



GOLDEN HARP

R E S O U R C E S I N C

GOLDEN HARP RESOURCES INC.

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2009 (UNAUDITED – PREPARED BY MANAGEMENT)

These financial statements have not been reviewed by the Company's auditors.

NOTICE TO READER

BALANCE SHEETS

STATEMENTS OF OPERATIONS AND DEFICIT

STATEMENTS OF COMPREHENSIVE LOSS AND ACCUMULATED OTHER COMPREHENSIVE INCOME

STATEMENTS OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

GOLDEN HARP RESOURCES INC.
BALANCE SHEETS
(UNAUDITED – PREPARED BY MANAGEMENT)

Notice of no Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards of the Canadian Institute of Chartered Accountants for a review of interim financial statements.

GOLDEN HARP RESOURCES INC.
BALANCE SHEETS
(UNAUDITED – PREPARED BY MANAGEMENT)

	Dec. 31, 2009	June, 30, 2009
	- \$ -	- \$ -
	Unaudited	Audited
A S S E T S		
CURRENT ASSETS		
Cash	405,469	646,308
Marketable securities	111,000	66,000
Amounts receivable	3,195	2,408
Prepaid expenses	6,217	19,146
	525,881	733,862
Restricted cash	23,000	23,000
Mineral property (Note 3)	4,666,842	4,654,075
	5,215,723	5,410,937
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	43,570	39,566
Due to related party	-	739
	43,570	40,305
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	6,114,858	6,113,208
Contributed surplus (Note 5)	516,937	493,019
Accumulated other comprehensive income	82,500	37,500
Deficit	(1,542,142)	(1,273,095)
	5,172,153	5,370,632
	5,215,723	5,410,937

GOING CONCERN CONTINGENCY (Note 1)

Approved on Behalf of the Board:

/s/ "Seamus Young"

Seamus Young, Director

/s/ "Shaun Maskerine"

Shaun Maskerine, Director

GOLDEN HARP RESOURCES INC.
INTERIM STATEMENTS OF LOSS AND DEFICIT
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
	- \$ -	- \$ -	- \$ -	- \$ -
EXPENSES				
Amortization	-	416	-	1,070
Business development	11,266	11,662	25,023	34,270
Office and general	18,569	27,011	33,564	54,926
Professional fees	27,765	32,577	70,556	40,871
Salaries, management and directors fees	52,416	68,836	107,898	164,334
Stock based compensation	3,170	3,170	23,918	3,170
Transfer agent and filing fees	3,149	9,154	8,117	11,176
Interest income	(29)	(1,478)	(29)	(6,193)
NET LOSS before Income Taxes	116,306	151,348	269,047	303,624
Future Income Tax Recovery	-	(232,620)	-	(232,620)
NET (INCOME)/LOSS	116,306	(81,272)	269,047	71,004
DEFICIT, beginning	1,425,836	1,079,909	1,273,095	927,633
DEFICIT, ending	1,542,142	998,637	1,542,142	998,637
Basic and diluted loss per share	(0.005)	(0.003)	(0.011)	(0.003)
Weighted average shares outstanding – basic and diluted	24,689,455	24,673,042	24,675,749	24,673,042

The accompanying notes are an integral part of these financial statements

GOLDEN HARP RESOURCES INC.
INTERIM STATEMENTS OF COMPREHENSIVE LOSS AND ACCUMULATED OTHER
COMPREHENSIVE INCOME
(UNAUDITED – PREPARED BY MANAGEMENT)

Statement of Comprehensive Income (Loss)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
	- \$ -	- \$ -	- \$ -	- \$ -
Net income (Loss) for the period	(116,306)	(81,272)	(269,047)	(71,004)
Unrealized gain on marketable securities	36,000	-	45,000	-
Comprehensive income (loss)	(80,306)	(81,272)	(224,047)	(71,004)

Accumulated Other Comprehensive Income (Loss)	Dec. 31, 2009 - \$ -	June, 30, 2009 - \$ -
	Unaudited	Audited
Beginning of the period	37,500	-
Unrealized gain on marketable securities	45,000	37,500
End of period	82,500	37,500

GOLDEN HARP RESOURCES INC.
INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED – PREPARED BY MANAGEMENT)

