



# **GOLDEN HARP**

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

**GOLDEN HARP RESOURCES INC.**

**MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008**

## **INTRODUCTION**

Golden Harp Resources Inc. was incorporated in the Province of British Columbia on May 3, 2006 and is extra-provincially registered in the Province of Ontario and the Province of Alberta. It is engaged in the acquisition, exploration and development of Canadian mineral properties. The Company is currently exploring for gold and base metals on its Copper Hill Property in Northern Ontario. The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares trade on the TSX Venture Exchange under the symbol GHR.

The following management discussion and analysis (MD&A) of the financial position of Golden Harp Resources Inc. ("Golden Harp" or "Company") and results of operations should be read in conjunction with the interim financial statements for the first quarter ended September 30, 2008 as well as the MD&A and annual audited financial statements and accompanying notes for the year ended June 30, 2008. The unaudited interim financial statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance.

## **FORWARD LOOKING STATEMENTS:**

This MD&A may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming operation and exploration plans and business development plans. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Forward looking statements are usually identified by our use of certain terminology, including but not limited to "will", "believes", "may", "expects", "should", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove to be incorrect, our actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

This MD&A includes material occurring up to and including November 26, 2008. Golden Harp is classified as a "venture issuer" for the purposes of National Instrument 51-102.

## **OVERALL PERFORMANCE:**

During the first quarter of fiscal 2009, ended September 30, 2008, the Company continued with its two-pronged exploration program which included diamond drilling and target development work on its Copper Hill gold and base metal property. During the quarter, the Company spent \$253,200 in cash on these activities. Since the property was acquired the Company has spent \$1,325,518 on exploration expenditures. During the period, the Company focused its efforts drilling along strike and at depth to extend the target area of the new MC Gold Zone, which was the highlight of the spring 2008 drill program. In addition, the Company drilled two holes on the Golden Sylvia Zone.

Golden Harp's exploration and drilling developments continue to validate the Company's corporate and exploration strategies. The 2008/2009 exploration season will continue to focus on the new MC gold zone as well as follow up on some of the other favourable targets identified by the geophysical and soil geochemical surveys. Most of the exploration budget will be utilized in the first and second quarter. Even with the recent exploration achievements the Company continues to pursue a joint venture partner to accelerate exploration, and minimize the equity dilution of financing exploration over the entire 145 square kilometre property. With a partner in hand, Golden Harp could continue to work its primary targets while opening up other areas of the property without stretching its exploration efforts too thinly.

In light of the current financial market conditions, management continued to focus on implementing cost cutting measures during the quarter to preserve capital. Those changes should begin to be reflected in the remaining quarters of this fiscal year. Golden Harp, like many of its peers continues to be affected by the negative impacts of the global credit crisis on market liquidity in general and on the junior resource sector in particular.

## **RESULTS OF OPERATIONS - MINERAL PROPERTY:**

To best understand our financial results, it is important to gain an appreciation for the significant events and programs on the Company's mineral property, which occurred during and subsequent to the reporting period. These are summarized below.

Golden Harp's Copper Hill property is located between Shining Tree and Gowganda along Highway 560 in Northern Ontario. It consists of 855 claim units covering approximately 145 square kilometres in the Larder Mining District of the prolific Abitibi Greenstone Belt.

There are a number of high priority gold and base metal targets on the property, which require further evaluation. Historical work to date on the various gold occurrences has shown that there is good potential for the property to host both narrow-vein, high-grade targets and near-surface, bulk tonnage targets. These include the historic Cook, Jude, Golden Sylvia and Decker Zones. The property also hosts a number of base metal occurrences with significant potential in and around the Copper Hill Zone. In addition to the primary occurrences noted above, there are numerous additional gold and base metal occurrences, which have received limited or no exploration and require further evaluation.

The property is 100%-owned subject to certain mineral claims which are subject to net smelter royalties ("NSR") varying from 1% to 3%. The Company is entitled to purchase all or part of the NSRs depending on the underlying option agreements.

