



ROCA MINES INC.

CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2009 and 2008

(Expressed in Canadian Funds)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended May 31, 2009.

Roca Mines Inc.

Consolidated Balance Sheets

Canadian Funds

	As at May 31, 2009 (Unaudited)	As at August 31, 2008
ASSETS		
Current		
Cash and cash equivalents	\$ 77,057	\$ 2,497,077
Accounts receivable	3,048,828	4,023,912
Prepaid expenses and deposits	169,208	798,037
Inventories (Note 4)	710,386	617,476
Marketable securities (Note 3)	5,750	10,000
	4,011,229	7,946,502
Property, Plant and Equipment (Note 5)	12,214,837	42,713,658
Resource Property Costs (Note 6)	7,988,059	6,962,894
Future income tax asset (Note 11)	13,798,631	2,071,060
Reclamation Bonds (Note 8)	767,900	767,900
	34,769,427	52,515,512
	\$ 38,780,656	\$ 60,462,014
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,752,189	\$ 4,411,402
Due to related parties (Note 10c)	229,885	99,094
	2,982,074	4,510,496
Asset Retirement and Mine Closure Obligations (Note 9)	1,449,954	1,400,224
Other Long Term Liabilities	59,477	59,477
	4,491,505	5,970,197
SHAREHOLDERS' EQUITY		
Share Capital (Note 7a)	49,022,571	48,207,676
Contributed Surplus	12,295,707	11,204,088
Accumulated Other Comprehensive Loss	(14,250)	(10,000)
Deficit	(27,014,877)	(4,909,947)
	34,289,151	54,491,817
	\$ 38,780,656	\$ 60,462,014

Nature of Operations and Going Concern (Note 1)

Measurement Uncertainty (Note 5)

Commitments (Note 12)

Financial Instruments (Note 13)

Subsequent Event (Note 15)

ON BEHALF OF THE BOARD:

"Scott Broughton", Scott E. Broughton, Director

"David Skerlec", David J. Skerlec, Director

Roca Mines Inc.

Consolidated Statements of Operations and Loss

Canadian Funds
Unaudited

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2009	May 31, 2008	May 31, 2009	May 31, 2008
Revenues	\$ 5,584,156	\$ 6,275,767	\$ 17,162,010	\$ 6,275,767
Cost of sales				
Operating expenses	(4,226,278)	(1,764,349)	(12,709,891)	(1,764,349)
Write-down (recovery) of inventories	685,363	-	(1,017,425)	-
Depletion, amortization and accretion	(16,432,596)	(2,624,755)	(35,852,385)	(2,624,755)
Mining income (loss)	(14,389,355)	1,886,663	(32,417,691)	1,886,663
Expenses				
General and administrative	(343,161)	(234,589)	(1,117,123)	(842,960)
Generative exploration and resource costs written-off (Note 6d)	(36,244)	-	(64,256)	-
Tax credit on abandoned property	42,161	-	42,161	-
Stock-based compensation (Note 7b)	(60,575)	(36,382)	(195,819)	(1,417,457)
Earnings (loss) from operations	(14,787,174)	1,615,692	(33,752,728)	(373,754)
Other (income) expenses				
Loss (gain) on marketable securities	-	2,850	-	(2,350)
Gain on sale of equipment	(1,656)	-	(9,630)	-
Exchange (gain) loss	87,720	116,183	(613,952)	112,237
Interest and other income	(31,597)	(14,487)	(48,258)	(116,648)
Earnings (loss) before taxes	(14,841,641)	1,516,846	(33,080,888)	(336,993)
Income and Mining Tax Provision (recovery) (Note 11)				
Current	44,547	-	86,156	-
Future	(5,275,300)	-	(11,706,114)	-
	(5,230,753)	-	(11,619,958)	-
Net earnings (loss)	\$ (9,610,888)	\$ 1,516,846	\$ (21,460,930)	\$ (336,993)
Net earnings (loss) per share - Basic and Diluted	\$ (0.11)	\$ 0.02	\$ (0.25)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	90,495,628	81,215,474	85,143,373	80,410,714

Roca Mines Inc.

Consolidated Statements of Comprehensive Loss

Canadian Funds
Unaudited

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2009	May 31, 2008	May 31, 2009	May 31, 2008
Net earnings (loss)	\$ (9,610,888)	\$ 1,516,846	\$ (21,460,930)	\$ (366,993)
Unrealized gain (loss) on marketable securities	750	(4,000)	(4,250)	(4,000)
Comprehensive income (loss)	\$ (9,610,138)	\$ 1,512,846	\$ (21,465,180)	\$ (370,993)

- See Accompanying Notes to the Consolidated Financial Statements -

Roca Mines Inc.

