



MESSINA MINERALS

Annual Report

2009

Annual Report
for year ended
September 30, 2009



To our Shareholders,

What a difference a year makes. The 2008 calendar year was very challenging for world financial markets and the fallout affected commodity prices, the zinc industry, and the junior exploration sector. The resulting volatility during 2009 in senior financials and commodity producers has resulted in great share price gains for some companies. The money has begun to flow again, albeit very conservatively and in a risk-averse fashion – as it always has done following a major cyclical downturn. In time, investment will begin to consider the junior sector, and Messina is poised to capitalize on this interest.

I am pleased to report that Messina has used the year to make significant progress in Newfoundland. During 2009, Messina acquired three new zinc exploration properties; all with great exploration merit. The Daniels Harbour mine project was acquired by staking. Messina's property covers the area of the former Daniels Harbour Zinc Mine (operated by Teck) and the surrounding area including a number of zinc prospects. Messina's initial field visits documented zinc sulphides assaying >60% zinc. Messina acquired the York Harbour property by option. It is situated on the west coast, 15 km from the port city of Corner Brook, and has underground development dating from the 1970's and high-grade copper-zinc documented in the 1900's. Messina's initial field visit documented grab samples from outcrop assaying between 10% and 20% copper. Messina also acquired the Haven Steady property by option in 2009. The property is situated 15 km from Teck's Duck Pond mine and mill and has a zone of copper-zinc mineralization. The nearby infrastructure makes this property an attractive investment. Messina's only drill program of 2009 tested Haven Steady mineralization and intersected copper-zinc enriched sulphides with interesting grades.

Most significantly, additional work has been undertaken with positive results at the Boomerang zinc-lead project during 2009. New compilation, plus a new soil survey which yielded anomalous results, has generated new drill targets and potentially located the along-strike continuation of the Boomerang horizon. In addition, planning has considered the work and expenditures required to upgrade the Boomerang 'indicated resource' to the 'measured resource' category either by surface drilling or underground exploration, and planned for additional bench-scale metallurgical tests to upgrade our confidence in the ability of standard technology to extract the various commodities.

With the price (\$US) of zinc remaining above \$1.00 per pound in early 2010 due to stable or rising zinc utilization in traditional industries such as galvanized steel manufacture, management continues to acquire and delineate zinc resources in a stable North American jurisdiction with excellent infrastructure advantages, and where management believes lies the best opportunity to develop the Boomerang project into a zinc development project.

The Company would like to thank its employees, directors, shareholders, contractors and consultants, and all stakeholders for the significant work and results produced to date.

On behalf of the Board of Directors and management at Messina,

*Peter Tallman, President & CEO
Vancouver, British Columbia*



MANAGEMENT'S DISCUSSION AND ANALYSIS

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JANUARY 20, 2010

This Management Discussion and Analysis ("MD & A") is intended to help the reader understand the Messina Minerals Inc. ("Messina") financial statements. The statements are provided for the purpose of reviewing the fourth quarter of fiscal 2009, as well as the fiscal year, and comparing results to the previous period. The MD & A should be read in conjunction with the Company's audited financial statements and corresponding notes for the fiscal years ending September 30, 2009 and 2008. The financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control. All material is addressed on a calendar year basis, unless otherwise specified as pertaining to the fiscal year.

The management of Messina is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD & A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD & A and to discuss other financial, operating and internal control matters.

This MD&A is prepared to conform with the requirements of National Instrument 51-102 F1 and has been approved by the Board of Directors prior to release. The financial statements have been prepared by management. Peter Tallman, P.Geol., President of Messina Minerals Inc. is the Qualified Person who has reviewed and is responsible for the technical data contained in this MD&A.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and to review general information including reports and maps on the Company's website at www.messinaminerals.com.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Management's Discussion and Analysis may contain forward looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "expect", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. The Company believes that the expectations reflected in these forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in this Management's Discussion and Analysis should not be unduly relied upon by investors. These statements speak only as of the date of this Management's Discussion and Analysis and are expressly qualified, in their entirety, but this cautionary statement.

In particular, this Management's Discussion and Analysis contains forward looking statements pertaining to the following:

- i) Exploration programs and expenditures;
- ii) Expectations regarding the Company's ability to raise capital;
- iii) Expectations regarding the Company's ability to add mineral resources and upgrade these to mineral reserves through development



With respect to forward looking statements contained in this Management's Discussion and Analysis, the company has made assumptions regarding, among other things:

- iv) The Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in the Management's Discussion and Analysis:

- v) Geological, technical, and drilling related problems;
- vi) Liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration and extraction operations;
- vii) Incorrect assessments of the value of acquisitions, or dispositions;
- viii) Competition for, among other things, capital, mineral exploration property acquisitions, skilled personnel, and contract consultants and equipment; and
- ix) Other factors referred to under "Risk Factors".

DESCRIPTION OF BUSINESS AND OVERVIEW

Messina is a Canadian mineral acquisition and exploration company based in Vancouver, Canada. Its common shares are listed on the TSX Venture Exchange as a Tier 1 Issuer under the symbol "MMI". Messina is exploring for commercially exploitable mineral deposits in Eastern Canada and maintains an exploration office and core storage facility located in the town of Buchans Junction, Central Newfoundland. The management of the Company actively seeks investment opportunities that are attractive in order to create long term value for our shareholders.

Messina is a mineral exploration company exploring the historically known zinc-rich area of central Newfoundland, home to formerly producing world-class base metal deposits at Buchans and the currently producing Duck Pond zinc-copper mine. Messina is exploring primarily for zinc-lead-copper-silver-gold mineral resources within its properties with the objective of identifying commercially exploitable mineralization. Messina continues to evaluate mineral properties throughout eastern Canada.

The Company's business is managed by directors, officers, and employees with professional backgrounds and many years experience in the mineral exploration and development industry. This is augmented by independent financial, geological and mining professionals retained to advise the Company on its exploration programs and business.

OVERALL PERFORMANCE

Messina has discovered zinc-lead-copper-silver-gold massive sulphide mineralization on the Tulks South Property and acquired a dominant land position totalling 383 square kilometers prospective for base metal and gold deposits. Messina's properties host NI43-101 compliant inferred and indicated zinc-lead mineral resources at Boomerang, Domino, Hurricane, and Tulks East B Zone as well as historic zinc-lead resources at the Tulks East A Zone and Long Lake Main Zone.

In April 2009, Messina received confirmation from Xstrata Zinc Canada ("Xstrata"), (formerly Falconbridge Limited., formerly Noranda Inc.) that Messina has now satisfied obligations to earn a 100% interest in the Long Lake Property. Messina was obligated to spend \$2.0 million on exploration; Messina has expended approximately \$2.3 million on the property. In addition, Messina owns 100% of the Tulks South Property, having acquired the Property, satisfied the earn-in obligations and received



confirmation from Xstrata in 2007. Messina was obligated by Xstrata to spend \$1.5 million on exploration; Messina has expended approximately \$18 million on the property. Exploration expenditures on all of Messina's primary properties are sufficient to keep the claims in good standing for many years.

- **Property Expenditure Milestone**

As of December 2007, the Company has fulfilled its expenditure requirements to earn a 100% interest from Xstrata on the Long Lake Property which hosts the Main Zone zinc-lead-copper-silver-gold historic mineral resource. In April 2009, Messina received confirmation from Xstrata that Messina has satisfied obligations and earned a 100% interest. Messina was obligated to spend \$2.0 million on exploration; Messina has expended approximately \$2.3 million on the property. Xstrata retains a residual right to back in for 50% if greater than 10 million tonnes of economic mineralization (ore) is defined in a positive feasibility report, otherwise Xstrata retains a 2% net smelter return royalty ("NSR").

- **Financial Summary**

In June 2009, the Company completed a private placement financing of \$250,000 through the issuance of 2.5 million units at an exercise price of \$0.10 per unit. In October 2009, the Company raised a further \$210,500 through the issuance of 1,403,333 flow-through shares at \$0.15 per share. The Company also received \$332,000 in grants from the Newfoundland provincial government's Junior Exploration Assistance Program.

The Company's mineral properties are in good standing and in general no significant expenditures are required on core properties (Tulks South, Long Lake) until December 2014. No expenditures are required on the properties with copper-zinc prospects: York Harbour and Haven Steady, until 2014; Skidder, until 2011. Expenditures on non-core properties with no identified prospects but with exploration potential (Victoria River, Costigan, Daniels Harbour) may be required before 2014 but are not expected to be significant and may be mitigated by claims reductions or other means.

The Company expended \$1,117,681 in exploration costs during the fiscal year ending September 30, 2009 (2008 - \$4,918,105) on its Newfoundland properties. The Company's general and administration expenses for the current year were \$478,845 as compared to \$888,251 for the year ended September 30, 2008. This difference is largely explained by decreases in promotion and advertising of \$193,879 and in property investigation costs of \$71,371. These decreases reflect a scaling back of the Company's activities as a result of market conditions. As well, the reduction in office and miscellaneous expense reflected a decrease in Part XII.6 tax of \$93,750. However, the Company's loss for the year of \$44,251 is comparable to the previous year loss of \$70,115 as the Company recorded a future income tax recovery of \$379,000 in the current year as opposed to a recovery of \$715,000 in the year ended September 30, 2008. The Company expects to continue exploration of its Newfoundland properties throughout the coming year.

