CADMAN RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

(Unaudited)

CADMAN RESOURCES INC.

BALANCE SHEETS

		September 30, 2009		December 31, 2009
		(Restated – See Note 3)		
		(Unaudited)		(audited)
ASSETS				
CURRENT ASSETS				
Cash	**$**	**48,245**	$	114,840
GST recoverable		**10,025**		11,725
Other receivable		**2,230**		-
Due from related party (Note 8)		**3,849**		22,520
Prepaid expenses		**6,172**		5,000
Loans receivable (Note 4)		**36,122**		35,000
		106,643		189,085
DEFERRED FINANCING COSTS (Note 11)		**26,030**		28,161
DEFERRED ACQUISITION COSTS (Note 5)		**113,160**		25,000
	$	**245,833**	$	242,246
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	**$**	**35,263**	$	7,123
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		**602,485**		219,414
Subscriptions received		**-**		255,000
Contributed surplus (Note 7)		**33,698**		33,698
Deficit		**(425,613)**		(272,989)
		210,570		235,123
	$	**245,833**	$	242,246

NATURE OF BUSINESS AND CONTINUED OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 11)

APPROVED ON BEHALF OF THE BOARD:

Derek Bartlett, Director

Dodge Li, Director

CADMAN RESOURCES INC.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(Unaudited)

		Three months ended September 30, 2010		Three months ended September 30, 2009		**Nine months ended September 30, 2010**		Nine months ended September 30, 2009
		(Restated – See Note 3)		(Restated – See Note 3)		**(Restated – See Note 3)**		(Restated – See Note 3)
EXPENSES								
Office and miscellaneous	**$**	**28,663**	$	4,025	**$**	**36,195**	$	11,266
Professional fees		**3,849**		32,660		**85,138**		44,292
Rent (Note 8)		**2,670**		4,952		**13,500**		14,832
Royalties		**-**		-		**-**		10,008
Transfer agent and filing fees		**4,121**		2,005		**15,284**		11,557
Travel and promotion		**2,700**		-		**3,629**		-
Other expenses		**-**		25,000		**-**		25,000
		42,003		68,642		**153,746**		116,955
LOSS BEFORE OTHER ITEMS		**(42,003)**		(68,642)		**(153,746)**		(116,955)
OTHER ITEM								
Interest income		**1,122**		-		**1,122**		-
NET LOSS AND COMPREHENSIVE LOSS		**(40,881)**		(68,642)		**(152,624)**		(116,955)
DEFICIT, BEGINNING OF PERIOD		**(384,732)**		(146,738)		**(272,989)**		(98,425)
DEFICIT, END OF PERIOD	**$**	**(425,613)**	$	(215,380)	**$**	**(425,613)**	$	(215,380)
LOSS PER SHARE – BASIC AND DILUTED	**$**	**(0.00)**	$	(0.01)	**$**	**(0.02)**	$	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		**9,214,500**		4,800,000		**9,214,500**		4,800,000

CADMAN RESOURCES INC.

STATEMENT OF CASH FLOWS

(Unaudited)

	Three months ended September 30, 2010 (Restated – See Note 3)	Three months ended September 30, 2009 (Restated – See Note 3)	**Nine months ended September 30, 2010 (Restated – See Note 3)**	Nine months ended September 30, 2009 (Restated – See Note 3)
OPERATING ACTIVITIES				
Net loss for the period	**$ (40,881)**	$ (68,642)	**$ (152,624)**	$ (116,955)
Item not involving cash:				
Interest income	**(1,122)**	-	**(1,122)**	-
	(42,003)	(68,642)	**(153,746)**	(116,955)
Changes in non-cash working capital items:				
GST recoverable	**(2,777)**	(1,852)	**1,700**	(7,577)
Other receivable	**(2,230)**	-	**(2,230)**	-
Due from related party	**21,971**	(2,045)	**18,671**	(8,025)
Prepaid expenses	**1,178**	-	**(1,172)**	(4,881)
Accounts payable and accrued liabilities	**(32,926)**	14,506	**28,140**	11,243
	(56,787)	(58,033)	**(108,637)**	(126,195)
INVESTING ACTIVITIES				
Loans receivable	**-**	(25,000)	**-**	(25,000)
Deferred acquisition costs	**(685)**	-	**(88,160)**	-
	(685)	(25,000)	**(88,160)**	(25,000)
FINANCING ACTIVITIES				
Common shares issued, net	**-**	-	**156,232**	3,386
Subscriptions received	**-**	91,500	**-**	91,500
Deferred financing costs	**(11,030)**	-	**(26,030)**	-
	(11,030)	91,500	**130,202**	94,886
INCREASE (DECREASE) IN CASH	**(68,502)**	8,467	**(66,595)**	(56,309)
CASH, BEGINNING OF PERIOD	**116,747**	55,604	**114,840**	120,380
CASH, END OF PERIOD	**$ 48,245**	$ 64,071	**$ 48,245**	$ 64,071
SUPPLEMENTAL INFORMATION				
Cash paid for interest	**-**	-	**-**	-
Cash paid for income taxes	**-**	-	**-**	-