## **TARGET GENERATION AND DEVELOPMENT**

During the course of the 2008 exploration season a large-scale geophysical survey program consisting of both magnetic and induced polarization surveying was initiated. It was completed during the first quarter. The surveys covered approximately 10 km of strike on both the projected strike extension of the Golden Sylvia gold target and the Copper Hill base metal target. This geophysical survey successfully outlined a series of high priority drill targets for future exploration and drilling. In addition, the surveys mapped out broad target areas of interest where mobile metal ion (MMI) soil geochemical surveying can be implemented to prioritize the most prospective portions of the iron formation and Copper Hill Zone for both gold and base metal exploration.

Golden Harp has had consistent success using MMI on the Copper Hill Project. This technique combined with geophysics and ground prospecting efforts has generated significant new gold targets of interest. During the course of the 2008 exploration season, further MMI sampling was completed to evaluate the western extension of the Cook Zone and the southern extension of the MC Gold Zone, where the strike extensions of these two gold-bearing zones are projected to converge. In late May 2008, the Company submitted several hundred MMI samples for analysis. During the first quarter of fiscal 2009 the Company received results. A preliminary review of the data suggests a series of new anomalies were detected. The data is still being analyzed and a report outlining priority targets is pending.

## **DIAMOND DRILLING**

During the first quarter, the Company planned, initiated and completed its third drill program. The program began in mid August to continue testing the significant gold potential at the MC Zone along strike and at depth proximal to its first two holes GH-023 and GH-025. By mid September the 1,556-metre follow-up program was complete. Three holes were drilled on the MC Zone and two additional drill holes were completed to evaluate other areas of interest on the property. The Company has now tested the MC target area for approximately 200 metres of strike, to a vertical depth of approximately 400 metres, and has encountered similar geological environments to the first program. Assays are pending.

Additional geophysical targets associated with the MC Zone, warrant drill testing in a future program. Subsequent to quarter end in early October a sixth drill hole was completed along strike from the Golden Sylvania Zone.

On, November 20<sup>th</sup>, 2008, subsequent to quarter end, the Company issued drill results for two of the six holes outstanding. Hole (GHGS-031) was drilled on the main Golden Sylvania gold occurrence and the second hole (GH-07) was drilled along the strike extension of the main occurrence, approximately 5.6 km to the northwest. Hole GHGS-031 was drilled within a metre (twinned) of historical hole GS-30, on the main Golden Sylvania Zone. Hole GHGS-031 returned 1.45 g/t gold over 8.80 metres including an intercept of 5.05 g/t gold over 1 metre. The purpose of this hole was to obtain an un-oxidized section of fresh drill core for future metallurgical testing of the gold-bearing iron formation and also to evaluate a series of new drill bits on the hard cherty iron formation host. Both of these objectives were met.

Hole GS-07 collared in iron formation approximately 5.6 km NW of the main GS Zone. This hole gave drillers a second opportunity to test drill bit performance and provided an opportunity for the Company to evaluate the iron formation along strike. GH-07 was drilled in the vicinity of a strong induced polarization anomaly detected during the recently completed geophysical survey. The geology intersected in Hole GS-07 was virtually identical to that found in GHGS-031; however, GH-07 did not return any gold values of significant interest. The hole did confirm the extensive strike extent of the favorable host horizon.

#### FIRST QUARTER-2009:

	Three Months Ended	
	September 30,	
	2008	2007
	- \$ -	- \$ -
Amortization	654	178
Business Development	22,608	9,964
Office and general	27,915	9,114
Professional fees	8,294	8,700
Salaries, consultants and benefits	95,498	34,427
Transfer agent and filing fees (reclassified)	2,022	0
Interest Income	(4,715)	(1,000)
Net Loss	152,276	61,383

#### RESULTS OF OPERATIONS:

For the three months ended September 30, 2008 the net loss was \$152,276. General and administration expenses totaled \$152,276 compared with \$61,383 representing an increase in expenses of \$90,893. The increase was the result of the amplified activity level of the Company since it became publicly traded, with increased business development and investor relations activities, and the increase in staff, consultants and related benefits.

Significant line item changes during the year were as follows:

- Salaries, consultants and related benefits were \$95,498 in Q1-2009 (Q1-2008: \$34,427). The \$61,071 increase was due to the increase in management fees, additional staff, consultants, director's fees and related benefits principally related to the Company being a public company. However, given the current economic climate, management has taken the initiative to make a number of changes to reduce these expenditures.
- Business development expenses were \$22,608 in Q1-2009 (Q1-2008: \$9,964). The \$12,644 increase was due to management's efforts to raise the profile of the Company through increased business development and investor relations activities including; travel and investment conference attendance, broker meetings, printing, advertising and promotion expenses.