- **Investor Awareness**

The Company reduced its investor awareness initiatives in response to the deterioration in world markets in 2008/2009 and the consequent decline in effectiveness of such programs. The Company reduced its corporate staff by amalgamating the position and duties of Corporate Communications Officer back into the position and duties of the President. The Company will continue some investor awareness initiatives including investor conference participation and print, radio and web media advertising of the Company and its prospective properties. The Company maintains a summary of corporate and technical information on its website and provides links to regulatory, government, and other sources of information. Investor awareness efforts are costly however, and it is difficult to evaluate the effectiveness of individual awareness programs or conference attendances.



Upcoming Events

Messina will be exhibiting at Booth #2607 for four days within the Investors Exchange Forum at the Prospectors and Developers Association of Canada International Convention and Trade Show held in Toronto in March, 2010.

Messina has also accepted an invitation to make a (speaking) presentation at the Prospectors and Developers Association of Canada International Convention provisionally scheduled for Tuesday March 9th at 11:00am in the Lead/Zinc Session, Room 803 AB in the South Building of the Metro Toronto Convention Centre.

Messina expects to participate in the Resource Investors Forum 2010 to be held in St. John's, Newfoundland in September 2010 as well as the Newfoundland Mineral Resources Review held in St. John's, Newfoundland in November 2010.

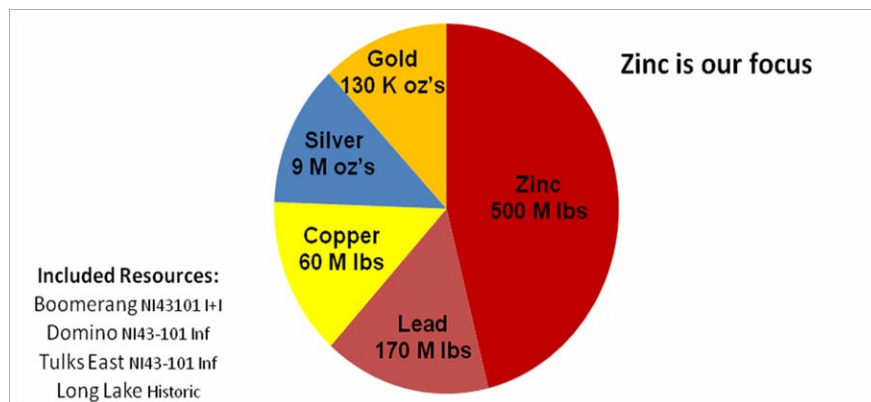
MINERAL PROPERTIES - RESULTS OF OPERATIONS

Messina is exploring primarily for zinc-lead-copper-silver-gold mineralization within its properties with the objective of identifying commercially exploitable mineral resources. Messina's principal properties are located in an area with excellent infrastructure to facilitate development projects including a nearby 18 MW hydroelectric generating facility, a network of logging haulage roads, nearby paved provincial highways, and a nearby base metal mine and 1,800 tpd capacity mill at Duck Pond, owned by Teck, which began operation during 2007.

Messina has identified zinc-lead-copper-silver-gold mineralization on our properties in central Newfoundland including NI43-101 compliant indicated mineral resources totalling approximately 1.4 million tonnes of 10% Pb+Zn, inferred mineral resources totalling approximately 0.9 million tonnes of 10% Pb+Zn and non-NI43-101 'historic' resources of approximately 1 million tonnes of 12% Pb+Zn. The exploration potential to expand these resources remains. Mineral resources which are not mineral reserves do not have demonstrated economic value; refer to Messina's website under "Mineral Resources".

Zinc accounts for approximately half of Messina's total metal inventory calculated from the mineral resources identified in central Newfoundland within our properties. Lead, zinc, silver and gold account for the remaining half in approximately equal proportions, as shown in the following graph.

Messina's Newfoundland Mineral Resources by Proportionate (%) Contribution of Gross Metal Inventory





Messina has 38,325 hectares (383 square kilometers) of mineral lands under its control primarily in central Newfoundland within proximity of Teck's operating Duck Pond copper-zinc mine. Specific properties and equivalent number of one-quarter square kilometer claims and area of each property in hectares are summarized in the table below.

Table: Summary of the Company's mineral titles in Newfoundland, by Property, to January 4, 2010

Property	# Claims	Hectares	Square Km
Tulks South	713	17,835	178
Long Lake	351	8,784	88
Costigan Lake	112	2,800	28
Victoria River Area	101	2,525	25
Bobby's Pond	7	175	2
Skidder	35	875	9
Haven Steady	7	175	2
York Harbour	26	650	7
Daniels Harbour	181	4,525	45
Totals	1,533	38,325	383

Messina continues to evaluate properties of exploration merit within eastern Canada. Properties are preferred if they have zinc-lead-copper-silver-gold mineralization that are additive to and within truck-hauling distance of a conceptual base metal mill within the Company's central Newfoundland properties.

Exploration results of 2009 operations from individual properties, including prior results from 2008 for purposes of continuity, are reported by respective property below. Significant exploration results were obtained during 2009 from the Tulks South (Boomerang), York Harbour, Daniels Harbour, and Haven Steady properties.

- **Tulks South Property, Newfoundland**

The Tulks South property is prospective for volcanogenic massive sulphide zinc-lead-copper-silver-gold deposits as well as mesothermal gold deposits. Messina has previously discovered and completed NI43-101 compliant resource estimates of zinc-lead mineralization within the Tulks South property; a summary of mineral resources is reported below. The reader is referred to Messina's website for details and to Messina's website and Sedar for technical reports.



Table: Summary of Mineral Resources within the Tulks South Property

Property	Prospect	Category	Tonnes	Zinc %	Lead %	Copper %	Silver g/t	Gold g/t	Zn % Cut-off	Reference
Tulks South	Boomerang	Indicated	1,364,600	7.1	3.0	0.5	110	1.7	1.0	Snowden 2007
Tulks South	Boomerang	Inferred	278,100	6.7	2.9	0.4	97	1.3	1.0	Snowden 2007
Tulks South	Domino	Inferred	411,200	6.3	2.8	0.4	94	0.6	1.0	Snowden 2007
Tulks South	Hurricane	Inferred	55,100	13.4	7.0	1.2	159	0.9	2.5	Messina 2008
Tulks South	TE B Zone	Inferred	175,200	6.7	0.9	0.6			0	Messina 2008; Snowden 2007

During October to December, 2008, 13 drill holes targeted 5 anomalous areas identified by prior compilation within the Tulks South property. The most significant discovery from this program is a >40 meter wide zone of intense alteration hosted by felsic volcanic and capped by semi-massive sulphide containing base metals. Hole CB08-01 intersected 1.0 meter of 1% zinc, 0.4% lead, 0.1% copper, 10 g/t silver and 0.1 g/t gold at 29.0 meters downhole. The area is covered by deep (5 to 15m deep) overburden. Four holes including CB08-01 were drilled; two holes failed to penetrate overburden. CB08-04 drilled down-dip of CB08-01 also intersected widespread alteration containing pyrite. The zone appears to represent a prospective horizon parallel to the Boomerang - Tulks East horizon which has been explored historically. This new zone of prospectivity has been mapped or correlated by Messina to extend for 8 kilometers at least, and remains effectively untested by historical explorers and Messina's efforts, and with considerable potential.

A 2009 program initially comprised of continued compilation and detailed field mapping began in May on the Tulks South Property. Additional preliminary work comprised of surveying road networks for a proposed truck-haul route and obtaining local estimates for trucking and underground exploration mining costs. The amount of drilling required to improve Boomerang's "indicated" and "inferred" resources to a measured resource has been estimated from both surface and underground. Preparatory work has begun with the objective of generating a budget and work plan for underground exploration at Boomerang within the Tulks South property.

Messina staff completed an updated geological compilation and detailed re-evaluation of Boomerang area results by August 2009. The re-evaluation identified areas with potential for Boomerang-style alteration or mineralization that warranted ground follow-up; the potential of the 2.8 kilometer distance northeast of Boomerang between the Hurricane zinc-lead massive sulphide zone (Line 38E) and the TouchDown pyritic massive sulphide zone (Line 66E) was highlighted.

Prospecting and mapping in October 2009 between L39E and L50E focused on follow-up of an outcropping zone of silica-pyrite stockwork containing sphalerite (zinc) and galena (lead) identified on Line 39E and located 300 meters in the hangingwall of the Boomerang horizon. Work traced the stockwork zone between L39E to L48E over a distance of 900 meters. The zone is significant because it establishes a new target parallel to the Boomerang horizon that has not been tested by drilling.

A soil survey was completed to test between L39E and L50E, an area not previously covered by historical soil surveys, to target both the new stockwork zone and the strike extension of Hurricane and the Boomerang mineralized horizon. 290 B-horizon soils were collected.

Soils anomalous in zinc-lead-silver coincident with the stockwork zone extend from L39E to L48E over 900 meters with values ranging from 104 to 270 ppm Zn, 14 to 115 ppm Pb, and 0.6 to 2.2 ppm Ag.



