

CADMAN RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

CADMAN RESOURCES INC.
BALANCE SHEETS
(Unaudited - Prepared by Management)

	June 30, 2010 (Restated, See Note 3) (unaudited)	December 31, 2009 (Restated, See Note 3)
ASSETS		
CURRENT ASSETS		
Cash	\$ 116,747	\$ 114,840
GST recoverable	7,248	11,725
Due from related party (Note 8)	25,820	5,000
Prepaid expenses	7,350	22,520
Loan receivable (Note 4)	35,000	35,000
	192,165	189,085
DEFERRED FINANCING COSTS (Note 5)	15,000	28,161
DEFERRED ACQUISITION COSTS (Note 5)	112,475	25,000
	\$ 319,640	\$ 242,246
LIABILITIES		
Current Liabilities		
Accounts payable and Accrued liabilities	\$ 68,189	\$ 7,123
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	602,485	219,414
Subscriptions Received (Note 6)	-	255,000
Contributed Surplus	33,698	33,698
Deficit	(384,732)	(272,989)
	251,451	235,123
	\$ 319,640	\$ 242,246

NATURE OF BUSINESS AND CONTINUED OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Note 11)

APPROVED ON BEHALF OF THE BOARD:

/s/ "Derek Bartlett"

Derek Bartlett, Director

/s/ "Dodge Li "

Dodge Li , Director

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

CADMAN RESOURCES INC.
STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
FOR THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Unaudited - Prepared by Management)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
	(Restated, See Note 3)	(Restated, See Note 3)	(Restated, See Note 3)	(Restated, See Note 3)
REVENUE	\$ -	\$ -	\$ -	\$ -
GENERAL AND ADMINISTRATIVE EXPENSES				
Office and miscellaneous	7,525	5,250	7,532	7,241
Professional fees	58,671	11,632	81,289	11,632
Rent (Note 8)	4,901	5,327	10,830	9,880
Royalties	-	10,008	-	10,008
Stock-based compensation	-	-	-	-
Transfer agent and filing fees	3,980	9,552	11,163	9,552
Travel and promotion	929	-	929	-
	76,006	41,769	111,743	48,313
NET LOSS AND COMPREHENSIVE LOSS	\$ (76,006)	\$ (41,769)	\$ (111,743)	\$ (48,313)
DEFICIT, BEGINNING	(309,400)	(104,968)	(272,989)	(98,425)
DEFICIT, ENDING	\$ (385,406)	\$ (146,738)	\$ (384,732)	\$ (146,738)
LOSS PER SHARE – Basic and Diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	9,214,500	4,800,000	9,214,500	4,800,000

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

CADMAN RESOURCES INC.
STATEMENTS OF CASH FLOWS
FOR THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Unaudited - Prepared by Management)

	Three Months Ended June 30		Six Months Ended June 30	
	2010 (Restated, See Note 3)	2009 (Restated, See Note 3)	2010 (Restated, See Note 3)	2009 (Restated, See Note 3)
OPERATING ACTIVITIES				
Net Loss	\$ (76,006)	\$ (41,769)	\$ (111,743)	\$ (48,313)
	(76,006)	(41,769)	(111,743)	(48,313)
Change in operating assets				
GST recoverable	(4,536)	(768)	4,477	(5,725)
Due from related party (Note 8)	(1,020)	(2,675)	(20,820)	(5,980)
Prepaid expenses	9,225	-	15,170	(4,881)
Loan receivable	4,265	-	-	-
Accounts payable and accrued liabilities	46,911	-	61,066	(3,263)
Cash Provided by (Used in) Operating Activities	(21,161)	(45,212)	(51,850)	(68,162)
FINANCING ACTIVITY				
Common shares issued, net	-	-	383,071	-
Subscriptions received	12,500	-	(255,000)	-
Deferred financing costs	-	-	13,161	3,386
Deferred acquisition costs	(72,172)	-	(87,475)	-
Cash Provided by (Used in) Financing Activities	(59,672)	-	53,757	3,386
INCREASE (DECREASE) IN CASH	(80,833)	(45,212)	1,907	(64,776)
CASH, BEGINNING	197,580	100,816	114,840	120,380
CASH, ENDING	\$ 116,747	\$ 55,604	\$ 116,747	\$ 55,604

SUPPLEMENTAL INFORMATION:

Interest paid	\$	-	\$	-	\$	-	\$	-
Income taxes paid	\$	-	\$	-	\$	-	\$	-

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

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements

For the Three and Six months Ended June 30, 2010

(Unaudited – Prepared by Management)

1. NATURE OF BUSINESS AND CONTINUED OPERATIONS

Cadman Resources Inc. (“the Company”) was incorporated pursuant to the Business Corporation Act (British Columbia) on November 13, 2007. The Company is a “Capital Pool Company” (“CPC”), as defined in the policies of the TSX Venture Exchange (the “Exchange”). The Company’s shares became listed on the Exchange effective July 10, 2008.