Consolidated Statements of Cash Flows

Canadian Funds

Unaudited

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2009	May 31, 2008	May 31, 2009	May 31, 2008
Operating Activities				
Net earnings (loss) for the period	\$ (9,610,888)	\$ 1,516,846	\$ (21,460,930)	\$ (366,993)
Items not affected by cash:				
Depletion, amortization, accretion	16,432,596	2,614,816	35,852,385	2,624,755
Stock-based compensation	102,640	36,382	318,232	1,417,457
Write-down (recovery) on inventory	(685,363)	-	1,017,425	-
Gain on marketable securities	-	(2,850)	-	(2,350)
Exchange loss	-	116,183	-	-
Resource costs written-off	8,009	-	36,021	112,237
Future income tax recovery	(5,275,300)	-	(11,706,114)	-
Changes in non-cash working capital:				
Accounts receivable	(1,596,227)	(1,496,009)	1,580,063	(1,590,938)
Inventories	471,775	(511,911)	(157,986)	(511,911)
Prepaid expenses and deposits	258,720	(63,436)	258,890	(39,710)
Accounts payable and accruals	1,029,251	22,688	625,101	144,436
Deferred revenue	(121,950)	-	-	-
	1,013,263	2,232,709	6,363,087	1,786,983
Investing Activities				
Purchase of property, plant and equipment - <i>net of recoveries</i>	(1,386,076)	(3,598,496)	(7,492,003)	(11,703,976)
Resource property costs	55,168	(314,367)	(2,085,825)	(1,109,516)
Reclamation bonds posted	-	(15,000)	-	(15,000)
Deposits on contracts	-	(186,455)	-	331,361
Proceeds on marketable securities	-	22,850	-	42,350
	(1,330,908)	(4,091,468)	(9,577,828)	(12,454,781)
Financing Activities				
Equity issuance proceeds	-	1,822,191	2,484,200	2,126,041
Share purchase and cancellation	-	-	(1,503,054)	-
Equity issuance costs	-	-	(186,425)	-
	-	1,822,191	794,721	2,126,041
Net Increase (decrease) in cash and cash equivalents	(317,645)	(36,568)	(2,420,020)	(8,541,757)
Cash and cash equivalents - Beginning of Period	394,702	192,528	2,497,077	8,697,717
Cash and cash equivalents - End of Period	\$ 77,057	\$ 155,960	\$ 77,057	\$ 155,960
Supplemental Schedule of non-cash Transactions				
Stock-based compensation recorded as investing activities	\$ 41,221	\$ -	\$ 104,530	\$ 2,370,270
Future income tax included in property expenditures	\$ -	\$ -	\$ 13,588	\$ -
Shares received for property	\$ -	\$ -	\$ -	\$ (60,000)
Fair value of Agent's warrants issued	\$ -	\$ -	\$ 7,610	\$ -

- See Accompanying Notes to the Consolidated Financial Statements -

Roca Mines Inc.

Consolidated Statements of Shareholders' Equity and Deficit

Canadian Funds, except share amounts.

Unaudited

	Nine Months Ended May 31, 2009		Year Ended August 31, 2008	
	Number of Shares		Number of Shares	
Share capital (Note 7a)				
Balance at beginning of period	81,970,328	\$ 48,207,676	79,569,910	\$ 44,779,405
Issued for cash				
Private Placements	9,740,000	1,670,604	-	-
Exercise of options	246,000	49,200	1,203,000	331,850
Exercise of warrants	-	-	1,197,418	2,694,190
Shares repurchased and cancelled	(1,460,700)	(859,054)	-	-
Fair value of options exercised	-	42,241	-	145,040
Fair value of warrants exercised	-	-	-	277,295
Share issuance costs	-	(88,096)	-	(20,106)
Balance at end of period	90,495,628	49,022,571	81,970,328	48,207,676
Contributed surplus				
Balance at beginning of period		11,204,088		7,782,856
Fair value stock-based compensation		422,763		3,823,461
Fair value of warrants issued		764,396		-
Fair value agent warrants issued		7,610		-
Issuance costs attributable to warrants		(60,908)		-
Issuance costs for warrants exercised		-		20,106
Fair value of options exercised		(42,242)		(145,040)
Fair value of warrants exercised		-		(277,295)
Balance at end of period		12,295,707		11,204,088
Accumulated other comprehensive loss				
Balance at beginning of period		(10,000)		-
Unrealized loss on marketable securities		(4,250)		(10,000)
Balance at end of period		(14,250)		(10,000)
Deficit				
Balance at beginning of period		(4,909,947)		(2,416,796)
Share cancellation adjustment (Note 7d)		(644,000)		-
Net loss for the period		(21,460,930)		(2,493,151)
Balance at end of period		(27,014,877)		(4,909,947)
TOTAL SHAREHOLDERS' EQUITY	90,495,628	\$ 34,289,151	81,970,328	\$ 54,491,817

- See Accompanying Notes to the Consolidated Financial Statements -

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

1. Nature of Operations and Going Concern

Roca Mines Inc. (the "Company") engages principally in the exploration, development and mining of resource properties. FortyTwo Metals Inc., the Company's wholly-owned subsidiary, commenced commissioning the mine and mill facilities at the MAX Molybdenum Project in November 2007 and the mine achieved commercial production as of April 12, 2008.

These consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the nine months ended May 31, 2009, the Company reported a loss of \$21,460,930 and an accumulated deficit of \$27,014,877 at that date. Cash and cash equivalents at May 31, 2009 amounted to \$77,057. While the Company had positive cash flow from operations for the three and nine-month periods ended May 31, 2009, the decline in the price for molybdenite concentrates has significantly reduced cash operating margins. These circumstances lend significant doubt as to the ability of the Company to continue as a going concern and accordingly, the validity of the going concern assumption.