Soils anomalous in zinc-lead-silver coincident with the inferred position of the Boomerang horizon, in an area with no outcrop or drilling information, yielded results ranging from 106 to 143 ppm Zn, 10 to 16 ppm Pb, and 0.5 to 0.7 ppm Ag between L43E and L46E over 300 meters. This anomaly is significant because it provides an untested new target 300 meters along strike from nearest drilling.

Prospecting and mapping has documented a new untested zone of stockwork mineralization over a distance of 900 meters. Soil sampling returned anomalous zinc-lead-silver results over 900 meters coincident with the stockwork zone. The zone is significant because it is located 300 meters in the hangingwall of the Boomerang horizon and establishes a new parallel target not tested by drilling.

The survey also detected a second untested 300 meter long zinc-lead-silver soil anomaly along strike from Hurricane on the Boomerang massive sulphide horizon. The anomaly is significant because it provides a new target also untested by drilling located 400 meters from zinc-lead massive sulphide mineralization.

Tulks South (Boomerang Area) Environmental Assessment and Environmental Monitoring

Baseline water quality sampling and studies suitable for environmental assessment and environmental monitoring at Boomerang supervised by Jacques Whitford Limited ("JWL") was suspended in December 2008 as a result of decreased field activities. Plans for resumption of this program during 2010 are under consideration at this time.

• **Long Lake Property, Newfoundland**

The Long Lake property is prospective for volcanogenic massive sulphide zinc-copper-silver-gold deposits and also has potential for mesothermal gold deposits. The Long Lake Property is located adjacent to Messina's Tulks South Property.

In April, 2009 Messina received acknowledgement from Xstrata and has now earned a 100% interest in the Long Lake property. Messina expended approximately \$2.3M in exploration on the property including expenditures of approximately \$700,000 made under the agreement by previous operators. Xstrata retains a residual right to back in for 50% if greater than 10 million tonnes of economic mineralization (ore) is defined in a positive feasibility report, otherwise Xstrata retains a 2% NSR.

Long Lake Property Mineralization

Several massive sulphide prospects have been identified on this large property including the Long Lake Main Zone, the South Limb, the East Zone, and the Lucky Gnome prospects. An historical mineral resource completed in 1999 on the Main Zone by a previous explorer yielded an estimate 970,000 tonnes grading 10.9% zinc, 1.3% lead, 1.7% copper, 33 g/t silver and 0.8 g/t gold. Messina has not done sufficient work necessary to verify the classification of this resource, nor has it been independently verified by a "Qualified Person". The Company treats this calculation as an historical estimate characterizing in-ground mineralization only and is not a NI43-101 conforming resource classification.

Table: Summary of Mineral Resources within the Long Lake Property

Property	Prospect	Category	Tonnes	Zinc %	Lead %	Copper %	Silver g/t	Gold g/t	Reference
Long Lake	Main Zone	Historical	970,000	10.9	1.3	1.7	33	0.8	Noranda 1999

Main Zone massive sulphide zinc-lead-copper-silver-gold mineralization has historically been intersected over 325 meter strike extent between 8775E and 9200E and to a vertical depth of 600



meters, and remains open in all directions. Messina has focused drilling efforts between 8975E and 9075E and to a depth of 250 meters. The upper portion of the Main Zone, between 8975E and 9075E and to a depth of approximately 250 meters has been tested with sufficient drilling to demonstrate continuity of mineralization in three dimensions with economically interesting grade. Approximately one-third of the historical resource has been tested by this infill program and historical estimates are corroborated by Messina's results.

Six holes were completed totaling 1,007 meters during October-November 2008 testing for mineralization away from the known Long Lake deposit, in part following up on the discovery of copper-stockwork mineralization in boulders. One of these holes, LL08-31, collared 100 meters southwest of the known Long Lake mineralization and intersected 0.47 meters of massive sulphides assaying 1.4% copper, 1.6% lead, 19.3% zinc, 82 g/t silver, and 4.1 g/t gold. This hole is significant because it shows continuity to the mineralization in an area where an offsetting fault had been inferred, and it shows that the Long Lake horizon is open for 600 meters to the southwest.

The drilling results show the Long Lake massive sulphide horizon continues with excellent assay grades into an area untested by drilling, and previously thought to have low potential. The copper-stockwork mineralization remains to be sourced and is another prospective target.

The Long Lake zinc-lead-copper-silver-gold mineralization is approximately 3x to 4x enriched in copper relative to Boomerang. The mineralization is located within 30km of Boomerang by existing road and within 17km if an existing forestry road were upgraded.

No work was completed at the Long Lake Property during 2009. The property remains in good standing without further expenditure until at least December 2014.

- **York Harbour Property, Newfoundland**

The York Harbour Property is located 15 km west of the port of Corner Brook and 100km northwest of Messina's Boomerang deposit on the Tulks South Property.

Messina acquired an option to earn a 100% interest in 26 claims covering 650 hectares from Tenacity Gold Mining Company Limited announced June 17, 2009. To acquire a 100% interest in the York Harbour Property, Messina will issue 1,000,000 non-transferable share purchase warrants in tranches of 350,000 upon receipt of regulatory approval (issued), and 300,000 after 6 months (issued), 200,000 after twelve months, and 150,000 after eighteen months, respectively, of the signing date of the Agreement. The share purchase warrants entitle Tenacity Gold to purchase one common share per warrant for a period of five years from the date of issue at a price equal to the closing market price on the day prior to the respective dates of issuance of the warrants. Messina must also incur exploration expenses of not less than \$1,000,000 before the fifth anniversary of the signing date of the Agreement. A 2% net smelter return royalty ("NSR" or "Royalty") has been reserved in favour of Tenacity Gold; Messina may purchase and terminate 50% of the Royalty at any time upon paying to Tenacity Gold an aggregate cash payment of \$1,000,000 whereupon the Royalty will be reduced to a 1% NSR.

The mineralization at York Harbour is described as ophiolite-hosted "Cyprus-type". Mineralization of this style is widespread in the ophiolitic rocks of western Newfoundland and includes more than 175 showings and 14 past-producing copper deposits.



The York Harbour Property covers the past-producing York Harbour copper-gold mine and approximately 4 kilometers of underexplored strike length. The York Harbour mine produced copper and gold between 1898 and 1913; the underground workings were last refurbished and permitted for underground development in 1977. Compilation of underground exploration and development results

indicates the York Harbour Mine was developed on a series of near-surface copper-zinc massive sulphide lenses, the "A" to "J" Zone lenses inclusive. Mining activities up to 1913 extracted about 30,000 to 70,000 tonnes from the A Zone as 'direct shipping' copper ore. Part of the A Zone, and all of the B through J Zone lenses reportedly remain in place.

In July 2009 Messina completed a preliminary survey of the condition of the York Harbour Mine portals and found that the Sea Level adit portal is in excellent condition and is easily accessible. The adit extends some 800 meters from the portal towards the York Harbour Mine workings at an elevation approximately 200 meters below the main 4th Level adit of the York Harbour Mine. The 4th Level adit and A Zone shaft have been closed and backfilled recently by the Newfoundland government and are no longer accessible.

Messina also completed reconnaissance prospecting and mapping survey at York Harbour. The original outcropping A Zone lens was 'rediscovered' after being covered by debris for 100 years. Five A Zone samples assayed between 10.4% and 19.7% copper, with up to 0.15% cobalt. The discovery of economically interesting amounts of cobalt is the first time this has been documented. A total of eighteen samples were collected at the York Harbour mine site. Nine of eighteen samples assayed at least 8.3% copper up to 19.7% copper. Six of eighteen samples collected assayed at least 7.0% zinc up to 34.2% zinc. Refer to Messina's News Release July 16, 2009 for a detailed list of individual assays. The prospecting survey and assay results indicate there is mineralization at York Harbour that could conceptually be classified as 'direct shipping' ore.

Based upon results to date, a diamond drilling program at York Harbour is under consideration. The York Harbour property will remain in good standing without further expenditure until at least 2015.

- **Haven Steady Property, Newfoundland**

The Haven Steady Property is located 15 km southwest of Teck's Duck Pond copper-zinc mine and 75 km northeast of Messina's "Boomerang" deposit on the Tulks South Property. Mineralization at Haven Steady is described as volcanogenic massive sulphide of the "Kuroko type" and is reported by Noranda to be barium-enriched.

Messina acquired an option to earn a 100% interest in the Haven Steady Property from Tenacity Gold Mining Company Limited announced June 22, 2009. Messina will issue 400,000 non-transferable share purchase warrants in tranches of 100,000 upon regulatory approval (issued), 100,000 after 6 months (issued), 100,000 after twelve months, and 100,000 after eighteen months respectively, after signing of the Agreement. The share purchase warrants entitle Tenacity Gold to purchase one common share per warrant for a period of five years from the date of issue at a price equal to the closing market price on the day prior to the respective dates of issuance of the warrants. Messina must also incur exploration expenses of not less than \$600,000 before the fifth anniversary of the signing date of the Agreement. A 2% net smelter return royalty ("NSR" or "Royalty") has been reserved in favour of Tenacity Gold; Messina may purchase and terminate 50% of the Royalty at any time upon paying to Tenacity Gold an aggregate cash payment of \$1,000,000 whereupon the Royalty will be reduced to a 1% NSR.