	Three months ended December 31,		Six months ended December 31,	
	2009 - \$ -	2008 - \$ -	2009 - \$ -	2008 - \$ -
Cash Flow from Operating Activities				
Net income (loss)	(116,306)	81,272	(269,047)	(71,004)
Non-cash items				
Amortization	-	416	-	1,070
Future Income Tax Recovery	-	(232,620)	-	(232,620)
Stock based compensation	3,170	3,170	23,918	3,170
Changes in non-cash working capital items				
Accounts payable and accrued liabilities	24,499	(105,857)	4,004	(4,406)
Amounts receivable	3,948	33,299	(787)	42,871
Due to related parties	-	(142)	(739)	(40)
Prepaid expenses	7,134	4,006	12,929	9,358
Cash (used in)/provided by operations	(77,555)	(216,456)	(229,722)	(251,601)
Cash Flow from Investing Activities				
Disposal of equipment	-	4,678	-	4,678
Mineral property expenditures	(3,007)	(106,116)	(12,767)	(359,336)
Cash used in investing activities	(3,007)	(101,438)	(12,767)	(354,658)
Cash Flow from Financing Activities				
Proceeds from issuance of shares	1,650	-	1,650	-
Cash provided by financing activities	1,650	-	1,650	-
Increase (Decrease) in cash	(78,912)	(317,894)	(240,839)	(606,259)
Cash, beginning	484,381	1,140,840	646,308	1,429,205
Cash, ending	405,469	822,946	405,469	822,946
Supplementary Cash Flow Information:				
Non – cash transactions:				
Issuance of shares pursuant to mineral property purchase	-	-	-	-
Cash paid for:				
Interest	-	-	-	-
Income tax	-	-	-	-

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Golden Harp Resources Inc. (“the Company”) was incorporated on May 3, 2006 in the Province of British Columbia and is primarily engaged in the acquisition, exploration and development of mineral properties throughout Canada.

Going Concern

These financial statements have been prepared on the going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2009, the Company had working capital of \$482,311 (\$693,557 - June 30, 2009) and has incurred losses since inception of \$1,542,142 (\$1,273,095 – June 30, 2009). Should the Company be unable to continue as a going concern, significant adjustments to the asset values may be necessary. The ability of the Company to continue as a going concern is dependent upon the Company raising sufficient financing to complete exploration and development activities, the discovery of economically recoverable reserves, and upon future profitable operations or proceeds from disposition of resource property interests. The Company has not yet determined whether its mineral property interests contain economically recoverable resources. Management is also aware that significant material uncertainties exist related to current economic conditions that could cast doubt upon the Company’s ability to continue to finance its exploration activities. Management is not able to assess the likelihood or timing of improvements in the equity markets for raising capital for future acquisitions or expenditures. These uncertainties represent a liquidity risk and may impact the Company’s ability to continue as a going concern in the future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The interim financial statements of the Company have been prepared by management in accordance with Canadian GAAP and follow the same accounting policies and methods consistent with those used in the preparation of the most recent annual audited financial statements. The interim financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2009.

b) Recent Accounting Pronouncements

In 2006, Canada’s Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian GAAP, as used by public companies, with International Financial Reporting Standards (“IFRS”) over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

Other accounting pronouncements issued with future effective dates are either not applicable or are not expected to be significant to the financial statements of the Company.

c) Comparative figures

Certain comparative figures have been reclassified to conform to current year’s presentation. Such reclassification is for presentation purposes only and has no effect on previously reported results.

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

3. MINERAL PROPERTY

A summary of expenditures incurred relating to the Company's mineral property is as follows:

	December 31, 2009	Current expenditures	June 30, 2009	Current expenditures	June 30, 2008
Copper Hill Project, Ontario	- \$ -	- \$ -	- \$ -	- \$ -	- \$ -
Acquisition costs	3,272,394	-	3,272,394	20,000	3,252,394
Exploration expenditures:					
Accommodation & meals	81,515	-	81,515	18,191	63,324
Assay & soil sampling	166,623	1,740	164,883	59,578	105,305
Diamond drilling	479,891	-	479,891	165,984	313,907
Geochemical	32,661	-	32,661	-	32,661
Geological	202,991	3,705	199,286	49,449	149,837
Line cutting	74,192	-	74,192	-	74,192
Miscellaneous	44,938	5,680	39,258	16,321	22,937
Supervision	12,750	-	12,750	-	12,750
Surveys	292,814	-	292,814	34,985	257,829
Travel & transport	21,549	-	21,549	7,432	14,117
Wages - other	38,024	1,642	36,382	10,943	25,439
Option payment received	(53,500)	-	(53,500)	(53,500)	-
	1,394,448	12,767	1,381,681	309,383	1,072,298
Total	4,666,842	12,767	4,654,075	329,383	4,324,692

Copper Hill Project Ontario

Effective May 31, 2006 the Copper Hill Property was purchased from Acme Resources Inc. "ARI" (previously - International KRL Resources Corp.) At May 31, 2006 the Company was 100% owned by ARI. The acquisition price of \$3,200,000 was based on the valuation by an independent geologist. The payment on the property was completed by issuing 10,000,000 common shares of the Company to ARI at \$0.32 per share. Certain of the mineral claims are subject to net smelter return royalties ("NSR") varying from 1% to 3%. The Company is entitled to purchase all or part of the NSR depending on the agreements.