As at June 30, 2010 the Company had no business operations and its only significant assets were cash and a deposit. As a CPC, the Company’s principal business is the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholders’ approval and acceptance by the Exchange. Where an acquisition or participation is warranted (the “Qualifying Transaction”), additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

On August 5, 2009, the Company entered into an Agreement to Sell & Purchase (“Sell & Purchase Agreement”) with SamLorne Limited (“SamLorne”) to purchase all the outstanding shares of SamLorne. The completion of the transaction contemplated by this Sell & Purchase Agreement will constitute the Company’s “Qualifying Transaction” for the purpose of Policy 2.4 of the TSX Venture Exchange.

There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company’s shares were listed on the Exchange, at which time the Exchange may suspend or de-list the Company’s shares from trading.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a forced liquidation. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2009, the Accounting Standards Board (“AcSB”) issued CICA Handbook Section 1582, “Business Combinations”, which replaces Section 1581, “Business Combinations”. The AcSB also issued Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”, which replace Section 1600, “Consolidated Financial Statements”. These new sections are based on the International Accounting Standards Board’s (“IASB”) International Financial Reporting Standard 3, “Business Combinations”. These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, be measured at fair value and all acquisition costs be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. This standard will impact the Company if it engages in a business combination.

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements

For the Three and Six months Ended June 30, 2010

(Unaudited – Prepared by Management)

2. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In February 2008, the AcSB issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces CICA Handbook Section 3062, "Goodwill and Intangible Assets", and CICA Handbook Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Company's interim and annual consolidated financial statements commencing January 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exceptive relief. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

3. RESTATEMENT OF PRIOR YEAR FIGURES

The Company reported rent of \$4,901 (2009 - \$5,327) and \$10,830 (2009 - \$9,880) for the three months ended June 30, 2010 and six months ended June 30, 2010 respectively in its financial statements for the years ended December 31, 2009 and 2008 which were filed on SEDAR on April 15, 2010. A portion of the rent was paid to a related company.

Subsequent to August 25, 2010, management determined that the amount of rent paid was unreasonable under the Exchange Policy 2.4 Item 8.2(a)(i) "Exceptions to the Prohibitions on Payments to Related Parties of the CPC". The related company agreed to retroactively correct the rent to \$19,310 and \$10,043 for the years ended December 31, 2009 and 2008 respectively.

Subsequent to the filing of the Company's June 30, 2010 financial statements on SEDAR on August 25, 2010, the Company received invoices from its service providers pertaining to services received by the Company prior to the period ended June 30, 2010. As these invoices were previously not accounted for, the Company recorded additional deferred acquisition costs of \$22,449 and professional fees of \$24,588 during the six months ended June 30, 2010.

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements
 For the Three and Six months Ended June 30, 2010
 (Unaudited – Prepared by Management)

3. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

The effects of the retroactive reduction of rent and the effects of recording additional deferred acquisition costs and professional fees to the financial statements are as follows:

3 months ended June 30, 2010	As Previously Reported	Change	As Restated
Statement of Operations, comprehensive loss and deficit			
Rent	\$ 6,474	\$ (1,573)	\$ 4,901
Professional fees	34,083	24,588	58,671
Net loss and comprehensive loss	(52,991)	(23,015)	(76,006)
Deficit, end of year	(385,336)	604	(384,732)
Balance Sheet:			
GST recoverable	6,755	493	7,248
Deferred acquisition costs	90,026	22,449	112,475
Due from related party	-	25,820	25,820
Statement of Cash Flows			
Change in GST recoverable	(2,862)	(1,674)	(4,536)
Change in accounts payable and accrued liabilities	(1,247)	48,158	46,911
Change in due from related parties	-	(1,020)	(1,020)
Change in loan receivable	-	4,265	4,265
Change in deferred acquisition costs	(49,723)	(22,449)	(72,172)
Cash used in operating activities	(35,375)	14,214	(21,161)
Cash used in financing activities	(49,723)	(9,949)	(59,672)
Cash, beginning of period	201,845	(4,265)	197,580
Net decrease in cash during the period	(85,098)	4,265	(80,833)