The Haven Steady property has potential for three mineralized target types: 1) the potential of the stockwork copper zone to host bulk-tonnages; 2) the potential of the stockwork copper zone to have a copper-enriched massive sulphide zone hidden within the wider copper-stockwork zone; and 3) the potential of the sparsely-tested zinc-lead massive sulphide zone to be expanded.

Previous work by Asarco (1960's) and Noranda (1980's) identified a 1.6 km long soil anomaly on the Haven Steady property. The soil anomaly is zoned. The western portion is copper-enriched and extends 150 meters in length and is untested. The central portion is zinc- and lead-enriched and extends over 800 meters in length. Noranda tested the zinc-lead portion of the soil anomaly with twelve widely spaced drill holes of which six intersected economically interesting zinc-lead bearing massive sulphides at the Haven Steady zinc-lead prospect over a strike length of 600 meters and to a vertical depth of 375 meters, and ten of eleven holes intersected wide zones of anomalous zinc-lead mineralization. The eastern portion of the soil anomaly is copper-enriched and extends 400 meters in length and is untested.

Six historical drill holes at the Haven Steady zinc-lead prospect intersected massive sulphide mineralization and assayed (from west to east, as reported by Noranda, 1990):

- 0.7% copper, 0.2% lead, 6.5% zinc over 1.0 meters (HS88-06)
- 0.1% copper, 2.7% lead, 9.8% zinc over 3.5 meters (HS88-07)
- 0.3% copper, 1.3% lead, 4.5% zinc over 2.1 meters (HS88-02)
- 0.9% copper, 1.3% lead, 6.2% zinc over 3.0 meters (HS88-03)
- 0.2% copper, 2.3% lead, 8.6% zinc over 2.0 meters (HS88-05)
- 0.1% copper, 6.3% lead, 4.1% zinc over 1.8 meters (HS86-87)

The Haven Steady zinc-lead (central) zone/prospect remains open at both ends and at depth.

Prospecting efforts by Messina reported August 10, 2009 targeted the eastern and western copper-in-soil anomalies. A total of 47 grab samples were all collected from outcrop or 'in-place' subcrop.

A total of 7 samples were collected from a 50 meter area within the 400 meter long eastern copper soil anomaly. One sample contained only sphalerite mineralization and assayed 1.8% zinc. Two samples assayed 6.6% copper and 9.0% copper and contained both chalcopyrite and bornite. The remaining four samples assayed between 0.9% copper and 2.4% copper and contained only chalcopyrite hosted by stockwork within altered tuffaceous felsic volcanics.

A total of 40 were collected from the western copper soil anomaly of 150 meter length. Of the 40 samples, 12 samples assayed between 0.5% copper and 2.9% copper and contain chalcopyrite mineralization in stockwork within altered tuffaceous felsic volcanics.

A drill program at Haven Steady commenced in November 2009 to evaluate the three mineralized target types: 1) the potential of the stockwork copper zone to host bulk-tonnages; 2) the potential of the stockwork copper zone to have a copper-enriched massive sulphide zone hidden within the wider copper-stockwork zone; and 3) the potential of the zinc-lead massive sulphide zone to be expanded.

The primary objective of the initial drill program was to locate copper-lead-zinc sulphide mineralization that may be economically interesting as the Haven Steady property lies 15 km south of Teck's Duck Pond copper-zinc-lead mine and mill.

A total of 7 holes were completed in November and December 2009 totaling 1,144.5 meters of NQ core recovered.



Three of four holes targeting "central zone" sulphide mineralization intersected copper- and gold-enriched massive base metal sulphides. In general the three holes intersected >10% copper-lead-zinc massive sulphides with significant silver and gold values. Each hole also intersected 9 to 25 meter wide zones of 1% to 4% zinc stockwork mineralization. Copper-gold enriched massive sulphides were encountered in two of these holes. One hole intersected lead-zinc massive sulphides and extended the known length of the 'central zone' base metal enriched horizon 100 meters to the northeast. The base metal horizon is now 700 meters in length, intersected in widely spaced holes and remains open in all directions. Two holes tested this new target for bulk tonnage, disseminated copper. No broad zone of disseminated copper mineralization was encountered.

Central Zone Drilling

Four holes, HS09-18 through HS09-21, tested for massive sulphides between 106+00E and 107+00E and from -50 meters to -125 meters vertical depth in a 300 meter lateral by 175 meter vertical gap between widely spaced historic holes that had intersected base metal mineralization.

HS09-18 on section 107+00E intersected a 2.74 meter interval of massive base metal sulphides containing 2.1% copper, 3.6% lead, 6.2% zinc, 56 g/t silver, and 1.8 g/t gold within a wider 6.84 meter zone of semi-massive and massive sulphides. The massive sulphide contains one of the best copper intersections located on the property to date. HS09-18 is 70 meters above historic hole HS88-03 which intersected a 3.0 meter interval containing 0.9% copper, 1.3% lead, 6.2% zinc, 42 g/t silver, and 1.8 g/t gold.

HS09-19 on 107+00E tested 50 meters below surface and 60 meters up-dip above HS09-18 and intersected a 1.1 meter interval of 3.2% zinc marking the upward end of the Haven Steady central zone sulphides on Section 107+00N.

HS09-20 on 106+00E intersected two base metal massive sulphide horizons, as well wide intervals of lead-zinc stockwork mineralization. Massive sulphide intervals occur at 99.25 meters downhole with a 0.46 meter interval of 0.1% copper, 5.9% lead, 11.7% zinc, 272 g/t silver, 0.2 g/t gold, and at 108.8 meters downhole with a 1.0 meter interval of 0.4% copper, 4.5% lead, 7.7% zinc, 161 g/t silver, and 0.2 g/t gold. The massive sulphides in HS09-20 contain higher grades of lead, zinc, and silver and lower copper and gold relative to HS09-18. Extensive stockwork throughout HS09-20 includes two intervals totaling 33 meters containing greater than 1.2% combined base metals above the massive sulphides, and an 8.25 meter interval of 2.8% combined base metals below the massive sulphides.

HS09-21 on 106+50E also intersected two massive sulphide horizons, as well wide intervals of lead-zinc stockwork mineralization. Massive sulphide intervals occur at 80.8 meters downhole with a 0.6 meter interval of 3.8% copper, 1.1% lead, 2.9% zinc, 78 g/t silver, 3.0 g/t gold; and at 98.38 meters downhole with a 1.49 meter interval of 1.3% copper, 2.0% lead, 5.7% zinc, 85 g/t silver, and 2.0 g/t gold. Like HS09-18, these intersections are relatively enriched in copper and gold.

Note Messina's first hole is arbitrarily identified as HS09-15 to assign it a unique hole ID. Note in the tables below under the heading "Type": "MS" is massive sulphides, "SMS" is semi-massive sulphides, and "STWK" is stockwork mineralization.



Central Zone Drilling Results

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t	Type	Section
HS09-18	32.25	40.25	8.00	0.1	0.3	1.3	8		STWK	107+00E
	51.70	76.00	24.30	0.1	0.1	0.7	4		STWK	
	93.30	100.14	6.84	0.9	1.90	4.1	29	0.9	SMS	
including	97.42	100.14	2.72	2.1	3.6	6.2	56	1.8	MS	
	126.50	135.50	9.00	0.4	0.9	3.9	31	0.2	STWK	
	153.90	163.30	9.40	0.1	0.7	2.5	22	0.1	STWK	
HS09-19	64.23	65.34	1.11	0.1	0.5	3.2	16	0.3	STWK	107+00E
HS09-20	43.30	59.28	15.98	0.1	0.2	0.9	6	0.2	STWK	106+00E
	92.56	109.8	17.24		0.6	1.2			STWK	
	98.79	99.25	0.46	0.1	5.9	11.7	272	0.2	MS	
	108.80	109.80	1.00	0.4	4.5	7.7	161	0.2	MS	
	116.30	124.55	8.25	0.1	0.7	2.0	28		STWK	
HS09-21	80.80	81.40	0.60	3.8	1.1	2.9	78	3.0	MS	106+50E
	98.38	99.87	1.49	1.3	2.0	5.7	85	2.0	MS	
	133.77	134.37	0.60	0.2	0.5	12.8	17	0.3	STWK	
	142.61	156.70	14.09	0.2	0.8	2.3	21	0.1	STWK	
	170.90	173.50	2.60	0.7	1.7	3.5	46	0.1	STWK	

Central Zone - Northeastern Extension Drilling

One shallow hole, HS09-17 on 112+00E was drilled as a 100 meter along-strike step-out to test for continuation of mineralization in historic hole HS86-87 which intersected 1.8 meters of massive sulphides assaying 0.1% copper, 6.3% lead, 4.1% zinc, 78 g/t silver, and 0.1 g/t gold. HS09-17 intersected a 0.9 meter interval of massive sulphides at 70.0 meters downhole which assays 0.1% copper, 2.1% lead, 5.3% zinc, 40 g/t silver and 0.2 g/t gold. A broad 19.9 meter interval of base metal enriched stockwork mineralization underlies the massive sulphide; the entire 19.9 meter interval averages 1.3% combined lead-zinc.

HS09-17 extends the length of the 'central zone' 100 meters to the northeast. The base metal horizon is now 700 meters in length, intersected in widely spaced holes. and remains open in all directions.