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 September 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 and amended on December 9, 2009, the Company entered into an Agreement to Sell & Purchase with SamLorne Limited ("SamLorne") to purchase all the outstanding shares of SamLorne. The completion of the transaction contemplated by this agreement will constitute the Company's "Qualifying Transaction" for the purpose of Policy 2.4 of the 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. BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim financial statements follow the same significant accounting policies and methods of application as the Company's financial statements for the year ended December 31, 2009. The interim financial statements should be read in conjunction with the December 31, 2009 annual financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2010.

2. BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

In January 2009, the Accounting Standards Board ("AcSB") issued Canadian Institute of Chartered Accountants (“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.

In August 2009, Section 1625 Comprehensive Revaluation of Assets and Liabilities was issued for consistency with new Section 1582, Business Combinations. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The adoption of this section is not expected to have a material impact on the 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, 2010 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

a) Three and Nine Months Ended September 30, 2010

Subsequent to the Company's filing of its interim financial statements for the three and nine months ended September 30, 2010 on SEDAR on November 29, 2010, the Company noticed the following errors in the interim financial statements for the three and nine months ended September 30, 2010:

i. The Company recorded share issuance costs of $11,704 for the fair value of the 240,000 agent's option issued on the Company's initial public offering on July 8, 2008 and included it in contributed surplus in the 2008 year. The amount was mistakenly reversed on expiry of these options on July 8, 2010.

ii. Deferred financing costs incurred for legal fees of $11,030 was mistakenly accounted for as professional fees and charged to operations.

iii. Professional fees for accounting services of $2,621 prepaid for the month of October 2010 was mistakenly debited to accounts payable.

iv. Other receivable of $2,230 was mistakenly debited to accounts payable.

v. Interest receivable of $1,122 relating to loans receivable was not recorded.

The effects of the corrections of the above to the financial statements are as follows:

Three months ended September 30, 2010		As Previously Reported		Change		As Restated
Statement of Operations, Comprehensive Loss and Deficit						
Professional fees	$	14,339	$	(10,490)	$	3,849
Interest income		-		1,122		1,122
Net loss and comprehensive loss		(52,493)		11,612		(40,881)
Deficit, end of period		(437,225)		11,612		(425,613)
Loss per share – basic and diluted		(0.01)		0.01		(0.00)
Statement of Cash Flows						
Interest income		-		(1,122)		(1,122)
GST recoverable		(2,518)		(259)		(2,777)
Other receivable		-		(2,230)		(2,230)
Prepaid expenses		3,000		(1,822)		1,178
Accounts payable and accrued liabilities		(37,777)		4,851		(32,926)
Common shares issued, net		11,704		(11,704)		-
Deferred financing costs		-		(11,030)		(11,030)
Decrease in cash		(56,798)		(11,704)		(68,502)

3. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

a) Three and Nine Months Ended September 30, 2010 (continued)