3 months ended June 30, 2009	As Previously Reported	Change	As Restated
Statement of Operations, comprehensive loss and deficit			
Rent	\$ 7,875	\$ (2,548)	\$ 5,327
Net loss and comprehensive loss	(44,317)	2,548	(41,769)
Deficit, end of year	(163,691)	16,952	(146,739)
Balance Sheet:			
GST recoverable	7,823	(848)	6,975
Due from related party	-	17,800	17,800
Statement of Cash Flows			
Change in GST recoverable	(895)	127	(768)
Change in due from related parties	-	(2,675)	(2,675)
Cash used in operating activities	(45,211)	-	(45,211)

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements
 For the Three and Six months Ended June 30, 2010
 (Unaudited – Prepared by Management)

3. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

6 months ended June 30, 2010	As Previously Reported	Change	As Restated
Statement of Operations, comprehensive loss and deficit			
Rent	\$ 13,973	\$ (3,143)	\$ 10,830
Professional fees	56,702	24,587	81,289
Net loss and comprehensive loss	(90,299)	(21,444)	(111,743)
Deficit, end of year	(385,336)	604	(384,732)
Balance Sheet:			
GST recoverable	7,823	(575)	7,248
Due from related party	-	25,820	25,820
Statement of Cash Flows			
Change in GST recoverable	5,443	(966)	4,477
Change in accounts payable and accrued liabilities	12,908	48,158	61,066
Change in due from related parties	-	(1,020)	(1,020)
Change in deferred acquisition costs	(65,026)	(22,449)	(87,475)

6 months ended June 30, 2009	As Previously Reported	Change	As Restated
Statement of Operations, comprehensive loss and deficit			
Rent	\$ 14,975	\$ (5,095)	\$ 9,880
Net loss and comprehensive loss	(53,408)	5,095	(48,313)
Deficit, end of year	(163,690)	16,952	(146,738)
Balance Sheet:			
GST recoverable	7,823	(848)	6,975
Due from related party	-	17,800	17,800
Statement of Cash Flows			
Change in GST recoverable	(6,610)	885	(5,725)
Change in due from related parties	-	(5,980)	(5,980)

December 31, 2009	As Previously Reported	Change	As Restated
Balance Sheet:			
GST recoverable	\$ 12,198	\$ (473)	\$ 11,725
Due from related party	-	22,520	22,520

4. LOANS RECEIVABLE

On December 16, 2009, the Company advanced \$25,000 to SamLorne which is interest bearing at a rate of 4.25% and will be due on December 16, 2010. In addition, the Company advanced \$10,000 to Newport Gold Inc., which is interest bearing at a rate of 5% and will due on December 31, 2010.

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements
 For the Three and Six months Ended June 30, 2010
 (Unaudited – Prepared by Management)

5. DEFERRED ACQUISITION COSTS

Pursuant to the Sell & Purchase Agreement August 5, 2009 (the "Agreement"), the Company has agreed to purchase 100% of the outstanding shares of SamLorne by issuing 10,000,000 common shares. Pursuant to the Agreement, a non-refundable cash deposit of \$25,000 will be paid by the Company to SamLorne on execution of the Agreement (paid), and a refundable deposit of \$25,000 will be paid by the Company to SamLorne on approval by the TSX Venture.

SamLorne entered into an option agreement with Henan Yunfeng Resource of Mine Development Co., Ltd. ("Henan") dated April 1, 2009 to acquire Henan's sole asset, 70% of interest in the Silver-Lead Mine and associated Exploration Rights and Mining Rights on a 1.75 sq KM property known as the Fanggelewan Silver-Lead property in Henan Province of the People Republic of China ("FGLW Option Agreement"). SamLorne has an automatic 120 day extension after the payment due dates on the below schedule and must make the following payments in order to earn its interest:

US\$250,000 – by June 01, 2010
 US\$375,000 – by September 01, 2010
 US\$375,000 – by December 01, 2010
 US\$500,000 – by April 01, 2011

Deferred Acquisition Costs:

Balance, December 31, 2008	\$ –
Deferred acquisition costs	25,000
Balance at December 31, 2009	25,000
Deferred acquisition costs	22,449
Geological and engineering	42,728
Travel and accommodation	22,298
Balance at June 30, 2010	\$112,475

6. SHARE CAPITAL

Authorized:

An unlimited number of common shares without par value.