Continuing operations as a going concern are dependent upon management's ability to reduce costs and improve operating margins or to continue to raise adequate financing. Management has implemented a series of cost cutting measures and contingency plans for future financing should economic conditions deteriorate. There is no assurance that these initiatives will be successful in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Significant Accounting Policies

a) Basis of Preparation

These interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and follow the same accounting policies and methods consistent with those used in the preparation of the most recent annual audited consolidated financial statements except as noted below. The interim consolidated 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 consolidated financial statements for the year ended August 31, 2008.

The interim financial statements are presented in Canadian dollars on a consolidated basis. The Company's wholly-owned subsidiary, FortyTwo Metals Inc., holds the underlying mineral claims and agreements, and serves as the operating subsidiary for the MAX molybdenum mine. Intercompany accounts and transactions have been eliminated on consolidation.

b) Adoption of New Accounting Policies

Effective September 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

i) Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed. The purpose is to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

2. Significant Accounting Policies - *Continued*

ii) Sections 3862 and 3863 – *Financial Instruments-Disclosures* and *Financial Instruments-Presentation*, requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

iii) Section 1400, *General Standards of Financial Statement Presentation - Going Concern* requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date (*See Note 1*).

iv) Section 3031, *Inventories*, prescribes the accounting treatment for inventories and provides guidance on the determination of costs and their subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

The adoption of these new accounting standards did not impact the amounts reported in the Company's financial statements, however, it did result in expanded disclosure (*See Notes 1 and 13*).

c) Accounting Developments

The CICA has issued various new standards which may affect the financial disclosures and results of operations of the Company for future interim and annual periods.

For interim and annual financial periods beginning September 1, 2009, the following standards will be adopted by the Company. The adoption of these new standards is not expected to have a significant impact on the Company's financial statements or related disclosures.

i) Section 3064 – *Goodwill and Intangible Assets* replaces sections 3062 and 3450 and establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

ii) Emerging Issues Committee ("EIC") Abstract 173 - *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities* provides guidance on evaluating credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.

iii) EIC Abstract 174 - *Mining Exploration Costs* provides guidance on the accounting and the impairment review of exploration costs

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB's strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February of 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been determined at this time.

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

3. Marketable Securities

Marketable securities consist of 50,000 (2008 – 50,000) common shares of Romios Gold Resources Inc. at a recorded market value of \$5,750 (2008 - \$16,000) at May 31, 2009. An unrealized loss of \$4,250 (2007 - \$Nil) has been recorded in Other Comprehensive Income for the nine months ended May 31, 2009.

4. Inventories

Details are as follows:	May 31, 2009	August 31, 2008
Consumable parts and supplies	\$ 242,740	\$ 175,304
Work in Progress	48,667	98,944
Product inventory	418,979	343,228
Total	\$ 710,386	\$ 617,476

5. Property, Plant and Equipment

Details are as follows:

	Cost	Accumulated Amortization, and Depletion	May 31, 2009 Net Book Value
Mine property and development costs	\$ 27,743,824	\$ 25,661,710	\$ 2,082,114
Plant and equipment	18,025,109	16,292,067	1,733,042
Buildings and support facilities	6,069,546	5,445,259	624,287
Construction in progress	7,597,171	-	7,597,171
Acquisition – MAX property	920,460	817,777	102,683
Asset retirement costs (Note 9)	1,334,619	1,259,079	75,540
	\$ 61,690,729	\$ 49,475,892	\$ 12,214,837

	Cost	Accumulated Amortization, and Depletion	August 31, 2008 Net Book Value
Mine property and development costs	\$ 23,117,850	\$ 5,960,462	\$ 17,389,283
Plant and equipment	17,649,825	4,556,619	13,093,206
Buildings and support facilities	5,885,917	1,508,318	4,377,599
Construction in progress	6,191,745	-	6,191,745
Acquisition – MAX property	1,152,174	233,526	686,753
Asset retirement costs	1,334,619	359,547	975,072
	\$ 55,332,130	\$ 12,618,472	\$ 42,713,658

Pre-commercial production costs associated with the Phase I production schedule at the MAX molybdenum mine have been capitalized and concentrate proceeds recorded as a reduction to development costs in accordance with Emerging Issues Committee Abstract EIC-27. Net pre-production costs will be amortized on a unit of production basis over the Company's Phase I mine plan. Costs associated with the Company's expansion plans (construction in progress) will be capitalized until those assets are available for use and Phase II production commences.

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

5. Property, Plant and Equipment - *Continued*

Measurement Uncertainty

As at May 31, 2009, the Company determined that there was no impairment to the carrying value of the MAX molybdenum mine. In its assessment, the Company used a weighted average cash-flow method which assigned relative percentage values to the likelihood that the Company would complete its Phase II development, which is currently under construction but for which a final development decision has not been made. In addition, the impairment assessment was based on management's best estimate of future molybdenum prices. Future impairment assessments of the Company's MAX molybdenum mine are dependent on the success of the Company's ongoing development and upon estimates of future molybdenum prices. In the event that molybdenum prices continue to decline, the carrying value of the Company's mining and exploration properties and future income tax assets may be impaired. Such impairment could be material.

