interest in mineral resource properties	\$ 112,275	\$ 2,789
Agents warrants issued	\$ 760,442	\$ -
Future income tax recognized on renounced CEE	\$ 1,029,240	\$ 541,800
Cash paid for interest	\$ 131,624	\$ 170,295
Cash paid for income taxes	\$ -	\$ -

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10. Contributed surplus

Balance December 31, 2007	\$ 2,345,076
Excess of acquisition price over capital value of cancelled shares	(29,922)
Value of unexercised expired warrants	3,330,829
Stock based compensation	317,610
Transfer to share capital on exercise of options	<u>(134,250)</u>
Balance December 31, 2008 and March 31, 2009	<u>\$ 5,829,343</u>

In determining the stock-based compensation expense, the fair value of the options issued were estimated using a Black-Scholes option pricing model with the following weighted average assumptions used: dividend yield of 0%, expected volatility of 108%, risk free interest rate of 3.25% and expected life of 60 months.

11. Obligation Under Capital Leases and Equipment loans payable

Obligation under Capital lease:

ScoZinc entered into lease agreements for heavy equipment with Komatsu Finance ("Komatsu") which transfer substantially all the benefits and risks of ownership to ScoZinc. The leases bear interest at 7.2%, are for a four year term and have an option for Scozinc to acquire the assets for 10% of the original cost. ScoZinc placed a twenty percent down payment on the leases. ScoZinc's obligations under the leases are guaranteed by the Company.

ScoZinc suspended payments to Komatsu in December 2008 prior to seeking protection under the Companies' Creditor Arrangement Act. In February ScoZinc returned a portion of the leased fleet and Komatsu agreed to leave the balance of the equipment in place until mid April when ScoZinc's slope stability project was scheduled to be completed. The equipment was returned to Komatsu subsequent to the quarter end.

ScoZinc is currently paying \$7,000 per week in interest to Komatsu. As the lease payments are in default they are all considered to be current liabilities.

The annual lease payments due in each of the next 5 years were:

2009	\$ 1,820,251
2010	1,726,896
2011	1,603,590
2012	<u>91,569</u>
	5,242,306
Less: Amount representing interest	<u>(488,485)</u>
	<u>\$ 4,753,821</u>

Equipment loans:

During the current year ScoZinc entered into equipment loans for various pieces of equipment with an average interest rate of 2%. The loans are secured by the equipment financed and are guaranteed by the Company. ScoZinc has defaulted on payments are therefore the loans are all considered current liabilities.

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The annual principal payments due in each of the next 5 years were:

2009	\$	162,905
2010		157,810
2011		50,282
		<u>370,997</u>
Less: Current portion		<u>(370,997)</u>
	\$	<u>-</u>

12. Inventories

Inventories are valued at the lower of cost and net realizable value.

	Year ended December 31, 2008	Three months ended March 31, 2009
Parts inventory	\$ 772,451	\$ -
Prepaid expenses and deposits	682,904	679,001
	<u>\$ 1,455,355</u>	<u>\$ 679,001</u>

Inventories of lead and zinc concentrates in 2008 and the current quarter are being carried at net realizable value as the production cost is higher than net realizable value. The write off of parts inventory during the quarter amounted to approximately \$736,000 and is included in production costs.

13. Interest and Other Income

	Three months ended March 31, 2008	Three months ended March 31, 2009
Interest income	\$ 40,725	\$ 14,000
Foreign exchange loss	(13,322)	-
Interest and bank charges	(5,833)	-
Miscellaneous revenue	-	25,000
	<u>\$ 21,570</u>	<u>\$ 39,000</u>
Financing charges:		
Interest on Long term debt	\$ -	\$ -
Interest and bank charges	-	200,576
Interest on Royal Roads Corp. loan	-	66,363
	<u>\$ -</u>	<u>\$ 266,939</u>

14. Investment in Royal Roads Corp.

At December 31, 2008 and March 31, 2009, the Company owned approximately 32.7 million shares of Royal Roads Corp. representing 29.18% of the issued and outstanding shares of Royal Roads Corp. The investment is accounted for using the equity method of accounting.

During the prior year as part of its impairment analysis the Company wrote down this investment from its carrying value of approximately \$0.22 per share to \$0.12 per share. Management believes that this value more accurately reflects the investment's long term value at year end and at March 31, 2009. The write down amounted to \$3.2 million.

The quoted market value of the investment at March 31, 2009 was approximately \$980,000.