Issued:

	Shares	Amount
Inception - November 13, 2007	1	\$ -
Redeemed and cancelled at \$0.05 per share	(1)	-
Issued for cash at \$0.05 per share	2,000,000	100,000
Balance, December 31, 2007	2,000,000	100,000
Issued for cash at \$0.05 per share	400,000	20,000
Issued for cash at \$0.10 per share, net	2,400,000	99,414
Balance, December 31, 2008 and 2009	4,800,000	\$ 219,414
Issued for cash at \$0.10 per share, net	4,414,500	441,450
Share issuance costs		(58,379)
Balance, June 30, 2010	9,214,500	602,485

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements
For the Three and Six months Ended June 30, 2010
(Unaudited – Prepared by Management)

6. SHARE CAPITAL (continued)

On November 13, 2007, 1 common share was issued at \$0.05 to incorporate the Company.

On December 31, 2007, the 1 common share issued was redeemed at \$0.05 and cancelled.

On December 31, 2007, pursuant to a private placement, 2,000,000 common shares were issued at \$0.05 per share for gross proceeds of \$100,000.

On January 11, 2008, pursuant to a private placement, 400,000 common shares were issued at \$0.05 per share for gross proceeds of \$20,000.

On July 8, 2008, the Company completed its initial public offering for 2,400,000 common shares at \$0.10 per share for gross proceeds of \$240,000. The Company paid agents' commission of \$24,000, agents' sponsorship fees of \$10,600 and reimbursement of agents' legal fees and disbursements of \$22,465. The Company also granted 240,000 agents' options exercisable to acquire 240,000 common shares of the Company at \$0.10 per share until July 7, 2010. The fair value of these options is \$11,704. The Company also incurred cash legal fees and other issue costs of \$71,817.

On February 11, 2010, the Company issued 4,414,500 shares at a price of \$0.10 per share for gross proceeds of \$441,450. The Company paid 10% finder fees of \$44,145.

Escrowed Shares:

At June 30, 2010, pursuant to an escrow agreement dated January 11, 2008, the 2,400,000 common shares issued and outstanding were held in escrow with 10% to be released on the completion of a Qualifying Transaction, and 15% to be released every six months thereafter.

Stock Options:

On December 12, 2007, the Company adopted an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of the Exchange, subject to a minimum of \$0.10 per common share. Options granted are non-transferable and may not exceed a term of five years from the grant date. Vesting is as determined by the directors at the time of grant.

A summary of the Company's stock option for the period ended June 30, 2010 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2007	–	\$ –
Granted to directors	280,000	0.10
Granted to agents	240,000	0.10
Balance, December 31, 2008 and 2009 and June 30, 2010	520,000	\$0.10

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements
For the Three and Six months Ended June 30, 2010
(Unaudited – Prepared by Management)

6. SHARE CAPITAL (continued)

At June 30, 2010, 520,000 options with a weighted average remaining contractual life of 1.37 years were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each option held as follows:

Options	Exercise Price	Expiry Date
240,000	\$0.10	July 7, 2010
280,000	\$0.10	January 8, 2013
520,000	\$0.10	

7. CONTRIBUTED SURPLUS

A summary of the changes in the Company's contributed surplus for the period ended June 30, 2010 is presented below:

Balance, December 31, 2009 and June 30, 2010	\$	33,698
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8. RELATED PARTY TRANSACTIONS

Due to the security regulation, the Company is only allowed \$9,000 rent expense per year, therefore, the Company has adjusted the difference to other receivable account since the Company incorporated. During the six months ended June 30, 2010, the Company incurred rent expense of \$4,500 to a company controlled by an individual related to a director of the Company. The transactions were measured at exchange amounts, which were the amounts agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

As described in Note 3, the Company advanced \$10,000 to Newport Gold Inc., a company with two common directors.

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to complete a qualifying transaction and to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

The Company seeks to manage capital to provide adequate funding for its projects while minimizing dilution for its existing shareholders. As the Company, as a young venture issuer, has no practicable ability presently to raise money by long term or any kind of debt, for practical purposes all of its capital management is directed towards management of its issues of equity including warrants. There is thus very limited flexibility in its capital management.

CADMAN RESOURCES INC.

Notes to the Interim Financial Statements
For the Three and Six months Ended June 30, 2010
(Unaudited – Prepared by Management)

10. FINANCIAL INSTRUMENTS AND RISK**Financial Instruments**

As at June 30, 2010, the Company's financial instruments consist of cash, loan receivable and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash as held-for-trading and its accounts payable as other financial liabilities.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed Commercial Paper or similar instruments.

Foreign Exchange Risk

The Company does not have any foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions. At June 30, 2010, the Company did not have any investments in interest bearing instruments.

11. SUBSEQUENT EVENTS

As described in Note 4, the Company has agreed to issue SamLorne 10,000,000 shares in consideration for 100% of the issued and outstanding shares of SamLorne. The Agreement is intended to be the Qualifying Transaction for the Company and is subject to the approval of the TSX Venture Exchange.