6. Resource Property Costs

Details are as follows:

	Acquisition (Recovery)	Deferred Exploration & Development	Gain (Write-off)	Total May 31, 2009	Total August 31, 2008
MAX Molybdenum Project (a)	\$ -	\$ 1,453,051	\$ -	\$ 1,453,051	\$ 1,414,385
Foremore VMS-Gold Project (b)	498,776	6,021,232	-	6,520,008	5,548,509
SeaGold Project (c)	(85,250)	78,359	21,891	15,000	-
Other (d)	-	36,021	(36,021)	-	-
	<u>\$ 413,526</u>	<u>\$ 7,588,663</u>	<u>\$ (14,130)</u>	<u>\$ 7,988,059</u>	<u>\$ 6,962,894</u>

a) **MAX Molybdenum Project, Revelstoke Mining Division, B.C., Canada**

The Company, through its wholly owned subsidiary FortyTwo Metals Inc., holds a 100% interest in certain properties, known as the MAX Molybdenum Project, located in the Revelstoke Mining Division, B.C. The MAX Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). The Company has also acquired a 100% interest in certain crown grants, mining leases and mineral claims contiguous to the core MAX Molybdenum Project mineral claims. The Company granted a 2.5% NSR on the contiguous property, which can be reduced to 1% upon payment of \$2,000,000 at any time prior to commencement of commercial production. The Company must also issue 200,000 shares if it commences commercial production from any part of the contiguous property.

b) **FOREMORE VMS-Gold Project, Liard Mining Division, B.C., Canada**

The Company holds a 100% interest in certain properties, known as the Foremore Project located in the Liard Mining Division, B.C. The Foremore Project is subject to a 2.5% Net Smelter Return ("NSR"), which can be reduced to 1% for payments totalling \$2,000,000. The Company is required to make annual advance royalty payments of \$50,000 ceasing in the year in which commercial production commences. Advance royalty payments paid until commercial production is reached may be applied as a reduction of future royalty payments. The Company must also issue 200,000 common shares to the vendor upon the commencement of commercial production.

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

6. Resource Property Costs – *continued*

c) SEAGOLD Project, Liard Mining Division, B.C., Canada

The Company holds a 50% interest in certain properties, known as the SeaGold Project in the Liard Mining Division, B.C. The balance of 50% is held by the Company's joint venture partner, Romios Gold Resources Inc. ("Romios"), subject to Romios issuing 200,000 common shares to the original property vendor upon the commencement of commercial production. The SeaGold Project is subject to a 2.5% NSR, reducible to 1% for payments totalling \$2,000,000. Advance annual royalty payments of \$30,000 are payable by the joint venture, ceasing in the year in which commercial production commences. Advance royalty payments paid to commercial production may be applied as a reduction of future royalty payments.

d) OTHER Projects, Revelstoke Mining Division, B.C., Canada

In December of 2006, the Company signed four agreements with a group of prospectors, pursuant to which the Company may acquire a 100% interest in four separate properties in the Revelstoke Mining Division, British Columbia. In July of 2007, the Company signed an option agreement to acquire a 100% interest in 513 hectares contiguous with one of these properties. In September of 2007, the Company acquired by staking a 100% interest in the Butters Peak Molybdenum Property, covering approximately 1,650 hectares approximately 25 kilometres northeast of the MAX Molybdenum Mine.

The Company has now abandoned all of these early-stage prospects in the Revelstoke Mining Division in order to focus on its more advanced mining and exploration projects. The Company has written-off a total \$36,021 in expenditures incurred on these projects during the nine months ended May 31, 2009.

7. Shareholder's Equity

a) Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. At May 31, 2009 there were 90,495,628 common shares outstanding.

During the nine months ended May 31, 2009 the Company purchased through the facilities of the TSX Venture Exchange, and subsequently cancelled a total of 1,460,700 common shares under its normal course issuer bid (*Note 7d*). Also during the period, a total of 121,000 stock options expired unexercised and 246,000 stock options were exercised for proceeds of \$49,200.

In January and February of 2009, the Company completed a private placement for gross proceeds of \$2,435,000 in two tranches. 9,740,000 units were issued at a price of \$0.25, each consisting of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share until January 27, 2011 (as to 5,600,000 warrants) or February 13, 2011 (as to 4,140,000 warrants) at a price of \$0.35 per common share. Cash finders' fees totalling \$173,200 were paid, and 66,000 Agent warrants were issued in connection with this offering, the Agent warrants exercisable until January 27, 2011, at \$0.35 per common share. The Company's Chief Financial Officer purchased 100,000 units of this private placement.