Northeastern Extension Drilling Results

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t	Type	Section
HS09-17	70.00	70.90	0.90	0.1	2.1	5.3	40	0.2	MS	112+00E
	70.00	89.90	19.90		0.3	1.0	7		STWK	



Eastern Copper Anomaly Target

The 'eastern copper anomaly' is located 200 meters grid south of and lies parallel to the central zone massive sulphide horizon and is comprised on surface of a 100 meter wide zone of disseminated and stockwork chalcopyrite and bornite.

Two holes, HS09-15 and HS09-16, tested this new target for bulk tonnage, disseminated copper. No broad zone of disseminated copper mineralization was encountered in either hole.

Eastern Copper Anomaly Drilling Results

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Pb %	Zn %	Ag g/t	Au g/t	Type	Section
HS09-15	162.50	163.10	0.60	2.0	0.2	0.5	17	0.1	STWK	114+00E
HS09-16				No significant assays						113+00E

The Haven Steady drill program is complete and the drill has been demobilized for the winter. The drill program evaluated three mineralized target types: 1) the potential of the stockwork copper zone to host bulk-tonnages; 2) the potential to have a copper-enriched massive sulphide zone hidden within the mineralized system; and 3) the potential of the zinc-lead massive sulphide zone to be expanded. Based upon the results obtained to date, the proximity of Teck's operating Duck Pond mine, and current commodities prices additional drilling targeting copper mineralization is proposed for 2010.

Following this phase of work, the Haven Steady property is expected to remain in good standing without further expenditure required until 2020.

• **Skidder Property, Newfoundland**

The Skidder Property is located 10 km south of the town of Buchans, 30 km northeast of the Tulks South (Boomerang) Property, and approximately 65 kilometers by road to Teck's operating Duck Pond copper-zinc mine. Messina staked 73 claims covering 1,825 in November 2006 and acquired the option to an additional 19 claims covering 475 hectares in February 2007. The property hosts the Skidder zinc-copper massive sulphide prospect of approximately 1 million tonnes of mineralization grading 2% copper and 2% zinc based upon 39 drill holes (Abitibi, 1980); this estimate is an historical estimate only, is not compliant with NI43-101 requirements, and should not be relied upon. Messina in 2007 drilled 10 holes which intersected grades and widths consistent with the 1980 estimates of mineralization. Prospecting and mapping on Messina's wholly-owned 73 claim license late in 2009 identified an area of low prospectivity (Carboniferous on-lap unit). As a result of this work, a total of 57 claims were surrendered and the 73 claim licence has been reduced to 16 claims. The Skidder property remains in good standing. Expenditures of \$883,263 are required prior to June 2011 to keep the agreement in good standing beyond this date.

• **Victoria River Area Property, Newfoundland**

The Victoria River Property is comprised of 101 contiguous mineral claims totaling 2,525 hectares and was acquired by staking or by later purchase from Altius Resources Inc. ("Altius"). A 'Buchans-type' debris flow containing zinc-lead-copper enriched massive sulphide clasts occurs within the eastern portion of the property and may indicate proximity to a massive sulphide source comparable to the Buchans deposits. In addition, the property lies northeast of the Bobby's Pond (zinc) massive sulphide prospect, and directly south of the Victoria (copper) Mine prospect. Messina completed three drill holes totaling 398 meters of core in December 2008 testing coincident gravity, soil-till geochemical anomalies, and local rock lithochemical anomalies. No significant assay results were obtained. The portion of the property drill tested has potential for massive sulphide deposits however the geological setting plus overburden depth produces many 'false anomalies' which makes targeting complicated.



No additional work has been completed at the Victoria River Area Property in 2009. A portion (39 claims) of the property requires expenditures or a refundable performance bond payment of \$34,896.55 by mid-March 2010. The remaining licences comprising the property remain in good standing without additional expenditures until March 2011 to February 2015 respectively.

- **Bobby's Pond Property, Newfoundland**

The Bobby's Pond property was acquired by staking 7 claims totaling 175 hectares in mid-2006. The property covers altered felsic volcanics of the Tulks Volcanic belt and is located immediately southwest of and along strike from the Bobby's Pond (zinc) massive sulphide prospect. A limited amount of follow-up prospecting and mapping at the Bobby's Pond Property was completed in 2009. The property remains in good standing without further work until at least May 2012.

- **Daniels Harbour Property, Newfoundland**

Messina has acquired 181 claims totaling 4,525 hectares by staking the Daniels Harbour Property located on the Great Northern Peninsula on the west coast of Newfoundland. The property encompasses the area of the Daniels Harbour Zinc Mine which operated from 1975 to 1990 and produced approximately 7 million tonnes of 7.8% zinc. The Ordovician age deposit is an example of Mississippi Valley Type ("MVT") mineralization.

The property encompasses the area of the former Daniels Harbour zinc mine operated by Teck Corporation which produced approximately 7 million tonnes of ore grading 8% zinc from 1975 to 1990. The sulphide ore mineralization is described to consist almost entirely of sphalerite which allowed excellent (98%) zinc recoveries and produced a premium grade (63%) zinc concentrate (Teck, 1981) during the life of mine. The Daniels Harbour property is transected by numerous paved and gravel roads which supported the former mine and remain in good condition. Two powerlines also transect the property. The property is 5 km from a provincial highway and 10 km from the coastal community of Daniels Harbour. The mineralization at Daniels Harbour is described as "Mississippi-Valley Type" hosted by Ordovician age carbonate rocks.

The Daniels Harbour claims were identified and staked as a result of preliminary compilation of historical drilling and assay intersections contained in Teck's assessment filings (1975-1990; some assays reported below in vertical holes drilled from surface) adjacent to the former mine workings and in regional exploration programs. The property covers a number of zinc prospects in addition to the former Daniels Harbour mine site including:

Black Duck Zone:

Defined by 400 foot spaced drill lines over a 1200 foot strike length, including hole 2006 which intersected 12.13% Zn over 4.5 ft from 108.9-113.4 ft.

Muddy Brook Zone:

Defined by 400 foot spaced drill lines over a 1200 foot strike length, including hole 1397 which intersected 27.25% Zn over 1.4 ft from 357.3-358.7 ft.

Messina's field reconnaissance programs in 2009 located and sampled representative sphalerite (zinc-enriched) mineralization left-over from the mining operation. A total of 15 rock grab samples of sphalerite (zinc) mineralization were collected from six separate mined areas within the Daniels Harbour property where the mineralization had been intentionally left in place as representative of ore types. Five of Messina's samples assayed between 54% zinc to 64% zinc, eight samples assayed



between 30.6% zinc and 46.4% zinc, and two samples of lower grade mineralization contained 14% zinc to 15% zinc. Messina also collected and donated approximately 400 pounds of sphalerite mineralization on behalf of the Newfoundland Branch -- Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") for inclusion in mineral identification teaching kits.

Compilation of historical drilling and assay intersections adjacent to the former mine workings continues and the scope has expanded to include all regional drill holes and results. The overall objective is to identify prospective areas for similar zinc mineralization adjacent to the former Daniels Harbour mine workings and regionally. Recommendations for further work in 2010 will be based upon the results of data compilation. A total of \$36,200 work expenditure and report filing is required to keep the property in good standing through first year by April, 2010.

- **Costigan Lake Property, Newfoundland**

The Costigan Lake Property is comprised of 112 claims totaling 2,800 hectares, located in central Newfoundland between the Company's Long Lake and Tulks South Properties. The property was acquired in 2003 by staking and the 460 tonne "Big Kahuna" copper-enriched massive sulphide boulder was discovered in 2006 leading to additional adjoining claims being staked in September 2006. No additional work has been completed at the Costigan Lake Property in 2009. The property remains in good standing without further expenditure until at least December 2011.

- **Healy Bay Property, Newfoundland**

Messina acquired 155 claims totaling 3,875 hectares by staking the Healy Bay Property in 2007. The property encompassed a 30 kilometer strike length of similar rock types and age as those found at Skidder. During the 2008 fiscal year, Messina completed airborne electromagnetic and magnetic surveying covering the entire property. Results did not generate new targets and in August 2009 the property claims were allowed to lapse.

- **Topsails Property, Newfoundland**

The Topsails property was acquired by staking 901 claims totaling 22,525 hectares in October 2007 adjacent to the Company's Skidder property in a developing uranium play. The property is considered prospective for volcanic and intrusive related uranium deposits covering felsic intrusive rocks of the Topsails igneous terrane and felsic volcanic rocks of the Springdale group.

In July 2008, Messina completed the sale of the Topsails property to Altius Minerals Corporation ("Altius") of St. John's Newfoundland whereby Messina retained a 1% net smelter return royalty on these claims. Altius completed first year exploration on the property without finding significant mineralization. As of January 1, 2010 all Topsails property claims have been allowed to lapse by Altius, therefore Messina no longer has an interest in the area.