- Office and general expenses were \$27,915 in Q1-2009 (Q1-2008: \$9,114) which represented an increase of \$18,801. These expenses include; rent, insurance, computer information systems, telephone and news releases, and are related to the more active nature of the public entity.
- Professional fees were \$8,294 in Q1-2009 (Q1-2008: \$8,700) a decrease of \$406.
- Transfer agent and filing fees were \$2,022 in Q1-2009 (Q1-2008: Nil) representing an increase of \$2,022. The increase is attributable to the costs of being a public company, which the Company did not incur in Q1-2008 since it was private and not a reporting issuer.

## SUMMARY OF QUARTERLY RESULTS

	Sept 30, 2008	June 30, 2008	Mar 31, 2008	Dec 31, 2007	Sept 30, 2007	June 30, 2007	Mar 31, 2007	Dec 31, 2006
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss)	(152,276)	(288,037)	(166,345)	(152,217)	(61,383)	(17,139)	(63,719)	(171,323)
Net income (loss) per share (Basic and diluted)	(0.006)	(0.012)	(0.009)	(0.010)	(0.004)	(0.001)	(0.004)	(0.014)

For each of the above periods, the Company had no revenue, except for financial year-end June 30, 2007, where a tax recovery of \$80,992 was recorded.

The net loss for the second quarter of fiscal 2008 was restated to reflect an amendment in stock-based compensation for that period of \$203,821.

The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's significant accounting policies are set out in Note 2 of the audited annual financial statements for the year ended June 30, 2008 and Note 2 to the interim financial statements for the period ending September 30, 2008. All financial amounts are in Canadian dollars.

The audited annual financial statements have been prepared on a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations as disclosed in Note 1 of the interim and yearend financial statements.

## LIQUIDITY AND CAPITAL RESOURCES:

In February 2008, the Company raised a total of \$3,111,745 through its Initial Public Offering (IPO) by issuing 6,333,700 non-flow-through units at \$0.35 per unit for proceeds of \$2,216,795 and by issuing 2,557,000 flow-through units at \$0.35 per unit for gross proceeds of \$894,950. The Company also raised \$121,000 by issuing 281,432 shares pursuant to stock options exercised at \$0.35 and 90,000 shares pursuant to warrants exercised at \$0.25. After completing its IPO and beginning to trade on March 4, 2008, the Company's focus shifted to exploring and drilling its mineral property and expanding its investor relations activities to increase awareness of the Company.

As at September 30, 2008, current assets were \$1,196,522, consisting of \$1,140,840 in cash and the remainder in Amounts Receivable and Prepaid Expenses. Current liabilities for the period totaled \$147,734 and consisted mainly of Accounts Payable. The Company had working capital of \$1,048,788 which management considers sufficient to continue operations for fiscal 2009.

Significant changes in the Company's financial position are as follows:

The increase in value of mineral interests of \$253,220 reflects exploration expenditures including diamond drilling and surveys incurred at the Copper Hill Property. See Note 4 accompanying the interim financial statements for the period ended September 30, 2008 for further details on the expenditures.

There were no changes to share capital since no shares were issued and no warrants or options were exercised during the quarter.

There was no change to contributed surplus in the quarter since the options granted in the quarter had not vested. Details are outlined in Note 6(e) accompanying the interim financial statements for the period ended September 30, 2008.

The Company owns a 100% interest in the Copper Hill property subject to outstanding NSR's. It has met all the terms of the various contract agreements for the Copper Hill property, above and beyond the exploration work required to keep the property in good standing. The exploration work completed during fiscal 2008 and in the first quarter of fiscal 2009 generated significant assessment credits to keep the claims in good standing for fiscal 2009.

Through the IPO, the Company issued 2,557,000 shares on a flow-through basis whereby the Company is committed to spend \$894,694 of Canadian exploration expenditures ("CEE") on mineral exploration. Of this amount, the Company spent \$823,006 as of September 30, 2008 and intends to spend the remaining \$71,688 of CEE before December 31, 2008.

The Company has adequate capital to meet planned exploration and administrative requirements for fiscal 2009. The Company will be required to raise additional capital for exploration if it increases the activity level on the property during the year.