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

7. Shareholder's Equity - *Continued*

The prorated fair value of the unit warrants issued was calculated to be \$764,396 on the grant date and is accounted for as a reduction to proceeds from the common shares (to \$1,670,604) with the offsetting entry to contributed surplus. The total fair value of warrants was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	<i>Tranche 1</i>	<i>Tranche 2</i>
Number of warrants	5,600,000	4,140,000
Average risk-free interest rate	1.35%	1.22%
Expected dividend yield	Nil	Nil
Expected stock price volatility	118.54%	104.14%
Average expected life	2 years	2 years

The total fair value of the Agent warrants issued was calculated to be \$7,610 on the grant date and is accounted for in share issuance costs. The offsetting entry is to contributed surplus. The fair value of the Agent warrants issued was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	1.35%
Expected dividend yield	Nil
Expected stock price volatility	118.54%
Average expected life	2 years

During the year ended August 31, 2008, a total of 1,203,000 stock options were exercised for proceeds of \$331,850 (*Note 7b*) and 1,197,418 warrants were exercised for proceeds of \$2,694,190 (*Note 7c*). There were no further equity issuances.

b) **Stock Options**

The Company established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. The maximum number of shares issuable under the stock option plan was not to exceed 10% of the issued and outstanding common shares. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors and the exercise price of an option is not less than a prescribed discount from the closing price on the TSX Venture Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors. This plan did not receive shareholder approval at the Company's annual general meeting in February of 2008, as required by the policies of the TSX Venture Exchange, and as such, no further options will be granted under the original option plan.

During the nine months ended May 31, 2009 a total of 121,000 stock options expired unexercised and 246,000 stock options were exercised for proceeds of \$49,200. The fair value of the options exercised was calculated to be \$42,242 which amount has been transferred to share capital from contributed surplus.

At May 31, 2009, there were 7,065,000 options outstanding at a weighted average exercise price of \$1.87. A summary of the Company's options at May 31, 2009 and the changes for the period are as follows:

Roca Mines Inc.

Notes to Consolidated Financial Statements

May 31, 2009 and 2008

Canadian Funds

Unaudited

7. Shareholder's Equity - Continued

Number Outstanding August 31, 2008	Exercised	Cancelled or Expired	Number Outstanding May 31, 2009	Exercise Price Per Share	Expiry Date
367,000	(246,000)	(121,000)	-	\$0.20	11-Dec-08
660,000	-	-	660,000	\$0.25	24-Aug-09
750,000	-	-	750,000	\$0.25	18-Oct-10
2,455,000	-	-	2,455,000	\$1.45	19-Feb-12
1,625,000	-	-	1,625,000	\$3.55	15-Nov-12
1,575,000	-	-	1,575,000	\$2.25	21-Aug-13
7,432,000	(246,000)	(121,000)	7,065,000	\$1.87	

At August 31, 2008, there were 7,432,000 options outstanding at a weighted average exercise price of \$1.79. A summary of the Company's options at August 31, 2008 and the changes for the period are as follows:

Number Outstanding August 31, 2007	Granted	Exercised	Cancelled or Expired	Number Outstanding August 31, 2008	Exercise Price Per Share	Expiry Date
758,000	-	(758,000)	-	-	\$0.20	17-Dec-07
367,000	-	-	-	367,000	\$0.20	11-Dec-08
760,000	-	(100,000)	-	660,000	\$0.25	24-Aug-09
100,000	-	(100,000)	-	-	\$0.25	26-Nov-09
900,000	-	(150,000)	-	750,000	\$0.25	18-Oct-10
50,000	-	-	(50,000)	-	\$0.55	13-Mar-11
200,000	-	(50,000)	(150,000)	-	\$0.55	10-Apr-11
2,600,000	-	(45,000)	(100,000)	2,455,000	\$1.45	19-Feb-12
-	2,000,000	-	(375,000)	1,625,000	\$3.55	15-Nov-12
-	1,575,000	-	-	1,575,000	\$2.25	21-Aug-13
5,735,000	3,575,000	(1,203,000)	(675,000)	7,432,000	\$1.79	

In August of 2008, the Company granted 1,575,000 incentive stock options to directors and employees of the Company. The stock options are exercisable at a price of \$2.25 per share for a period of five years and vest over a period of 2 years with the first release of 25% of the total being 6 months from issuance. The total fair value of the options granted was calculated to be \$1,365,041 on the grant date to be expensed or capitalized over the vesting period. For the nine months ended May 31, 2009, a total of \$422,763 in stock based compensation was recognized, of which \$350,470 was expensed as mine operating costs or general and administrative costs, with the balance capitalized. The offsetting entries are to contributed surplus.

The fair value of stock options used to calculate the compensation expense in August of 2008 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	3.33%
Expected dividend yield	Nil
Expected stock price volatility	71.0%
Average expected option life	3.44 years

Roca Mines Inc.

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7. Shareholder's Equity - *Continued*

In November 2007, the Company granted 2,000,000 incentive stock options to directors and consultants of the Company. The stock options are exercisable at a price of \$3.55 per share for a period of five years. The total fair value of the options granted was calculated to be \$3,811,678 on the grant date, \$1,333,816 of which amount was expensed and \$2,370,270 capitalized to resource property costs during the first quarter ended November 30, 2007. The balance of \$107,592 is to be expensed over the vesting period of which \$6,344 was expensed in the second quarter ended February 29, 2008, \$36,382 was expensed in the third quarter ended May 31, 2008 and \$35,734 was expensed in the fourth quarter ended August 31, 2008. As 75,000 of these options were cancelled prior to the final vesting period, the remaining value of \$29,132 will not be expensed in fiscal 2009. The offsetting entries are to contributed surplus.

The fair value of stock options used to calculate the compensation expense in November 2007 was estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	4.01%
Expected dividend yield	Nil
Expected stock price volatility	70.8%
Average expected option life	3.75 years

During the first quarter ended November 30, 2007, 30,000 options expiring on February 19, 2012 were exercised, 50,000 options expiring April 10, 2011 were exercised and 150,000 options were cancelled upon termination of a consulting contract.