ACADIAN MINING CORPORATION
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15. Financial Instruments

Credit Risk

There is no significant concentration on credit risk. The credit risk exposure is considered normal for the business.

Fair value of financial instruments

The book value of cash and cash equivalents, receivables, and accounts payable and accrued liabilities all approximate their fair values at March 31, 2009

The fair value of the embedded derivative in the accounts receivable sales contracts at March 31, 2009 was a liability of \$34,658 which is netted against the accounts receivable account where the original contract is recorded.

Interest rate risk

The Company's debt is limited to accounts payable and an obligation under capital leases therefore there is limited exposure to interest rate risk.

Foreign currency rate risk

The Company does not currently have any hedges in place for foreign currency risk. All revenue and expenses denominated in foreign currencies are recorded using the average exchange rate for the period.

16. Capital Management

The Company's objective when managing capital are: (i) to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans; (ii) to minimize the cost of capital while taking into consideration current and future industry, market and economic risks and conditions, and (iii) to maintain an optimal capital structure that provides necessary financial flexibility while also ensuring compliance with any financial covenants.

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 mining properties and to maintain flexible capital structure which optimizes the costs of capital at an acceptable rate.

In the management of capital the Company includes shareholders' equity and long term debt in the definition of capital as follows:

	<u>2008</u>		<u>2009</u>
Shareholders' Equity	\$ 17,866,544	\$	15,014,782
Equipment loans	370,997		370,997
Capital leases	4,753,821		4,753,821
	<u>\$ 22,291,362</u>	<u>\$</u>	<u>20,139,600</u>

There are no externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it depending on economic conditions and the rate of anticipated expenditures. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

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17. Debtor in possession financing

The debtor in possession financing is secured by a fixed charge on all assets of ScoZinc Limited and a guarantee supported by a fixed charge over all of Acadian's assets. The funds are due to TCE Capital Corporation, bear interest at 24% per annum payable monthly and are due on demand or by June 30, 2009.

18. Subsequent Event

On March 17, 2009 the Company announced it had entered into an agreement with Golden River to complete a private placement of up to 338,111,334 common shares for aggregate proceeds of up to \$10,000,000. The first tranche of \$1.0 million (38,111,334 shares at \$0.026 per share) is subject only to regulatory approval. The initial closing of the first tranche (17,053,205 shares for proceeds of \$447,457), closed on April 3, 2009. The balance will close when Toronto Stock Exchange approval is received for the Personal Information Forms for the principals of Golden River. The second tranche of \$9.0 million (300,000,000 shares at \$0.03 per share) will close in multiple closings and is subject to completion of due diligence by Golden River, the resolution of Scozinc's CCAA proceedings, the acquisition by the Company of the remaining 50% interest in the Fifteen Mile Stream claims for a cash payment of \$70,000, a non-interest bearing note for \$1.0 million due one year from the date of acquisition and the issue of a 1% Net Smelter Royalty to Mr. Will Felderhof, President of the Company, and members of his family as well as regulatory and shareholder approval. Shareholder approval will be sought at the Company's annual and special meeting of shareholders scheduled to be held June 9, 2009.

ACADIAN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Differences between Canadian and United States Generally Accepted Accounting principles

The impact of the differences between Canadian GAAP and US GAAP on the consolidated balance sheets would be as follows:

	March 31, 2009		
	Balance Cdn GAAP	Adjustments	Balance US GAAP
Current assets	\$ 1,314,694	\$ -	\$ 1,314,694
Cash held for site remediation	1,278,720	-	1,278,720
Property, plant and equipment	10,864,451	-	10,864,451
Investment in Royal Roads Corp.	4,005,942	(2,682,871)	1,323,071 (i)
Mineral resource properties	14,088,282	(12,277,668)	1,810,614 (ii)
	<u>\$ 31,552,089</u>	<u>\$ (14,960,539)</u>	<u>\$ 16,591,550</u>
Current liabilities	\$ 15,513,470	\$ -	\$ 15,513,470
Accrued site remediation	1,023,837	-	1,023,837
Shareholders' equity	15,014,782	(14,960,539)	54,243
	<u>\$ 31,552,089</u>	<u>\$ (14,960,539)</u>	<u>\$ 16,591,550</u>
	December 31, 2008		
	Balance Cdn GAAP	Adjustments	Balance US GAAP
Current assets	\$ 2,462,406	\$ -	\$ 2,462,406
Cash held for site remediation	1,612,500	-	1,612,500
Property, plant and equipment	11,496,431	-	11,496,431
Investment in Royal Roads Corp.	4,043,039	(2,652,608)	1,390,431
Mineral resource properties	14,046,331	(12,203,425)	1,842,906
	<u>\$ 33,660,707</u>	<u>\$ (14,856,033)</u>	<u>\$ 18,804,674</u>
Current liabilities	\$ 14,777,161	\$ 250,000	\$ 15,027,161
Accrued site remediation	1,017,002	-	1,017,002
Shareholders' equity	17,866,544	(15,106,033)	2,760,511
	<u>\$ 33,660,707</u>	<u>\$ (14,856,033)</u>	<u>\$ 18,804,674</u>