At present, there are no known demands, commitments, events or uncertainties that would adversely affect the trends and expected fluctuations in the Company's liquidity. However, at this time, the Company does not own any operating mines and has no operating income/sales from mineral production. Funding for operations is raised primarily through equity financings. Realization of the carrying value of mineral interests is dependent upon funding, the ability of the Company and third parties to bring mineral interests into profitable production, or recovery from sale. In the longer term, in order to continue operations, the Company will need to raise additional capital through equity financings. There is no guarantee that financing will be available given the current climate in the financial markets and reduced availability of funding.

The Company has no material debt obligations, other than short term liabilities incurred in the normal monthly activities of exploration and administration. The Company has no long term debt.

As disclosed in Note 6(c)(d), the Company has a number of warrants and stock options outstanding. These warrants and stock options are not currently in the money. However, should the share price move to the level where these instruments become in the money, they may represent a potential source of financing for the Company. On October 31, 2008 4,427,500 warrants expired as disclosed in Note 9 (c) accompanying the interim financial statements for the period ended September 30, 2008.

#### **OFF BALANCE SHEET ARRANGEMENTS:**

The Company has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

#### **RELATED PARTY TRANSACTIONS:**

Related party transactions are described in Note 5 accompanying the interim financial statements for the period ended September 30, 2008. Rates for the services provided by the related party transactions represent normal commercial rates.

## **PROPOSED TRANSACTIONS:**

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the interim financial statements for the quarter ended September 30, 2008.

## **FUTURE ACCOUNTING POLICIES**

The interim financial statements of the Company have been prepared by management in accordance with Canadian GAAP and are presented in Canadian dollars. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality. These interim financial statements should be read in conjunction with the recent annual audited financial statements. The significant accounting policies follow that of the most recently reported annual audited financial statements for the year ended June 30, 2008.

On July 1, 2007, the Company adopted CICA Handbook Sections 3855, "Financial Instruments - Recognition and Measurement", Section 3861, "Financial Instruments-Disclosure and Presentation", and Section 3856, "Hedges". These new accounting standards provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

### Comprehensive Income

On May 1, 2007, the Company adopted CICA Handbook Section 1530, Comprehensive Income. Section 1530 establishes standards for the reporting and presenting of comprehensive income (loss) which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income (loss) refers to items recognized in comprehensive income (loss) that are excluded from net loss. At September 30, 2008 the Company had no items that caused comprehensive loss to be different than net loss.

### Recent accounting pronouncements

The CICA has issued the following new accounting standards:

CICA Handbook Section 1400 General Standards of Financial Statement Presentation: The CICA amended section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after April 1, 2008. The adoption of this amendment does not have a significant impact on the Company's financial result or position.

### Goodwill and Intangible Assets

CICA Handbook Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The changes are effective for interim and annual financial statements beginning January 1, 2009. The Company has not yet determined the impact of the adoption of this change on the disclosure in its financial statements.

CICA Handbook Section 3862 Financial Instruments – Disclosures and 3863 Financial Instruments – Presentation: This new standard replaces accounting standard 3861 Financial Instruments – Disclosure and Presentation and is effective for annual and interim periods beginning on or after October 1, 2007. Presentation requirements have not changed. Enhanced disclosure is required to assist users of financial statements in evaluating the significance of financial instruments on the

Company's financial position and performance, including qualitative and quantitative information about the Company's exposure to risks arising from financial instruments. The new accounting standards cover disclosure only and will have no effect on the financial results or position of the Company.

CICA Handbook Section 1535 Capital Disclosures, is effective for annual and interim periods beginning on or after October 1, 2007 and requires disclosure of the Company's objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and will have no effect on the financial results or position of the Company.

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.

### **RISKS AND UNCERTAINTIES:**

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

### **FINANCIAL INSTRUMENTS**

The carrying value of cash and cash equivalents, short term investments, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial assets that may be exposed to credit risk consist primarily of cash and cash equivalents, which are placed with a major Canadian financial institution, primarily in guaranteed investment certificates. None of the funds are invested in asset backed commercial paper type securities.

The Company's functional currency is the Canadian dollar and the Company does not operate in foreign jurisdictions, which could give rise to exposure to market risk from foreign currency rate changes.