In the second quarter ended February 29, 2008, 758,000 options expiring on December 17, 2007, 100,000 options expiring August 24, 2009, and 125,000 options expiring on October 18, 2010 were exercised by directors of the Company. 100,000 options expiring November 26, 2009 were exercised by a consultant of the Company.

In the third quarter ended May 31, 2008, 15,000 options expiring on February 19, 2012, and 25,000 options expiring on October 18, 2010 were exercised and 300,000 options were cancelled upon termination of a consulting contract.

The fair value of the stock options exercised during the year ended August 31, 2008 was calculated to be \$145,040 which amount has been transferred to share capital from contributed surplus.

c) Warrants

During the nine months ended May 31, 2009, a total of 8,354,978 warrants expired unexercised and 9,740,000 warrants and 66,000 agent warrants were granted with an exercise price of \$0.35. At May 31, 2009 there were a total of 12,157,750 warrants outstanding at a weighted average exercise price of \$1.06. A summary of the changes during the period is as follows:

Number Outstanding August 31, 2008	Expired	Granted	Number Outstanding May 31, 2009	Exercise Price Per Share	Expiry Date
7,142,857	(7,142,857)	-	-	\$2.25	6-Sep-08
1,212,121	(1,212,121)	-	-	\$2.25	28-Sep-08
2,351,750	-	-	2,351,750	\$4.00	7-Aug-09
-	-	5,666,000	5,666,000	\$0.35	27-Jan-11
-	-	4,140,000	4,140,000	\$0.35	13-Feb-11
10,706,728	(8,354,978)	9,806,000	12,157,750	\$1.06	

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7. Shareholder's Equity - *Continued*

During the year ended August 31, 2008 1,197,418 warrants exercisable at \$2.25 per share were exercised (64,287 by a director of the Company) for total proceeds of \$2,694,190. The fair value of the warrants exercised was calculated to be \$277,295 which amount has been transferred to share capital from contributed surplus. Issuance costs associated with the warrants totalling \$20,106 has also been charged to share issuance costs. The offsetting entry is to contributed surplus.

At August 31, 2008 there were a total of 10,706,728 warrants and agent warrants outstanding at a weighted average exercise price of \$2.63. A summary of the changes during the year is as follows:

Number Outstanding August 31, 2007	Exercised	Expired	Number Outstanding August 31, 2008	Exercise Price Per Share	Expiry Date
1,828,571	(1,133,131)	(695,440)	-	\$2.25	4-Jul-08
3,171,429	(64,287)	(3,107,142)	-	\$2.25	9-Aug-08
7,142,857	-	-	7,142,857	\$2.25	6-Sep-08
1,212,121	-	-	1,212,121	\$2.25	28-Sep-08
2,351,750	-	-	2,351,750	\$4.00	7-Aug-09
18,750	-	(18,750)	-	\$2.25	9-Aug-08
245,400	-	(245,400)	-	\$3.18	7-Aug-08
36,810	-	(36,810)	-	\$3.18	20-Aug-08
16,007,688	(1,197,418)	(4,103,542)	10,706,728	\$2.63	

d) Normal Course Issuer Bid

In May of 2008, the Company received approval to repurchase up to a maximum of 4,078,500 outstanding common shares in the Company through the facilities of the TSX Venture Exchange (the "Exchange") until June 1, 2009. Pursuant to the policies of the Exchange, the Company is permitted to repurchase through open market purchases, up to 2 per cent of its outstanding common shares in any given 30-day period. The Company purchased a total of 1,460,700 common shares under its normal course issuer bid during September and October of 2008. The Company returned to treasury and cancelled these shares and allocated \$859,054 to share capital and \$644,000 to deficit.

8. Reclamation Bonds

At May 31, 2009, reclamation bonds totalling \$767,900 remain in safekeeping with the British Columbia Ministry of Energy, Mines and Petroleum Resources as summarized below:

	May 31, 2009	August 31, 2008
MAX Molybdenum Project	\$ 730,000	\$ 730,000
Foremore Project	22,900	22,900
Other projects	15,000	15,000
Total	\$ 767,900	\$ 767,900

Roca Mines Inc.

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9. Asset Retirement and Mine Closure Obligations

For each property, management has estimated the costs of reclaiming any disturbances to its projects in accordance with the Company's accounting policies. Details of management's estimates of reclamation and mine closure costs are as follows:

	May 31, 2009	August 31, 2008
Balance – Beginning of Period	\$ 1,400,224	\$ 870,961
Accretion	49,730	44,005
Change in reclamation estimate – MAX Mine	-	485,258
Balance – End of Period	<u>\$ 1,449,954</u>	<u>\$ 1,400,224</u>

The Company obtained an independent assessment of MAX Molybdenum site restoration costs at August 31, 2008 of \$1,476,445. Based on the Company's Phase I mine plan, the reclamation is to be initiated in 2010. This amount has been discounted by a rate of 2.1% on the first \$730,000 and 7.75% on the remaining balance of \$746,445.

Other property retirement obligations of \$21,600 have been estimated by management and are recorded undiscounted due to the uncertainty in forecasting ultimate closure dates.