SELECTED ANNUAL INFORMATION

	Year ended September 30 2009		Year ended September 30 2008		Year ended September 30 2007	
Loss before income taxes	\$	(423,251)	\$	(785,115)	\$	(2,570,545)
Future income tax recovery	\$	379,000	\$	715,000	\$	515,000
Loss for the year	\$	(44,251)	\$	(70,115)	\$	(2,055,545)
Basic and diluted loss per share	\$	(0.00)	\$	(0.00)	\$	(0.06)
Total assets	\$	21,588,291	\$	22,006,700	\$	23,162,480
Mineral properties and deferred exploration costs	\$	21,010,238	\$	20,187,269	\$	15,367,327
Total long-term liabilities	\$	2,568,092	\$	2,953,269	\$	1,740,975
Working capital	\$	326,766	\$	1,108,020	\$	6,421,946

September 30, 2009 compared to September 30, 2008

The Company's loss before income taxes for the year ended September 30, 2009 was \$361,864 lower than the previous year. This was largely due to (a) a decrease in Part XII.6 tax of 93,750 due to a reduction in unspent flow-through funds in the current year; (b) a decrease in promotion and advertising of \$193,879 as the Company reduced its investor relations activities; and (c) a decrease in property investigation costs of \$71,371. However, offsetting these decreases, the Company's future income tax recovery for the year ended September 30, 2009 was \$336,000 less than the previous year. As a result, the loss for the 2009 fiscal year was comparable to fiscal 2008.

The increase in mineral properties and deferred exploration costs of \$822,969 was funded out of funds on hand at September 30, 2008.

September 30, 2008 compared to September 30, 2007

The reduction in total assets of \$1,155,780 relates to cash expenditures for administrative expenses net of interest income of approximately \$509,000 as well as a reduction in accounts payable of \$627,637. The increase in mineral properties and deferred exploration costs of \$4,819,942 was funded out of cash on hand at September 30, 2007.

The Company's loss before income taxes for the year ended September 30, 2008 was \$1,785,430 lower than the previous year. This was largely due to a decrease in stock-based compensation of \$1,915,500. This decrease was offset by increases in property investigation costs of \$71,371 and investor relations of \$64,792. The Company also had Part XII.6 tax expense in the amount of \$102,582 for the year ended September 30, 2008 (2007 - \$Nil). Offsetting these increased expenses, there was a reduction in management and financial consulting of \$103,487 as a result of increased involvement in the field in fiscal 2008 as compared to involvement in financing activity in 2007. In



addition, the Company recorded a future income tax recovery of \$715,000 as compared to \$515,000 in 2007 as a result of the Company realizing unrecorded deferred tax assets on renunciation of expenditures on flow-through shares.

SUMMARY OF QUARTERLY RESULTS

Table with 9 columns: QUARTER ENDING, Sept.30 2009, June 30 2009, Mar.31 2009, Dec. 31 2008, Sept.30 2008, June 30 2008, Mar.31 2008, Dec.31 2007. Rows include Loss before income taxes, Per share, Income (loss) for the year, and Basic and diluted earnings (loss) per share.

Messina's loss before income taxes for the fourth quarter was \$75,249 (2008 - \$166,650). The decrease of \$91,401 is explained partly by a decrease in promotion and advertising of \$35,457. In addition, in the fourth quarter 2008, there was a reclassification out of management salaries and benefits of \$122,628 to reflect increased time spent in the field in 2008.

CAPITAL RESOURCES AND LIQUIDITY

At September 30, 2009, the Company had \$326,766 (2008 - \$1,108,020) in working capital. During fiscal 2009, the Company completed a private placement of \$250,000 to be used for general working capital and, subsequent to the fiscal year end, the Company raised another \$210,500 in flow-through private placement proceeds to be allocated to exploration on its Newfoundland properties.

Currently, Messina has no plans for significant exploration expenditures on its central Newfoundland properties in 2010. The Company has no debt and sufficient working capital to meet listing obligations and to continue exploration of its properties at a minimal pace of expenditure.

TRANSACTIONS WITH RELATED PARTIES

During the year ended September 30, 2009, Messina entered into the following transactions with related parties:

- a) Paid or accrued corporate administration fees of \$28,500 to Susan Tessman, Corporate Secretary of the Company.



- b) Paid salary of \$176,800 to Peter Tallman, President of the Company, \$109,692 of which has been included in deferred exploration costs.
- c) Paid or accrued geological consulting fees of \$56,289 to a company controlled by Kerry Sparkes, Vice President, Exploration of the Company, which have been included in deferred exploration costs.

Included in accounts payable is \$15,609 owing to directors, officers and/or companies with directors and officers in common.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

CHANGES IN ACCOUNTING POLICIES

Recently Adopted Accounting Policies

Effective October 1, 2008, the Company adopted new accounting policies of the Canadian Institute of Chartered Accountants:

- **Assessing Going Concern**

Section 1400 requires management to assess and disclose an entity's ability to continue as a going concern.

NEW ACCOUNTING PRONOUNCEMENTS

- **Business Combinations**

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

- **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 strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 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 for the Company will be October 1, 2011 and may require the restatement for comparative purposes of amounts reported for the year ended September 30, 2011. The impact of the transition to IFRS on the Company's financial statements is currently being assessed.



FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, term deposits, receivables, investments, investment in partnership, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

RISK FACTORS

Companies involved in the mineral exploration industry are faced with many risk factors. The following selected risk factors are those management views as the most germane to the Company at this stage in the Company's growth. While it is not possible to eliminate all the factors inherent in the mineral exploration business, the Company, through ongoing assessment, strives to mitigate these risks to ensure the protection of its assets.

- **Exploration and Development Risk**

Mineral exploration and development involves a high degree of risk and few properties explored are ultimately developed into producing mines. There is no assurance that any mineral resources identified and defined can be commercially mined. Messina attempts to mitigate these risks by conducting exploration programs and studies using qualified contractors and personnel who will make professional recommendations based upon the findings of these studies.

- **Risk in Resource/Reserve Calculations and Estimation of Metal Recoveries**

There is a degree of uncertainty attributable to the calculation of mineral resources and mineral reserves and corresponding grades. Until ore is actually mined and processed, quantity of mineral resources and mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources or reserves and grades may vary depending upon the prices of the individual commodities contained. Any material change in quantity of mineral resources or reserves, grade, or recovery ratio may affect the economic viability of the Company's projects. In addition, there can be no assurances that recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. The Company attempts to mitigate these risks by conducting resource evaluations and studies using qualified contractors and personnel who will make professional recommendations based upon the findings of these evaluations and studies.

- **Financing Risk**

Messina has limited financial resources and relies upon the issuance of share capital to raise funds. The Company's management is aware that the availability of equity funds at favourable terms is not certain, so the financial requirements of Messina's operations are reviewed at least quarterly to allow for timely changes in capital deployment. The Company has been successful in the past in obtaining approximately \$21 million in financing from 2003 to 2009 through the placement of equity, however there can be no assurance that it will obtain adequate financing in the future or that the terms of such financing will be favourable.

- **Political and Legislative Risk**

The Company's properties are located in Canada in the province of Newfoundland and Labrador. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected, to varying degrees, by changes in federal or provincial legislation and regulations and the effects of any changes cannot be accurately predicted.



The Company identifies changes and potential changes in environmental legislation, provincial laws and regulations, and 'best practices guidelines' as sources of potential risk in this regard.

• **Business Cycle Risk**

General market conditions and the price of precious and base metals will have an impact on the Company's ability to access financing in the future to continue the exploration of its properties and further the Company's long term plan. Commodities prices are generally regarded to behave cyclically and are currently coming off new relative lows with improving future outlooks, which reflects neutrally to positively on the future prospects of the Company. There can be no assurance that these conditions will indeed remain as current or continue to improve, however historical data support the concept of cyclical lows and highs in commodity pricing. The Company can be favourably or adversely affected by a change in cyclical market direction. Any changes in general market conditions are beyond the control of the Company.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument ("MI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

OUTSTANDING SHARE DATA

During the year ended September 30, 2009, the Company issued 2,500,000 units at \$0.10 pursuant to a private placement. At September 30, 2009 the Company had 43,842,410 common shares outstanding. Subsequent to the fiscal year end, the Company completed a private placement, issuing 1,403,333 flow-through shares at \$0.15 per share.

During the year ended September 30, 2009, 3 million incentive stock options exercisable at \$0.10 for a period of 5 years were granted to certain directors, officers and consultants of the company and 1.8 million stock options expired or were cancelled. 503,100 agent options from a previous private placement expired on September 28, 2009. Options outstanding at September 30, 2009 are detailed in the table below:

Number	Date of Grant	Exercise Price	Expiry Date	Type
3,000,000	May 7, 2009	\$0.10	May 7, 2014	Directors, officers, consultant

During the year ended September 30, 2009, the Company issued 2,500,000 share purchase warrants exercisable at \$0.12 for a period of five years, pursuant to a private placement financing. The Company also issued 700,000 warrants exercisable at \$0.10 for a period of five years pursuant to property option agreements. Agents' warrants of 710,000 exercisable at \$1.10 from a previous private



placement expired on September 28, 2009. At September 30, 2009, the Company had the following share purchase warrants outstanding:

Number of Warrants	Exercise Price	Expiry Date
100,000	\$ 1.65	April 4, 2010
150,000	\$ 0.39	Feb. 6, 2011
250,000	\$ 0.10	Feb. 6, 2012
2,500,000	\$ 0.12	June 5, 2014
350,000	\$ 0.10	June 24, 2014
100,000	\$ 0.10	June 25, 2014
3,450,000		

Subsequent to the fiscal year end, the Company issued a further 400,000 warrants exercisable at \$0.10 for a period of five years pursuant to property option agreements.