On June 1, 2009, the Company signed an agreement granting Benton Resources Corp. ("Benton") the option to acquire an initial 60% interest in the Block A portion of the Copper Hill Property, which represents 351 of the Company's 855 claim units by:

1. Paying the Company a total of \$75,000 in accordance with the following schedule:
 - a. \$25,000 within five days of the effective date of the agreement (received);
 - b. \$25,000 on or before the first anniversary of the effective date; and
 - c. \$25,000 on or before the second anniversary of the effective date.
2. Issuing the Company a total of 550,000 common shares in the capital stock of Benton in accordance with the following schedule:
 - a. 150,000 common shares of Benton within five days of the effective date of the agreement (received with a fair value of \$28,500);
 - b. 150,000 common shares of Benton on or before the first anniversary of the effective date; and
 - c. 250,000 common shares of Benton on or before the second anniversary of the effective date.
3. Incurring a total of \$2,000,000 in exploration expenditures on the property as follows:
 - a. \$500,000 to be incurred on or before 12 months of the effective date;
 - b. \$750,000 to be incurred on or before 24 months of the effective date; and
 - c. \$750,000 to be incurred on or before 36 months of the effective date.

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

3. MINERAL PROPERTY (continued)

If Benton exercises the initial option, it will have 60 days to provide the Company with notice (“Second Option Notice”) of its intention to acquire a further 10% Interest in the property by:

- a) Paying the Company \$50,000 within five days of providing the Second Option Notice; and
- b) Incurring a further \$1,000,000 in costs on the property within 24 months of providing the Second Option Notice.

4. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in these financial statements related party transactions incurred during the period ended December 31, 2009 are as follows:

- (a) Salary totalling \$67,900 (2008- \$71,428) were paid for services provided by the Chief Executive Officer of the Company. The balance owing at December 31, 2009 is \$5,400.
- (b) Management fees totalling \$18,000 (2008- \$10,500) were paid for services provided by the Chief Financial Officer of the Company. The balance owing at December 31, 2009 is nil.
- (c) Director fees totalling \$7,790 (2008-\$8,790) were paid to four directors of the Company. The balance owing at December 31, 2009 is \$1,445.
- (d) The Company engaged a law firm of which a previous director of the Company is a partner for legal services. The total fees incurred from such services were \$54,213 (2009 period - \$20,714). At December 31, 2009 \$18,246 (June 30, 2009 - \$6,917) was due to this law firm.
- (e) The Company rented a house as the base for exploration programs on its Copper Hill Property at a cost of \$2,000 per month from a relative of a director. During the year ended June 30, 2009, a total of \$9,500 was paid to the related party for rent that has been capitalized as exploration expenditures. This arrangement was discontinued effective November 15, 2008 and the Company has a renewal agreement with a relative of a director to rent a storage and core cutting facility for \$750 per month. During the period \$4,500 (2009 - \$1,500) was paid to the related party for rent that has been capitalized as exploration expenditures. This agreement is month to month and may be cancelled by either party by providing sixty days notice. The balance owing at December 31, 2009 is \$750.

Related party transactions have been recorded at their exchange amounts, which are the amounts agreed to by the related parties.

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

5. SHARE CAPITAL

(a) Common Shares

The authorized share capital of the Company consists of an unlimited amount of common shares without par value.

Issued share capital	Number of shares	- \$ -
Balance, June 30, 2008	24,673,042	6,345,828
Issued during the period:	-	-
Flow through tax benefits renounced to Investors (See flow-through shares below)	-	(232,620)
Balance, June 30, 2009	24,673,042	6,113,208
Issued during the period:	-	-
Warrants exercised	11,000	1,650
Balance, December 31, 2009	24,684,042	6,114,858

5. SHARE CAPITAL

(a) Common Shares (continued)

For the period ending December 31, 2009:

The Company issued 11,000 shares pursuant to warrants exercised at \$0.15 per share for proceeds of \$1,650.