## **SUBSEQUENT EVENTS**

Effective November 15, 2008, the Company discontinued renting a house in Gowganda, which it used as a base for exploration programs on its Copper Hill Property at a cost of \$2,000 per month from a relative of a director.

Effective November 15, 2008, the Company rented a garage as a storage and core cutting facility in Gowganda for its exploration programs on its Copper Hill Property at a cost of \$750 per month from a relative of a director. The rental agreement is month to month and may be cancelled by either party with sixty days notice.

A total of 4,427,500 warrants exercisable at \$0.25 expired on October 31, 2008 and were cancelled.

On November 20, 2008 the Company issued drill results from two holes on the Golden Sylvania Zone. Highlights include GHGS-031 which intersected 1.47 g/t gold over 8.80 metres, including 5.05 g/t gold over 1 metre.

## **ADDITIONAL INFORMATION:**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

## **DISCLOSURE BY VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE**

An analysis of the material components of the Company's general and administrative expenses is disclosed in the interim financial statements for the period ended September 30, 2008 to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral property is disclosed in Note 4 to the interim financial statements for the three months ended September 30, 2008 to which this MD&A relates.

## **SHARE CAPITAL:**

At November 26, 2008, the Company had the following number of securities outstanding:

Securities	Number	Exercise Price	Expiry date
Common shares issued and outstanding	24,673,042	N/A	N/A
Share purchase warrants	6,335,860	\$0.45	August 29, 2009
	1,278,500	\$0.50	August 29, 2009
Agent's options	889,070	\$0.35	February 28, 2010
Stock options	1,768,568	\$0.35	July 31, 2011 to Sept. 15, 2013
Fully diluted share capital	34,945,040	N/A	N/A



# **GOLDEN HARP**

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

## **GOLDEN HARP RESOURCES INC.**

### **INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED – PREPARED BY MANAGEMENT)**

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

**BALANCE SHEETS**

**STATEMENTS OF OPERATIONS AND DEFICIT**

**STATEMENTS OF CASH FLOWS**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	<b>Sept. 30, 2008</b>	<b>June, 30, 2008</b>
	- \$ -	- \$ -
	Unaudited	Audited
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	1,140,840	1,429,205
Amounts receivable	41,621	51,193
Prepaid expenses	14,061	19,413
	1,196,522	1,499,811
<b>RESTRICTED CASH (Note 2(b))</b>	57,500	57,500
<b>CAPITAL ASSETS (Note 3)</b>	7,228	7,882
<b>MINERAL PROPERTY (Note 4)</b>	4,577,912	4,324,692
	5,839,162	5,889,885
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	147,592	46,141
Due to related party (Note 5 (c))	142	40
	147,734	46,181
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6 (a))	6,345,828	6,345,828
Contributed surplus (Note 6 (e))	425,509	425,509
Deficit	(1,079,909)	(927,633)
	5,691,428	5,843,704
	5,839,162	5,889,885

**GOING CONCERN CONTINGENCY (Note 1)**

**COMMITMENTS (Notes 4 and 7)**

Approved on Behalf of the Board:

/s/ "Ian Robertson"

Ian Robertson, Director

/s/ "Natasha Blackburn"

Natasha Blackburn, Director

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

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

	<b>Three Months Ended September 30,</b>	
	<b>2008</b>	<b>2007</b>
	<b>- \$ -</b>	<b>- \$ -</b>
<b>EXPENSES</b>		
Amortization	654	178
Business development	22,608	9,964
Office and general	27,915	9,114
Professional fees	8,294	8,700
Salaries, consultants and benefits	95,498	34,427
Transfer agent and filing fees	2,022	-
Interest income	(4,715)	(1,000)
<b>NET LOSS</b>	152,276	61,383
<b>DEFICIT, beginning</b>	927,633	259,651
<b>DEFICIT, ending</b>	1,079,909	321,034
<b>Basic and diluted loss per share</b>	(0.006)	(0.004)
<b>Weighted average shares outstanding – basic and diluted</b>	24,673,042	15,408,750