Nine months ended September 30, 2010	As Previously Reported	Change	As Restated
Statement of Operations, Comprehensive Loss and Deficit			
Professional fees	$ 95,628	$ (10,490)	$ 85,138
Interest income	-	1,122	1,122
Net loss and comprehensive loss	(164,236)	11,612	(152,624)
Deficit, end of period	(437,225)	11,612	(425,613)
Statement of Cash Flows			
Interest income	-	(1,122)	(1,122)
GST recoverable	1,959	(259)	1,700
Other receivable	-	(2,230)	(2,230)
Due from related party	1,151	17,520	18,671
Prepaid expenses	18,170	(19,342)	(1,172)
Accounts payable and accrued liabilities	23,289	4,851	28,140
Common shares issued, net	394,775	(238,543)	156,232
Subscription received	(255,000)	255,000	-
Deferred financing costs	13,161	(39,191)	(26,030)
Decrease in cash	(54,891)	(11,704)	(66,595)

As at September 30, 2010	As Previously Reported	Change	As Restated
Balance Sheet			
GST recoverable	9,766	259	10,025
Other receivable	-	2,230	2,230
Prepaid expenses	4,350	1,822	6,172
Loans receivable	35,000	1,122	36,122
Deferred financing costs	15,000	11,030	26,030
Accounts payable and accrued liabilities	30,412	4,851	35,263
Share capital	614,189	(11,704)	602,485
Contributed surplus	21,994	11,704	33,698

3. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

b) The Company reported rent of $7,500 (three months ended September 30, 2008 - $7,750) and $22,475 (nine months ended September 30, 2008 - $7,750) for the three and nine months ended September 30, 2009 respectively in its financial statements filed on SEDAR on November 27, 2009. 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 $19,410 and $10,043 for the years ended December 31, 2009 and 2008. The effect of the retroactive reduction of rent to the financial statement for the three and nine months ended September 30, 2009 are as follows:

Three Months Ended September 30, 2009	As Previously Reported	Change	As Restated
Statement of Operations, Comprehensive Loss and Deficit			
Rent	$ 7,500	$ (2,548)	$ 4,952
Net loss and comprehensive loss	(71,190)	2,548	(68,642)
Deficit, beginning of period	(163,690)	16,952	(146,738)
Deficit, end of period	(234,880)	19,500	(215,380)
Statement of Cash Flows			
GST recoverable	(699)	(1,153)	(1,852)
Due from related party	-	(2,045)	(2,045)
Accounts payable and accrued liabilities	13,856	650	14,506

Nine Months Ended September 30, 2009	As Previously Reported	Change	As Restated
Statement of Operations, Comprehensive Loss and Deficit			
Rent	22,475	(7,643)	14,832
Net loss and comprehensive loss	(124,598)	7,643	(116,955)
Deficit, beginning of period	(110,282)	11,857	(98,425)
Deficit, end of period	(234,880)	19,500	(215,380)
Statement of Cash Flows			
GST recoverable	(7,309)	(268)	(7,577)
Due from related party	-	(8,025)	(8,025)
Accounts payable and accrued liabilities	10,593	650	11,243

4. LOANS RECEIVABLE

		September 30, 2010		December 31, 2009
Loan to SamLorne – Principal $25,000, interest at 4.25% per annum compounded monthly, principal and interest to be paid on due date of December 16, 2010, unsecured	**$**	**25,841**	$	25,000
Loan to Newport Gold Inc. – Principal $10,000, interest at 5% per annum compounded monthly, principal and interest to be paid on due date of December 31, 2010, unsecured		**10,281**		10,000
Balance		**36,122**	$	35,000

5. DEFERRED ACQUISITION COSTS

		September 30, 2010		December 31, 2009
Fanngelewan Silver-Lead Property, Henan, China				
Deposit	**$**	**25,000**	$	25,000
Acquisition costs		**22,449**		-
Geological and consulting		**43,413**		-
Travel and accommodation		**22,298**		-
Balance, end of period	**$**	**113,160**	$	25,000

Pursuant to an Agreement to Sell & Purchase dated August 5, 2009 and amended on December 9, 2009 (the "Agreement"), the Company agreed to purchase 100% of the outstanding shares of SamLorne by issuing 10,000,000 common shares of the Company and cash of $50,000. The Company had paid cash deposit of $25,000 on execution of the Agreement. The Company will pay the balance of $25,000 as a refundable deposit on approval of the transaction 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, a 70% 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"). To earn the 70% interest, SamLorne agreed to make cash and share payments in US Dollars ("US$") totalling US$1,050,000, as following, and share payment of US$450,000 in Cadman's share at a price of US$0.15 per share, totalling 3,000,000 shares. SamLorne has an automatic 120 days extension after the payment due dates.