ACADIAN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Differences between Canadian and United States Generally Accepted Accounting principles (continued)

The impact of the differences between Canadian GAAP and US GAAP on the consolidated statements of operations and deficit would be as follows:

	March 31	
	2009	2008
Net income (loss) for the period, Canadian GAAP	\$ (2,312,750)	\$ 912,173
Adjustment		
Deferred exploration costs	(74,243)	(1,096,887) (ii)
Share of income (loss) of investees accounted for using the equity method	(30,263)	(650,922) (i)
Flow through share adjustment	(291,800)	- (iii)
Net loss for the period and comprehensive loss, US GAAP	<u>\$ (2,709,056)</u>	<u>\$ (835,636)</u>
Loss per share – basic and diluted US GAAP	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of shares – basic and diluted	<u>153,448,907</u>	<u>142,137,907</u>

The impact of the differences between Canadian GAAP and US GAAP on the consolidated statements of cash flows would be as follows:

	March 31	
	2009	2008
Cash flows provided by (used in) operating activities, Canadian GAAP	\$ (285,282)	\$ 1,067,044
Adjustment		
Exploration expenditures	(74,243)	(1,096,887)
Cash flows used in operating activities, US GAAP	<u>(359,525)</u>	<u>(29,843)</u>
Cash flows provided by financing activities, Canadian and US GAAP	<u>333,780</u>	<u>305,929</u>
Cash flows from investing activities, Canadian GAAP	(77,058)	(3,110,174)
Adjustment		
Exploration expenditures	74,243	1,096,887
	<u>(2,815)</u>	<u>(2,013,287)</u>
Increase (decrease) in cash and cash equivalents	(28,560)	(1,737,201)
Cash and cash equivalents, beginning of period	210,211	3,022,868
Cash and cash equivalents, end of period	<u>\$ 181,651</u>	<u>\$ 1,285,667</u>

- (i) Under Canadian and US GAAP, the Company accounts for its investment in Royal Roads Corp. using the equity method of accounting. Under US GAAP, the Company's share of Royal Roads Corp. loss was \$30,263 and \$650,922 higher in 2009 and 2008, respectively, to reflect the fact that Royal Roads Corp. is required to expense exploration expenditures under US GAAP as described in (ii) below, and to account for differences in the US GAAP treatment of flow-through shares as described in (iii) below.

ACADIAN MINING CORPORATION
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(Unaudited)
FOR THE PERIOD ENDED MARCH 31, 2009

19. Differences between Canadian and United States Generally Accepted Accounting principles (continued)

- (ii) Under Canadian GAAP, exploration costs and costs of acquiring mineral rights are capitalized during the search for a commercially mineable body of ore. For US GAAP purposes, exploration expenditures can only be deferred subsequent to the establishment of proven and probable reserves. For US GAAP purposes, the Company has therefore expensed its exploration expenditures.
- (iii) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to investors. The Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, Flow-Through Shares in 2007. At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the flow through expenditures to the investors, the Company records a future income tax liability with a charge directly to shareholders' equity.

For US GAAP purposes, the premium paid for flow-through shares in excess of market value at the time of issue is credited to other liabilities and included in income as the qualifying expenditures are made. The liability is relieved and the corresponding future income tax liability is recognized when the Company renounces its exploration expenditures to the flow-through share investors. The difference between the liability recorded at the time of the issuance and the deferred tax liability upon renunciation is included as income tax expense.

The Company issued 5,000,000 flow-through shares for \$1,500,000 in 2008 which were renounced in 2009. Under US GAAP the premium paid on the shares was \$250,000. The difference between this amount and the deferred tax liability recognized upon renunciation of \$541,800 is \$291,800 and would be recognized as a deferred tax expense in 2009 under US GAAP.

The Company's investee, Royal Roads, also issued flow-through shares in 2007 which were renounced in 2008. The Company's share of the loss of Royal Roads increased in the amount of \$76,200 due to accounting for the flow-through shares under US GAAP.