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

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

	<b>Three months ended</b>	
	<b>September 30,</b>	
	<b>2008</b>	<b>2007</b>
	<b>- \$ -</b>	<b>- \$ -</b>
<b>Cash Flow from Operating Activities</b>	(152,276)	(61,383)
Net loss		
Non-cash items	654	178
Amortization		
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	101,451	(61,639)
Amounts receivable	9,572	8,063
Due to related parties	102	1,966
Prepaid expenses	5,352	5,136
Cash (used in)/provided by operations	(35,145)	(107,679)
<b>Cash Flow from Investing Activities</b>		
Acquisition of equipment		
Mineral property expenditures	(253,220)	(33,063)
Cash used in investing activities	(253,220)	(33,063)
<b>Cash Flow from Financing Activities</b>		
Due to related parties	-	2,976
Proceeds from issuance of shares	-	33,500
Cash provided by financing activities	-	36,476
Increase (Decrease) in cash	(288,365)	(104,266)
Cash, beginning	1,429,205	186,099
Cash, ending	1,140,840	81,833
<b>Supplementary Cash Flow Information:</b>		
Non – cash transactions:		
Issuance of shares pursuant to mineral property purchase	-	-
Cash paid for:		
Interest	-	-
Income tax	-	-

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

# GOLDEN HARP RESOURCES INC.

## NOTES TO THE FINANCIAL STATEMENTS

Three months ended September 30, 2008

(UNAUDITED – PREPARED BY MANAGEMENT)

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### 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 that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. However, management is of the opinion that the Company has adequate resources to meet its liabilities and commitments as they become due for the current fiscal year ending June 30, 2009.

The recoverability of amounts reported for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the properties, the ability to obtain the necessary financing to complete development, and future profitable production or proceeds from disposition.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The interim financial statements of the Company have been prepared by management in accordance with Canadian GAAP and are presented in Canadian dollars. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management’s opinion, been properly prepared using careful judgment within reasonable limits of materiality. These interim financial statements should be read in conjunction with the recent annual audited financial statements. The significant accounting policies follow that of the most recently reported annual audited financial statements for the year ended June 30, 2008.

b) The Company’s restricted cash consists of funds held on deposit as security for the Company’s credit card.

c) Recent Accounting Pronouncements

The CICA has issued the following new accounting standards:

CICA Handbook Section 1400 General Standards of Financial Statement Presentation: The CICA amended section 1400 to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after April 1, 2008. The adoption of this amendment hasn’t had a significant impact on the Company’s financial result or position.

CICA Handbook Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The changes are effective for interim and annual financial statements beginning January 1, 2009. The Company has not yet determined the impact of the adoption of this change on the disclosure in its financial statements.

CICA Handbook Section 3862 Financial Instruments – Disclosures and 3863 Financial Instruments – Presentation: This new standard replaces accounting standard 3861 Financial Instruments – Disclosure and Presentation and is effective for annual and interim periods beginning on or after October 1, 2007. Presentation requirements have not changed. Enhanced disclosure is required to assist users of financial statements in evaluating the significance of financial instruments on the Company’s financial position and performance, including qualitative and quantitative information about the Company’s exposure to risks arising from financial instruments. The new accounting standards cover disclosure only and will have no effect on the financial results or position of the Company.

# GOLDEN HARP RESOURCES INC.

## NOTES TO THE FINANCIAL STATEMENTS

Three months ended September 30, 2008  
(UNAUDITED – PREPARED BY MANAGEMENT)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CICA Handbook Section 1535 Capital Disclosures, is effective for annual and interim periods beginning on or after October 1, 2007 and requires disclosure of the Company's objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and hasn't had an effect on the financial results or position of the Company.

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.

### 3. CAPITAL ASSETS

	Cost - \$ -	Accumulated Amortization - \$ -	September 30, 2008 Net Book Value - \$ -	June 30, 2008 Net Book Value - \$ -
Computer equipment	6,344	1,428	4,916	5,392
Office equipment	3,557	1,245	2,312	2,490
	9,901	2,673	7,228	7,882

### 4. MINERAL PROPERTY

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

	September 30, 2008 - \$ -	Current expenditures - \$ -	June 30, 2008 - \$ -
Copper Hill Project, Ontario			
Acquisition costs	3,252,394	-	3,252,394
Exploration expenditures:			
Accommodation & meals	77,016	13,692	63,324
Assay & soil sampling	112,339	7,034	105,305
Diamond drilling	479,891	165,984	313,907
Drafting	7,954	-	7,954
Fuel	3,434	1,607	1,827
Geochemical	32,661	-	32,661
Geological	181,778	31,941	149,837
Licenses	5,532	-	5,532
Line cutting	74,192	-	74,192
Miscellaneous	11,891	4,267	7,624
Supervision	12,750	-	12,750
Surveys	269,154	11,325	257,829
Travel & transport	21,363	7,246	14,117
Wages - other	35,563	10,124	25,439
	1,325,518	253,220	1,072,298
Total	4,577,912	253,220	4,324,692