OUTLOOK

Messina is primarily affected by zinc commodity price trends as approximately 50% of Messina's mineral resource inventory is comprised of zinc, with lead, copper, silver, and gold together comprising the other 50% in relatively equal proportions. Zinc commodity market prices declined dramatically from January 2007 when zinc traded at \$2.10 US/lb, to January 2008 zinc (zinc at \$1.00 US/lb), to January 2009 (zinc at \$0.55 US/lb up from a low of \$0.45 US/lb), to January 2010 when zinc currently trades for \$1.15 US/lb. The price drop of this magnitude from 2007 to early 2009 is attributed to problems in world credit markets which consequently resulted in a slowing world economy and the reduction in demand for zinc end-products such as steel. The dramatic zinc price recovery from January 2009 to present is attributable to collective actions by world government and financial institutions including the US Federal Reserve, the Chinese government, European central banks and others applying 'economic stimulus' which has so far mitigated the worst of the credit problems and has allowed economic activity to recover. China in particular has had a 7% growth in GDP in 2009 at a time when the rest of the world's economies were stagnant or showed negative growth. Turning into 2010 the rest of the world has begun to recover, led by China but also India and Brazil, and industrial consumption of zinc in the United States has also increased from the very low levels seen in 2009.

The metals cycle, which by conventional wisdom has a 7 year duration, put in a cyclical bottom in December-January 2009. Commodity price appreciation is predicted to remain slow through 2010 but is expected to improve in 2011 as world industrial activities recover to pre-2008 levels.

A possibility for rapid growth in zinc demand in the near-future involves the use of zinc in fertilizers. Research efforts in the United States, China, and Europe have all shown that approximately 1% zinc added to traditional chemical fertilizers increase crop yields dramatically; for rice the yield increase is between 10%-20%. If zinc is added to fertilizers required only in for example Chinese rice paddies, it would result in additional zinc consumption of some 300,000 tonnes annually.

In general the cyclical trends of commodity consumption supports stable or rising prices at this time of the cycle. There is potential for new industrial use for zinc in the form of fertilizers, and compelling research suggesting this is a viable application. China has indicated they wish to implement the application of zinc in fertilizer within the next two years.



In Newfoundland, Teck's Duck Pond mill will operate until approximately 2014 with ore from the Duck Pond mine as feed. We continue to believe that Boomerang has potential to supply ore to the Duck Pond mill beginning in 2014 and that it is in the interest of both Teck's Duck Pond operation and Messina to do so, and also considering the macroeconomic scenario of stable to rising zinc prices between 2010 and 2014.

The Company has sufficient funds to maintain listing requirements. Exploration spending now is at the discretion of the Company taking into account factors including the current macroeconomic environment. The Company expects to conduct some exploration of its lands in 2010, however the size, scope, and objective(s) of the exploration activity is dependent upon access to additional funds and subject to the objective of limiting shareholder dilution, among other factors.

INFORMATION

Additional information on Messina Minerals Inc. can be found by visiting the Company's website at www.messinaminerals.com and by viewing regulatory filings on SEDAR at www.sedar.com.



ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Fourth Quarter Operating Expenses

	Three Months Ended	
	September 30	
	2009	2008
EXPENSES		
Amortization	\$ 648	\$ 860
Corporate and administration fees	7,125	7,075
Interest on capital lease obligations	484	602
Management and financial consulting	3,120	(67,266)
Office and miscellaneous	13,403	111,187
Professional fees	31,985	39,000
Promotion and advertising	2,677	38,134
Regulatory and transfer agent fees	1,902	1,153
Rent	6,499	5,949
Travel and related costs	4,952	4,490
	\$ 72,795	\$ 141,184

Schedule of Share Capital

As at January 20, 2010

Authorized capital	unlimited
Common Shares outstanding	45,245,743
Options outstanding	3,000,000
Warrants outstanding	3,850,000
Fully diluted share capital	52,095,743

AUDITORS' REPORT

To the Shareholders of
Messina Minerals Inc.

We have audited the balance sheets of Messina Minerals Inc. as at September 30, 2009 and 2008 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

January 18, 2010



MESSINA MINERALS INC.

BALANCE SHEETS

As at September 30

	2009	2008
ASSETS		
Current		
Cash	\$ 349,480	\$ 364,483
Term deposits	-	1,050,000
Receivables	6,518	156,110
Prepaid expenses and deposits	21,922	42,932
	377,920	1,613,525
Building and equipment (Note 3)	111,014	104,718
Equipment under capital leases (Note 4)	25,869	73,688
Mineral properties and deferred exploration costs (Note 5)	21,010,238	20,187,269
Investments (Note 6)	63,250	27,500
	\$ 21,588,291	\$ 22,006,700
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 44,977	\$ 474,692
Current portion of capital lease obligations (Note 7)	6,177	30,813
	51,154	505,505
Long-term		
Obligations under capital leases (Note 7)	27,092	33,269
Future income tax liability (Note 11)	2,541,000	2,920,000
	2,619,246	3,458,774
Shareholders' equity		
Capital stock (Note 9)	27,204,263	26,963,268
Contributed surplus (Note 9)	4,818,854	4,594,479
Deficit	(13,054,072)	(13,009,821)
	18,969,045	18,547,926
	\$ 21,588,291	\$ 22,006,700

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

On behalf of the Board:

"Peter Tallman"

Director

"Gary McDonald"

Director

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



MESSINA MINERALS INC. STATEMENTS OF OPERATION AND DEFICIT

Year ended September 30

	2009	2008
EXPENSES		
Amortization	\$ 2,593	\$ 3,442
Corporate and administration fees	28,500	22,500
Interest on capital lease obligations	2,126	2,085
Management and financial consulting	84,348	84,069
Office and miscellaneous	47,785	175,733
Professional fees	48,658	59,232
Promotion and advertising	17,101	210,980
Property investigation costs	-	71,371
Regulatory and transfer agent fees	21,319	21,339
Rent	23,088	16,693
Stock-based compensation (Note 9)	180,000	170,000
Travel and related costs	23,327	50,807
Loss before other items and income tax	(478,845)	(888,251)
OTHER ITEMS		
Interest income	19,844	146,908
Unrealized gain (loss) on investments (Note 6)	35,750	(43,750)
Loss on sale of mineral property	-	(22)
	55,594	103,136
Loss before income taxes	(423,251)	(785,115)
Future income tax recovery (Note 11)	379,000	715,000
Loss and comprehensive loss for the year	(44,251)	(70,115)
Deficit, beginning of year	(13,009,821)	(12,939,706)
Deficit, end of year	\$ (13,054,072)	\$ (13,009,821)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding during the year	42,143,780	41,342,410

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



MESSINA MINERALS INC.
STATEMENTS OF CASH FLOWS

Year ended September 30

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (44,251)	\$ (70,115)
Items not affecting cash:		
Amortization	2,593	3,442
Promotion and advertising options issued	7,875	58,500
Stock-based compensation	180,000	170,000
Unrealized loss (gain) on investments	(35,750)	43,750
Loss on sale of mineral property	-	22
Future income tax recovery	(379,000)	(715,000)
Changes in non-cash working capital items:		
Decrease in receivables	149,592	55,181
Decrease in prepaid expenses and deposits	21,010	17,353
Decrease in accounts payable and accrued liabilities	(115,715)	(20,637)
Net cash used in operating activities	(213,646)	(457,504)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of building and equipment	-	(2,396)
Term deposits	1,050,000	(1,050,000)
Mineral properties and deferred exploration costs	(1,393,572)	(5,464,447)
Mineral properties and deferred exploration recoveries	332,033	100,000
Net cash used in investing activities	(11,539)	(6,416,843)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	250,000	-
Share issue costs	(9,005)	(9,498)
Repayment of capital lease obligations	(30,813)	(31,008)
Net cash provided by (used in) financing activities	210,182	(40,506)
Change in cash during the year	(15,003)	(6,914,853)
Cash, beginning of year	364,483	7,279,336
Cash, end of year	\$ 349,480	\$ 364,483
Cash paid during the year for:		
Interest expense	\$ 3,212	\$ 7,537
Income taxes	-	-

Supplemental disclosure with respect to cash flows (Note 12)

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



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. NATURE AND CONTINUANCE OF OPERATIONS

Messina Minerals Inc. (“the Company”) is incorporated under the laws of British Columbia and its principal business activities include acquiring and exploring mineral properties.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production. The Company is considered to be in the exploration stage as it has not yet earned significant revenues.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Although the Company is not generating revenues, has incurred operating losses in past years and continues to incur operating losses, management believes the Company has sufficient working capital to fund expected operating and administrative costs for the upcoming year and will require additional financing to proceed with any significant exploration program.

These financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include stock-based compensation expenses, future income taxes and impairment of assets. Actual results could differ from those estimates.

Financial instruments

Financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

The Company provides disclosure that enables users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) 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 how the entity manages those risks.

The Company has classified its cash and investments as held-for-trading. Term deposits are classified as held-to-maturity. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities and obligations under capital lease are classified as other liabilities.

The Company also discloses financial instruments and non-financial derivatives classified from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

Building and equipment

Building and equipment are recorded at cost. Amortization is being provided for using the following annual rates and methods:

Computer equipment	45% declining balance
Equipment	30% declining balance
Vehicles	30% declining balance
Building	4% declining balance

Mineral properties and deferred exploration costs

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.