It is possible the Company's estimate of its ultimate reclamation, site restoration and closure liability could materially change due to possible changes in laws and regulations or changes in cost estimates.

10. Related Party Transactions

Except as noted elsewhere in these financial statements, related party transactions are as follows:

- a) During the nine months ended May 31, 2009, contract fees and bonuses of \$145,200 (2008 - \$71,350) were paid or accrued to a company controlled by a director and per-diem consulting fees of \$10,850 (2008 - \$8,750) were paid or accrued to another director.
- b) During the nine months ended May 31, 2009, the Company was reimbursed for rent and office expenses totalling \$25,189 (2008 - \$15,805) by a company with common management.
- c) As at May 31, 2009, current liabilities include \$229,885 (2008 - \$325,568) payable to related parties.

These transactions were incurred in the ordinary course of business, are non-interest bearing, and without specific repayment terms. The transactions are measured at the exchange amount, which is the fair value consideration established and agreed to by the related parties.

Roca Mines Inc.

Notes to Consolidated Financial Statements

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Canadian Funds

Unaudited

11. Income Taxes

a) Reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Nine Months Ended May 31, 2009	Year Ended August 31, 2008
Loss before income taxes	\$ (33,080,888)	\$ (5,285,160)
Canadian federal and provincial income tax rate	30.17%	32.20%
Income tax recovery	(9,980,504)	(1,701,822)
Increase (decrease) due to:		
Non-deductible expenses for tax purposes	48,955	391,601
Statutory tax rate change and other	1,578,437	56,778
BC Mineral tax and other	(3,266,846)	(1,538,566)
Income tax recovery	\$ (11,619,958)	\$ (2,792,009)
Consists of:		
Current BC Mineral tax expense	\$ 86,156	\$ 225,564
Future income and BC Mineral tax recovery	(11,706,114)	(3,017,573)
	\$ (11,619,958)	\$ (2,792,009)

b) The significant components of future income and BC Mineral taxes are as follows:

	At May 31, 2009	At August 31, 2008
<i>Future income and mineral tax assets</i>		
Non-capital loss carry forwards	\$ 1,049,755	\$ 502,516
Share issue costs	353,652	490,242
Resource property costs	1,208,794	190,957
Property, plant and equipment	10,486,293	1,426,471
Other	314,751	226,864
Asset retirement obligation	501,826	496,682
Total future income and mineral tax assets	13,915,071	3,333,732
Valuation Allowance	(3,031)	-
Net future income and mineral tax assets	\$ 13,912,040	\$ 3,333,732
<i>Future income and mineral tax liabilities</i>		
Property, plant and equipment	\$ -	\$ 1,186,854
Inventory	113,409	75,818
Resource properties	-	-
Total future income and mineral tax liabilities	\$ 113,409	\$ 1,262,672
Net Future income and mineral tax asset	\$ 13,798,631	\$ 2,071,060

Roca Mines Inc.

Notes to Consolidated Financial Statements

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Unaudited

11. Income Taxes - *continued*

- c) The Company has non-capital losses for tax purposes of \$4,199,019 that may be available to offset future taxable income. These loss carry-forwards expire as follows:

	Amount
2026	\$ 1,145,789
2027	634,987
2028	701,832
2029	1,716,411
	<u>\$ 4,199,019</u>

12. Commitments

- a) The Company has signed a lease agreement for the rental of office space. The lease was renewed in August 2008 and now ends on September 30, 2013. The future minimum lease obligations are as follows:

	Amount
2009	\$ 67,176
2010	69,975
2011	72,744
2012	75,573
2013	78,372
	<u>\$ 363,840</u>

- b) The Company has signed an offtake agreement with a U.K.-based purchaser, for molybdenum concentrates produced at the Company's MAX molybdenum mine. The purchaser has agreed to purchase 100 per cent of the concentrates produced at the mine through 2017, with pricing terms to be mutually agreed upon every year.
-

13. Financial Instruments

a) Fair Values

The Company has designated its financial instruments as follows:

- Cash and cash equivalents are classified as "*Held-for-Trading*" and recorded at fair value with changes in fair value recorded in net income.
- Marketable securities and reclamation bond amounts are classified as "*Available-for-Sale*" and recorded at fair value with temporary changes in fair value recorded in other comprehensive income;
- Receivables are classified as "*Loans and Receivables*". These financial assets are recorded at values that approximate their amortized cost using the effective interest method; and
- Accounts payable, accrued liabilities, due to related parties and other long term liabilities are classified as "*Other Financial Liabilities*". These financial liabilities are recorded at amortized cost using the effective interest method.

Roca Mines Inc.

Notes to Consolidated Financial Statements

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Unaudited

13. Financial Instruments – *Continued*

The carrying amounts of financial instruments approximate fair value as of May 31, 2009 as shown below:

Financial Assets		Carrying and Fair Values
Cash and cash equivalents	\$	77,057
Accounts receivable	\$	1,450,030
Marketable securities	\$	5,750
Reclamation bonds	\$	767,900
Financial Liabilities		
Accounts payable and accrued liabilities	\$	2,440,469
Due to related parties	\$	229,885
Other long term liabilities	\$	59,477

The fair values of the Company's accounts payable and accrued liabilities and due to related parties are estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

b) **Capital Risk Management**

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and to have sufficient funds on hand for business opportunities as they arise. The Company considers the components of shareholders' equity, as well as its cash and equivalents as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue equity, sell assets, or return capital to shareholders as well as issue or repay debt. The Company is not subject to externally-imposed capital requirements.