Option Payments		Amount
On or before January 1, 2011	US$	175,000
On or before May 1, 2011		262,500
On or before September 1, 2011		262,500
On or before March 1, 2012		350,000
Total	US$	1,050,000

6. SHARE CAPITAL

Authorized:

An unlimited number of common shares without par value.

Issued and outstanding:

	Shares		Amount
IBalance, December 31, 2009	4,800,000	$	219,414
Issued for cash at $0.10 per share	4,414,500		441,450
Share issue costs	-		(58,379)
Balance, September 30, 2010	**9,214,500**	**$**	**602,485**

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 and other issue costs of $14,234.

Escrowed Shares:

At September 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 (see Note 11 (a)).

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 September 30, 2010 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009	720,000	$ 0.10
Agents' options expired	(240,000)	0.10
Balance, September 30, 2010	**480,000**	**$0.10**

6. SHARE CAPITAL (continued)

At September 30, 2010, 480,000 options with a weighted average remaining contractual life of 2.28 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
480,000	$0.10	January 8, 2013

7. CONTRIBUTED SURPLUS

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

Balance, December 31, 2009 and September 30, 2010	**$**	**33,698**

8. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2010, the Company incurred rent expense of $4,500 (September 30, 2009 - $13,500) 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. At September 30, 2010, amount due from this Company of $3,849 (December 31, 2009 - $22,520) was non-interest bearing and unsecured (see Note 3).

As described in Note 4, 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.

10. FINANCIAL INSTRUMENTS AND RISK

Fair value

As at September 30, 2010, the Company's financial instruments consist of cash, other receivable, due from related party, 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, its other receivable, due from related party and loans receivable as other loans and receivables, and its accounts payable as other financial liabilities.

The Company classifies its fair value measurements in accordance with the three levels fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and

Level 3 – Inputs that are not based on observable market date

The Company's financial instruments measured at fair value on a recurring basis at September 30, 2010 is as follows:

	Level 1	Level 2	Level 3	Total
Cash	$ 48,245	$ -	$ -	$ 48,245

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 September 30, 2010, the Company did not have any investments in interest bearing instruments.

11. SUBSEQUENT EVENTS

a) On December 2, 2010, the company agreed with certain insider or former insider shareholders to cancel 1,000,000 common shares held by these shareholders and in escrow at no consideration.

b) As described in Note 5, pursuant to the “Agreement”, the Company agreed to issue 10,000,000 common shares of the Company to acquire 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. The Exchange conditionally accepted the Qualifying Transaction on November 10, 2010.

   The Exchange also conditionally accepted the Company’s concurring brokered private placement (the “Offering”) of up to 33,333,333 units at a price of $0.15 per unit for gross proceeds of up to $5,000,000. Each unit will consist of one common share and one common share purchase warrant of the Company. Each share purchase warrant will be exercisable at a price of $0.225 to purchase one additional common share of the Company expiring 18 months from the closing date of the Offering. Pursuant to a letter agreement with D&D Securities Company (the “Agent”), the Company will pay the agency fee of 8% of the gross proceeds of the Offering and reimburse the Agent’s legal fees and disbursements incurred with respect to the Offering. In addition, the Company has also agreed to grant agent’s warrants equal to 10% of the number of units sold in the Offering. Each agent warrant is exercisable at a price of $0.15 per unit for a period of 18 months from the closing date of the Offering. Each agent unit will consist of one common share and one common share purchase warrant of the Company, the share purchase warrants have the same terms as the unit warrants. The Company also grants the Agent a right of first refusal for any financing for a period of 24 months from the closing date of the Offering. The Offering is conditional upon the Company having its prospectus accepted for filing by the Ontario, British Columbia and Alberta Securities Commissions and having the shares of the Company conditionally accepted for filing by the Exchange.