For the year ending June 30, 2009:

There were no shares issued during the period.

The Company has adopted EIC-146, which is effective for all flow-through share transactions initiated after March 19, 2004. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the investors. When resource expenditures are renounced to the investors and the Company has filed the applicable documents with Canada Revenue Agency, a future income tax liability is recognized and the share capital is reduced. If the Company has sufficient unused tax losses carried forward to offset all or part of current years future income tax liability and no future income tax assets have been previously recognized for these losses, a portion of such unrecognized losses is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

During the year the Company renounced \$894,694 in flow through expenditures to investors resulting in a future income tax recovery of \$232,620.

(b) Escrowed Shares

Effective January 9, 2008, 1,281,682 common shares were voluntary placed in escrow pursuant to an escrow agreement. The escrow shares will be released in stages over three years, as follows:

128,168	shares released after March 4, 2008 (released);
192,252	shares to be released after September 4, 2008 (released);
192,252	shares to be released after March 4, 2009 (released),
192,252	shares to be released after September 4, 2009 (released)
192,252	shares to be released after March 4, 2010;
192,252	shares to be released after September 4, 2010;
192,254	shares to be released after March 4, 2011;
<u>1,281,682</u>	Total

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

5. SHARE CAPITAL (continued)

(c) Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of shares - # -
Balance, June, 30, 2008	12,041,860
Issued during the period	-
Expired	(4,427,500)
Balance, June 30, 2009	7,614,360
Issued during the period	-
Exercised	(11,000)
Expired	(2,160)
Balance, December 31, 2009	7,601,200

As at December 31, 2009 the following share purchase warrants were outstanding:

Number of warrants	Exercise price - \$ -	Expiry date
7,601,200	0.15	February 28, 2010
7,601,200		

(d) Stock Options

Under the Company's stock option plan, the Company may grant options to employees, consultants and directors when the number of shares that may be purchased under that option and all previously granted options, does not exceed 10% of the Company's issued shares at the time of grant. The exercise price of the options granted will be no less than 85% of the fair market value per share of common shares on the option grant date; and the maximum term of the options will be 10 years measured from the option grant date.

Details of stock options outstanding are a follows:

	Number of options	Exercise price - \$ -
Balance, June 30, 2008	2,507,638	
Granted	775,000	\$0.15
Expired	(207,142)	\$0.35
Balance, June 30, 2009	3,075,496	
Granted	175,000	\$0.13
Forfeited	(291,428)	\$0.10 - \$0.35
Balance, December 31, 2009	2,959,068	

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

5. SHARE CAPITAL (continued)

(d) Stock Options (continued)

As at December 31, 2009, the following options were outstanding:

	Number of options	Exercise price - \$ -	Expiry date
	Agent's 889,070	0.35	February 28, 2010
	544,998	0.35	July 31, 2011
	625,000	0.35	June 11, 2013
	150,000	0.35	September 14, 2013
	575,000	0.10	June 9, 2014
	175,000	0.13	August 13, 2014
Balance, December 31, 2009	2,959,068		

The fair value of the stock options issued was determined using the following weighted average assumptions:

	December 31, 2009	June 30, 2009
Expected volatility	150%	90 – 100%
Risk-free interest rate	2.52%	2.34% - 2.77%
Expected life of options	5 years	5 years
Dividend rate	0%	0%

Total compensation cost of \$3,170 was recognized and expensed to operations for 37,500 stock options previously granted, that vested during the period.

(e) Contributed Surplus

	- \$ -
Balance, June 30, 2008	425,509
Fair value of options granted	67,510
Balance, June 30, 2009	493,019
Fair value of options granted	20,748
Fair value of options vested – granted previously	3,170
Balance, December 31, 2009	516,937

6. COMMITMENTS AND CONTINGENCIES

The Company was committed to aggregate premise lease payments of \$4,900 being \$700 per month for seven months.

GOLDEN HARP RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Six months ended December 31, 2009

(UNAUDITED – PREPARED BY MANAGEMENT)

7. MANAGEMENT OF CAPITAL

The Company manages its capital structure, which is substantially represented by its cash resources and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related party loans or private placements of its common shares as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the period ended December 31, 2009.

8. RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks as follows:

1. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts. This risk is managed through the use of a major financial institution, which has high credit quality as determined by the rating agencies.
2. Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash account affected by changes in short term interest rates will be minimal.
3. Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its payment obligations.

9. SUBSEQUENT EVENTS

There have been no material subsequent events since December 31, 2009.