The Company invests its cash in highly liquid short-term interest-bearing investments, having maturity dates of three months or less from the date of acquisition, that are readily convertible to known amounts of cash.

There were no changes to the Company's approach to capital management during the nine months ended May 31, 2009. As at May 31, 2009, the Company had no foreign currency hedges or commodity hedges in place, and consequently, hedge accounting is not used.

c) **Financial Risk Management**

The Company is exposed to potential loss from various risks including credit risk, interest rate risk, currency risk, liquidity risk, market risk and commodity price risk.

i) Credit Risk

A concentration of credit risk in trade accounts receivable resides with the Company's only customer in the United Kingdom. Management has considered payment history and other factors and estimated that no allowances are required to allow for potential credit losses, as the risk of non-performance is remote. The Company's maximum exposure to credit risk is the carrying value of its accounts receivables.

Roca Mines Inc.

Notes to Consolidated Financial Statements

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13. Financial Instruments – Continued

ii) Foreign Exchange Risk

The Company's revenues from the production and sale of molybdenum are denominated in US dollars however the Company's operating expenses are incurred primarily in Canadian dollars and its liabilities are denominated primarily in Canadian dollars. Consequently, the Company's operations are subject to currency translation risk. The operating results and the financial position of the Company are reported in Canadian dollars.

The fluctuation of the US dollar in relation to the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

At May 31, 2009, the Company's financial assets held in the US dollars were:

		stated in \$Cdn dollars
Cash and cash equivalents	\$	77,057
Total	\$	77,057

At May 31, 2009, the Company's financial liabilities held in the US dollars were:

		stated in \$Cdn dollars
Accounts payable and accrued liabilities	\$	150,070
Total	\$	150,070

With other variables unchanged, each \$0.01 strengthening (weakening) of the US dollar against the Canadian dollar would result in an increase (decrease) of approximately \$46,000 and \$157,000 in net earnings for the three and nine month periods ended May 31, 2009 respectively.

iii) Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents and reclamation bonds. Generally, the Company's interest income will be reduced during sustained periods of lower interest rates as higher yielding cash equivalents and investments mature and the proceeds are invested at lower interest rates. A 1% change in interest rates would have an insignificant impact on the Company's earnings.

iv) Liquidity Risk

The Company is exposed to liquidity risk. The Company seeks to manage liquidity risk by maintaining sufficient cash and short-term investment balances for settlement of its obligations. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital in order to meet short-term obligations. For the nine months ended May 31, 2009, the Company reported a loss of \$21,460,930 and an accumulated deficit of \$27,014,877 at that date. Cash and cash equivalents at May 31, 2009 amounted to \$77,057. At May 31, 2009, the liquidity risk of the Company was considered very high due to the rapid decline in the price of molybdenum in the nine months ended May 31, 2009 (see Note 1).

Roca Mines Inc.

Notes to Consolidated Financial Statements

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13. Financial Instruments – *Continued*

v) Pledged Financial Assets

The Corporation has financial assets that are pledged for reclamation obligations. Reclamation deposits are maintained to satisfy the Corporation's obligation for future reclamation expenditures at its MAX mine site and various exploration properties.

vi) Market and Commodity Price Risk

The Company is exposed to market risk and commodity price risk. Declines in the market price of commodities, most significantly molybdenum, can not only adversely affect operating results, but may also affect the Company's ability to raise capital to fund its ongoing exploration, development or mining activities. The Company does not currently enter into forward contracts for any of its production.

The Company's metal concentrates are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. Revenues are recorded at the time of sale based on forward prices for the expected date of final settlement. As a result, the values of concentrate receivables change as the underlying commodity market prices vary. This component of the contract is an embedded derivative, which is recorded at fair value with changes in fair value recorded in revenue.

At May 31, 2009, the fair value of the embedded derivative in the provisionally priced sales agreement was a credit of approximately US\$375,000 or Cdn\$411,000. Sales and receivables for the three and nine month periods ended May 31, 2009 have been adjusted to reflect this embedded derivative.

14. Segmented Information

The Company's principal activity is the exploration, development and mining of mineral properties, all of these properties located in Canada at May 31, 2009.

15. Subsequent Event

Subsequent to May 31, 2009, the Company announced that it had entered into an option agreement with Cream Minerals Ltd. ("CMA") to acquire up to a 70% interest in CMA's Nuevo Milenio Project located 27 kilometres by road from Tepic, the capital city of Nayarit State, Mexico.

In order to acquire a 50% legal and beneficial interest in the property, the Company must spend US\$1,000,000 in the first year and a total of US\$12,000,000 in exploration work on the property by July 24, 2013. If the Company meets these requirements within four years, it will vest at 50% and will have the option to earn a further 20% interest in the property by completing, at its own expense, a positive feasibility study within 3 years by an independent mutually acceptable qualified party. Once the Company vests at 50% or 70% as applicable; CMA and the Company will form a joint venture for further exploration and/or mine development work with all further costs to be shared on a pro rata basis.