Recent US Accounting Pronouncements impacting the Company

In June 2009, the FASB issued SFAS No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles". This statement establishes the FASB Accounting Standards Codification, ("codification") as the single source of authoritative GAAP in the United States to be applied by nongovernmental entities, except for the interpretive releases of the SEC under authority for federal securities laws, which are sources of authoritative GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The codification is effective for interim and annual periods ending after September 15, 2009. The Company is currently assessing the impact of the adoption of this standard, if any, on its financial position, results of operations or cash flows.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS 165"), which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 is effective for interim or annual periods after September 30, 2009. Management is currently evaluating the impact of the adoption of SFAS 165 but does not expect the adoption of SFAS 165 to materially impact the Company's results of operations, financial position or cash flows.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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FOR THE PERIOD ENDED MARCH 31, 2009

19. Differences between Canadian and United States Generally Accepted Accounting principles (continued)

Recent US Accounting Pronouncements impacting the Company

In April 2008, the FASB issued FASB staff position (“FSP”) FAS 142-3, Determination of the Useful Life of Intangible Assets (“FSP 142-3”). FSP FAS 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, “Goodwill and Other Intangible Assets”. This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP FAS 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. The adoption of this statement did not materially impact its financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements — an Amendment of ARB No. 51 (“FAS 160”). FAS 160 amends ARB No. 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. FAS 160 also clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. FAS 160 is effective for fiscal years beginning on or after December 15, 2008. Based on its current operations, the Company does not believe that FAS 160 will have a significant impact on its financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (“SFAS 141R”). SFAS 141R will significantly change the accounting for business combinations in a number of areas including the treatment of contingent consideration, contingencies, acquisition costs, IPR&D and restructuring costs. In addition, under SFAS 141R, changes in deferred tax asset valuation allowances and acquired income tax uncertainties in a business combination after the measurement period will impact income taxes. SFAS 141R is effective for fiscal years beginning after December 15, 2008 and, as such, the Company will adopted this standard in the current quarter. The provisions are effective for the Company for business combinations on or after March 30, 2009.

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” (“SFAS 159”). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. This provides entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without being required to apply complex hedge accounting provisions. The provisions of SFAS No. 159 are effective as of the beginning of fiscal years that start after November 15, 2007. The Company adopted SFAS No. 159 on January 1, 2008 and the adoption did not have any material impact on its financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and states that a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements.

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19. Differences between Canadian and United States Generally Accepted Accounting principles (continued)

Recent US Accounting Pronouncements impacting the Company

SFAS 157, among other things, requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the company's market assumptions. The effective date was for fiscal years beginning after November 15, 2007. The adoption of SFAS 157 did not have any material impact on its financial position, results of operation or cash flows. In February 2008, the FASB issued FSP FAS 157-2, which delays the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years, for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually).

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Proforma Consolidated Balance Sheet

March 31, 2009

	Golden River A\$000's <u>2009</u>	Proforma Adjustments A\$000's	Total A\$000's <u>2009</u>
ASSETS			
Current Assets:			
Cash	33	-	33
Receivables	16	-	16
Total Current Assets	<u>49</u>	-	<u>49</u>
Non Current Assets:			
Deposit on Acquisition	1,171	(1,171)	-
Investment in Non-Consolidated Entity	-	1,171	1,171
Total Non Current Assets	<u>1,171</u>	-	<u>1,171</u>
Total Assets	<u><u>1,220</u></u>	-	<u><u>1,220</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current Liabilities			
Accounts Payable and Accrued Expenses	722	-	722
Short Term Advance – Affiliate	332	-	332
Total Current Liabilities	<u>1,054</u>	-	<u>1,054</u>
Non Current Liabilities			
Loan - Related Party	650	-	650
Total Non Current Liabilities	<u>650</u>	-	<u>650</u>
Total Liabilities	<u>1,704</u>	-	<u>1,704</u>
Commitments and Contingencies			
Stockholders' Equity:			
Common stock: \$.0001 par value 200,000,000 shares authorised, 126,714,130 shares issued	18	-	18
Additional Paid-in-Capital	37,368	-	37,368
Less Treasury Stock, at Cost, 2,500 shares	(20)	-	(20)
Other Comprehensive loss	(7)	-	(7)
Retained Deficit during exploration stage	(11,441)	-	(11,441)
Retained Deficit prior to exploration stage	(26,402)	-	(26,402)
Total Stockholders' Equity (Deficit)	<u>(484)</u>	-	<u>(484)</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u><u>1,220</u></u>	-	<u><u>1,220</u></u>