# GOLDEN HARP RESOURCES INC.

## NOTES TO THE FINANCIAL STATEMENTS

Three months ended September 30, 2008

(UNAUDITED – PREPARED BY MANAGEMENT)

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### 4. MINERAL PROPERTY (continued)

#### Copper Hill Project Ontario

Effective May 31, 2006 the Copper Hill Property was purchased from International KRL Resources Corp. (“KRL”). The acquisition price of \$3,200,000 was based on the valuation of an independent geologist. The payment on the property was completed by issuing 10,000,000 common shares of the Company to KRL at \$0.32 per share (Note 5(a)). 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.

The total acquisition costs above include: the purchase price of \$3,200,000, staking costs of \$7,311, a cash payment of \$20,010 and common shares valued at \$25,000 for the purchase of a 2% NSR on the Decker and Cook Leases, as well as land taxes of \$73.

### 5. RELATED PARTY TRANSACTIONS

- (a) Effective May 31, 2006 the Company purchased the Copper Hill Project from KRL for \$3,200,000 by issuing KRL 10,000,000 common shares of the Company at \$0.32 per share (Notes 4 and 6).
- (b) The Company owes \$Nil (2008 - \$40) to KRL for expenses paid on behalf of the Company. No fixed date of repayment was determined, no interest was charged, and the amount was unsecured. These expenses were incurred during the normal course of business and were subsequently repaid.
- (c) The Company owes \$142 (2008 - \$NIL) to a director of the Company for expenses paid on behalf of the Company. No fixed date of repayment was determined, no interest was charged, and the amount was unsecured. These expenses were incurred during the normal course of business and were subsequently repaid.
- (d) Three officers were under consulting contracts with the Company. These three contracts expired September 30, 2008 and were not renewed.
- (e) Effective May 1, 2008, Natasha Blackburn became President and CEO of the Company.
- (f) The Company engaged a law firm of which a director of the Company is a partner for legal services. The total fees incurred from such services were \$4,000 (2008 year - \$155,963), of which \$Nil (2008 year - \$123,451) are included in share issuance costs. At September 30, 2008 \$4,000 (June 30, 2008 - \$6,000) was due to this law firm and \$200 to the director.
- (g) 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 period, a total of \$6,000 (2008 - \$6,000) was paid to the related party for rent that has been capitalized as exploration expenditures. This arrangement was discontinued effective November 15, 2008 and replaced with a rental agreement to rent the garage as a storage and core cutting facility for \$750 per month. The agreement is month to month and may be cancelled by either party by providing sixty days notice.

Rates for the services provided by the related party transactions represent normal commercial rates.

# GOLDEN HARP RESOURCES INC.

## NOTES TO THE FINANCIAL STATEMENTS

Three months ended September 30, 2008

(UNAUDITED – PREPARED BY MANAGEMENT)

### 6. 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, 2007	15,308,750	3,684,453
Issued during fiscal 2008:		
Cash:		
Non-flow-through public offering	6,333,700	2,216,795
Flow-through public offering	2,557,000	894,950
Agent's commission	2,160	756
Stock options exercised	281,432	98,500
Warrants exercised	90,000	22,500
Mineral property option payments	100,000	25,000
Fair value of stock options exercised transferred from contributed surplus	-	21,344
Share issuance costs	-	(618,470)
Balance, June 30, 2008	24,673,042	6,345,828
Issued during the period:	-	-
Balance, September 30, 2008	24,673,042	6,345,828

#### For the period ending September 30, 2008:

There were no shares issued during the period.

Details on all shares issued for the year ended June 30, 2008 are disclosed in the annual audited financial statements.

#### (b) Restricted share capital

##### Escrow 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;
192,252	shares to be released after September 4, 2009;
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;

1,281,682 Total

# GOLDEN HARP RESOURCES INC.

## NOTES TO THE FINANCIAL STATEMENTS

Three months ended September 30, 2008

(UNAUDITED – PREPARED BY MANAGEMENT)

### 6. SHARE CAPITAL (continued)

#### (c) Warrants

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

	Number of shares - # -	Weighted Average Exercise price - \$ -
Balance, June, 30, 2007	4,517,500	0.25
Issued by public placements	7,614,360	0.46
Exercised	(90,000)	0.25
Balance, June, 30, 2008	12,041,860	0.38
Issued during the period	-	-
Balance, September 30, 2008	12,041,860	0.38

As at September 30, 2008, the following share purchase warrants were outstanding:

	Number of warrants	Exercise price - \$ -	Expiry date
(Note 9c)	4,427,500	0.25	October 31, 2008
	6,335,860	0.45	August 29, 2009
	1,278,500	0.50	August 29, 2009
	12,041,860		

#### (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 2 million common shares over the term of the Plan. 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, 2007	1,075,000	0.10
Balance, June 30, 2007 re-priced	1,075,000	0.35
Granted	1,714,070	0.35
Exercised	(281,432)	0.35
Balance, June 30, 2008	2,507,638	0.35
Granted	150,000	0.35
Balance, September 30, 2008	2,657,638	0.35

# GOLDEN HARP RESOURCES INC.

## NOTES TO THE FINANCIAL STATEMENTS

Three months ended September 30, 2008

(UNAUDITED – PREPARED BY MANAGEMENT)

### 6. SHARE CAPITAL (continued)

#### (d) Stock Options (continued)

As at September 30, 2008, the following Options were outstanding:

	Number of options	Exercise price - \$ -	Expiry date
	Agent's 889,070	0.35	February 28, 2010
	793,568	0.35	July 31, 2011
	825,000	0.35	June 11, 2013
	150,000	0.35	September 18, 2013
Balance, September 30, 2008	2,657,638		

No compensation expense was recognized in the current period, as the options issued during the period have not vested yet.

#### (e) Contributed Surplus

	- \$ -
Balance, June 30, 2007	81,528
Fair value of options granted	197,811
Fair value of agents options granted	167,365
Fair value of agents warrants granted	149
Fair value of stock options exercised transferred to share capital	(21,344)
Balance, June 30, 2008 & September 30, 2008	425,509

### 7. COMMITMENTS AND CONTINGENCIES

- During February 2008, the Company issued 2,557,000 shares on a flow-through basis whereby the Company is committed to spend \$894,694 of Canadian exploration expenditures ("CEE") on mineral exploration. Of this amount, the Company spent \$823,006 as of September 30, 2008 (2008 - \$569,786) and intends to spend the remaining \$71,688 of CEE before December 31, 2008.
- The Company is committed to aggregate premise lease payments of \$15,271 being \$2,545 per month for six months starting August 2008 and with a renewal option.
- The Company is committed to a management agreement with its Chief Executive Officer. The agreement requires the Company to make monthly payments of \$10,416.
- The Company is committed to a consulting agreement with its Chief Financial Officer. The agreement requires the Company to make monthly payments of \$3,000. The Company issued 150,000 stock options at \$0.35 per share to the CFO. The agreement may be terminated, by either party, with ninety days written notice.

### 8. CAPITAL DISCLOSURE

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support the 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 Company's property is in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

# **GOLDEN HARP RESOURCES INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

Three months ended September 30, 2008

(UNAUDITED – PREPARED BY MANAGEMENT)

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### **8. CAPITAL DISCLOSURE (continued)**

The Company will continue to assess new properties and seek to acquire an interest in additional properties, if it feels there is sufficient; geologic or economic potential, and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

### **9. SUBSEQUENT EVENTS**

- (a) Effective November 15, 2008, the Company discontinued renting a house in Gowganda, which it used as a base for exploration programs on its Copper Hill Property, at a cost of \$2,000 per month from a relative of a director.
- (b) Effective November 15, 2008, the Company rented a garage as a storage and core cutting facility, for exploration programs on its Copper Hill Property at a cost of \$750 per month from a relative of a director. The agreement is month to month and may be cancelled by either party with sixty days notice.
- (c) A total of 4,427,500 warrants, exercisable at \$0.25 expired on October 31, 2008 and were cancelled.