See Notes to Unaudited Proforma Consolidated Financial Statements

GOLDEN RIVER RESOURCES CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
Proforma Consolidated Statements of Operations
For the year ended June 30, 2008 and the nine months ended March 31, 2009

	Golden River A\$000's <u>June 2008</u>	Proforma Adjustments A\$000's	Total A\$000's <u>June 2008</u>	Golden River A\$000's <u>March 2009</u>	Proforma Adjustments A\$000's	Total A\$000's <u>March 2009</u>
Revenues	-	-	-	-	-	-
Cost and expenses						
Stock Based Compensation	388	-	388	166	-	166
Exploration Expenditure	193	-	193	130	-	130
Loss on disposal of equipment	-	-	-	-	-	-
Interest Expense net	7	-	7	1	-	1
Legal, Accounting and Professional Administrative	78 474	- -	78 474	270 119	- -	270 119
(Loss) from Operations	(1,140)	-	(1,140)	(686)	-	(686)
Foreign Currency Exchange Gain (Loss)	(5)	-	(5)	(56)	-	(56)
Other Income						
Interest – net related entity	-	-	-	-	-	-
– other	-	-	-	8	-	8
(Loss) before Income Tax	(1,145)	-	(1,145)	(734)	-	(734)
Provision for Income Tax	-	-	-	-	-	-
	(1,145)	-	(1,145)	(734)	-	(734)
Loss from investee accounted for using the equity method	-	(3,127)	(3,127)	-	(7,640)	(7,640)
Net (Loss)	(1,145)	(3,127)	(4,272)	(734)	(7,640)	(8,374)
Basic net (Loss) per Common Equivalent Shares	\$(0.03)	-	\$(0.12)	\$(0.01)	-	\$(0.11)
Weighted Number of Common Equivalent Shares Outstanding (000's)	36,714	-	36,714	77,995	-	77,995

See Notes to Unaudited Proforma Consolidated Financial Statements

NOTES TO THE UNAUDITED PROFORMA CONSOLIDATED FINANCIAL STATEMENTS
OF GOLDEN RIVER RESOURCES CORPORATION

1. Basis of Proforma Presentation

The unaudited proforma consolidated financial statements included herein have been prepared by Golden River Resources Corporation ("Golden River" or the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission for the purpose of inclusion in Golden River's amended Form 8-K prepared in connection with the acquisition of shares in Acadian Mining Corporation ("Acadian").

Certain information and certain disclosures normally included in financial statements prepared in accordance with US generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures provided herein are adequate to make the information presented not misleading.

The information concerning Golden River has been derived from the audited consolidated financial statements of Golden River as of and for the year ended June 30, 2008 and the unaudited consolidated financial statements of Golden River as of and for the nine month period ended March 31, 2009. The information concerning Acadian has been derived from the internally prepared financial statements of Acadian for the year ended December 31, 2008 and 2007 and the quarterly periods ended September 30, 2007, March 31, 2008, June 30, 2008, September 30, 2008 and March 31, 2009.

The unaudited proforma consolidated financial statements are provided for informational purposes only and do not purport to be indicative of the Company's financial position or results of operations, which would actually have been obtained had such transactions been completed as of the date or for the periods presented, or of the financial position or results of operations that may be obtained in the future.

2. Proforma adjustments

Proforma adjustments are made to reflect the following:

- I. The Company paid A\$1,171,000 into the trust account of the attorneys for Acadian in March 2009. This amount represented the payment for the issue of common shares in Acadian such that the Company would hold a 19.89% interest. Acadian issued the shares to the Company in two closings in April 2009 and, following shareholder and Toronto Stock Exchange approval, in early June 2009. For the purpose of the proforma consolidated balance sheet, the amount of the deposit on acquisition of \$1,171,000 has been reallocated to investment in non-consolidated entity; and
- II. In the proforma consolidated statement of operations, the Company has disclosed a loss from investee accounted for using the equity method of \$3,127,000 for the year ended June 30, 2008 and \$7,640,000 for the nine months ended March 31, 2009 being the Company's share of the equity accounted losses of Acadian for the year ended June 30, 2008 and the nine months ended March 31, 2009 as if the interest of 19.89% had been held for those periods of time.

3. Proforma net loss per common share

In the proforma consolidated statement of operations, the Company has disclosed the basic net (loss) per common equivalent share for the year ended June 30, 2008 and the nine months ended March 31, 2009 as a result of the adjustment for the loss from the investee accounted using the equity method.