2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Asset retirement obligation

The Company recognizes legal liability for obligations relating to retirement of property and equipment, and arising from the acquisition, construction, development or normal operation of those assets. Such asset retirement cost must be recognized at fair value in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life.

Stock-based compensation

The Company uses the fair value method of accounting for all stock-based compensation and estimates the fair value at the date of grant using the Black-Scholes option pricing model. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Capital stock is reduced and future income tax liability increased by the estimated tax benefits transferred to shareholders. Upon renunciation of flow-through expenditures, a portion of the future income tax assets that were not recognized in previous years due to the recording of a valuation allowance are recognized as a recovery of income taxes on the statement of operations.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted average number of common shares outstanding during the year.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Government grants

Government assistance is recorded as either a reduction of the cost of the applicable assets or credited in the statement of operations as determined by the terms and conditions of the agreement under which the assistance is provided to the Company.

Recently Adopted Accounting Policies

Effective October 1, 2008, the Company adopted new accounting policies of the Canadian Institute of Chartered Accountants:

Assessing Going Concern

Section 1400 requires management to assess and disclose an entity's ability to continue as a going concern.

Recent Accounting Pronouncements

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 strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 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 for the Company will be October 1, 2011 and will require the restatement for comparative purposes of amounts reported for the year ended September 30, 2011. The impact of the transition to IFRS on the Company's financial statements has not yet been determined.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recent Accounting Pronouncements (cont'd)

Business Combinations

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

3. BUILDING AND EQUIPMENT

	2009			2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 62,852	\$ 57,257	\$ 5,595	\$ 62,852	\$ 52,678	\$ 10,174
Equipment	41,925	27,606	14,319	41,925	21,470	20,455
Vehicles	141,174	100,015	41,159	52,984	30,917	22,067
Building	60,000	10,059	49,941	60,000	7,978	52,022
	\$ 305,951	\$ 194,937	\$ 111,014	\$ 217,761	\$ 113,043	\$ 104,718

4. EQUIPMENT UNDER CAPITAL LEASES

The Company has acquired vehicles through capital leases. During the year ended September 30, 2009, the Company exercised the purchase option on two of its leases with net book value of \$31,222 and the vehicles have been transferred to building and equipment.

This equipment is amortized on a declining balance basis at a rate of 30% per annum. During the year ended September 30, 2009, amortization in the amount of \$16,597 (2008 – \$22,264) was charged to deferred exploration costs.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

4. EQUIPMENT UNDER CAPITAL LEASES (cont'd)

	<u>2009</u>	<u>2008</u>
Equipment (cost)	\$ 43,478	\$ 131,668
Accumulated amortization	<u>(17,609)</u>	<u>(57,980)</u>
	<u>\$ 25,869</u>	<u>\$ 73,688</u>



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

	Victoria River Property	Tulks South Property	York Harbour Property	Long Lake Property	Skidder Property	Other Properties	Total 2009
	\$	\$	\$	\$	\$	\$	\$
Acquisition costs							
Balance, beginning of year	275,720	101,313	-	27,080	156,230	2,740	563,083
Additions during the year:							
Warrants issued	-	-	24,500	-	5,000	7,000	36,500
Cash paid	-	-	10	-	-	10	20
Staking and recording fees	-	-	-	-	-	800	800
	-	-	24,510	-	5,000	7,810	37,320
Balance, end of year	275,720	101,313	24,510	27,080	161,230	10,550	600,403
Deferred exploration costs							
Balance, beginning of year	80,130	17,847,316	-	1,198,888	344,093	153,760	19,624,187
Additions during the year							
Assays, testing and analysis	-	14,067	2,800	-	-	1,033	17,900
Camp construction and supplies	7,697	70,430	4,638	1,794	-	3,144	87,703
Diamond drilling	44,117	280,834	-	133,381	-	-	458,332
Equipment rental	4,680	27,157	60	6,400	-	-	38,297
Geology, geophysics and prospecting	17,075	345,247	73,061	11,538	-	25,136	472,057
Lease rental and claim maintenance	-	22,352	-	9,550	-	1,250	33,152
Transportation and travel	-	4,384	2,305	-	-	3,551	10,240
	73,569	764,471	82,864	162,663	-	34,114	1,117,681
Balance, end of year	153,699	18,611,787	82,864	1,361,551	344,093	187,874	20,741,868
Recovery of costs	(32,033)	(300,000)	-	-	-	-	(332,033)
Total, end of year	397,386	18,413,100	107,374	1,388,631	505,323	198,424	21,010,238



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd)

	Victoria River Property	Tulks South Property	Costigan Lake Property	Long Lake Property	Skidder Property	Other Properties	Total 2008
	\$	\$	\$	\$	\$	\$	\$
Acquisition costs							
Balance, beginning of year	275,360	101,313	1,120	27,080	130,730	1,621	537,224
Additions during the year:							
Warrants issued	-	-	-	-	25,500	-	25,500
Staking and recording fees	360	-	-	-	-	9,010	9,370
	360	-	-	-	25,500	9,010	34,870
Balance, end of year	275,720	101,313	1,120	27,080	156,230	10,631	572,094
Deferred exploration costs							
Balance, beginning of year	13,916	13,763,034	111,751	574,308	309,778	57,316	14,830,103
Additions during the year:							
Assays, testing and analysis	-	73,763	332	6,854	2,726	-	83,675
Camp construction and supplies	305	185,192	-	47,096	1,969	-	234,562
Diamond drilling	-	1,844,805	-	466,227	-	-	2,311,032
Equipment rental	-	8,894	-	19,779	-	-	28,673
Geology, geophysics and prospecting	56,912	2,040,621	90	82,593	20,622	106	2,200,944
Labour	-	14,009	-	-	-	-	14,009
Lease rental and claim maintenance	-	700	-	-	-	474	1,174
Surveying	8,997	250	-	-	8,998	7,712	25,957
Transportation and travel	-	16,048	-	2,031	-	-	18,079
	66,214	4,184,282	422	624,580	34,315	8,292	4,918,105
Balance, end of year	80,130	17,947,316	112,173	1,198,888	344,093	65,608	19,748,208
Recovery of costs	-	(100,000)	-	-	-	-	(100,000)
Sale of mineral properties	-	-	-	-	-	(33,033)	(33,033)
Total, end of year	355,850	17,948,629	113,293	1,225,968	500,323	43,206	20,187,269



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd)

Mishi Gold Property, Ontario

During the year ended September 30, 2008, the Company entered into an agreement with Windarra Minerals Ltd. ("Windarra"), a company with a common director, whereby Windarra acquired the Company's property and royalty rights pertaining to the Mishi Leases by issuing a total of 200,000 shares of Windarra valued at \$24,000 to the Company.

Tulks South Property, Newfoundland

The Company completed its acquisition of a 100% interest in the Tulks South property in Newfoundland from Windarra during fiscal 2006. The Company granted Windarra a 2% net smelter return royalty (NSR) on the Company's share of proceeds from production from the property (the "Windarra Royalty"). The Company has the right to buy back the Windarra Royalty from Windarra at any time prior to commercial production for \$2,000,000.

The underlying interest holder is Xstrata Zinc Canada ("Xstrata") formerly Falconbridge Limited, successor to Noranda Inc. Xstrata has the right to back in for a 50% interest at a price equal to 1.5 times the gross exploration expenditures incurred on the specific mining block. If Xstrata does not exercise its back in rights, it will receive a 2% NSR.

Upon completion of a positive feasibility study, an additional 16,667 common shares of the Company will be issued to a company with a common director and the property will be subject to a 0.5% NSR from the Company's share of the proceeds from production of the property, payable in shares of the Company at the Company's election.

Eagle Property

The Company acquired the Eagle property by staking. The costs of exploring the Eagle Property are included with Tulks South.

Costigan Lake Property, Newfoundland

The Company acquired the Costigan Lake property by staking.

Long Lake Property, Newfoundland

The Company has a 100% interest in certain mineral claims comprising the Long Lake property. The optionee retains the right to back in (the "Back-in Right") for a 50% interest in the property or portions thereof under certain circumstances, or be paid a 2% NSR.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd)

Skidder Property, Newfoundland

The property was acquired by staking in November 2006.

Skidder Property Option, Newfoundland

The Company acquired the option to earn a 100% interest in the Skidder property located in central Newfoundland. In order to acquire this interest, the Company paid \$20,000 and issued 25,000 common shares valued at \$38,000 and 500,000 non-transferable share purchase warrants, valued at \$102,500. The Company must also incur exploration expenditures of not less than \$1,250,000 by March 20, 2011.

Healy Bay Property, Newfoundland

The Company acquired the Healy Bay property by staking.

Victoria River Property, Newfoundland

The Company acquired the Victoria River property by issuing 250,000 common shares valued at \$275,000 and granting pre-existing rights' holders a 3% NSR. The Company can purchase 1.25% of the 3% at any time by paying a total of \$1,250,000.

Daniel's Harbour, Newfoundland

The Company has acquired the mineral rights to the past-producing zinc mines at Daniel's Harbour by staking.

Topsails Property, Newfoundland

During the year ended September 30, 2008, the Topsails property was acquired by staking claims adjacent to the Company's Skidder property. The property was disposed of during the fiscal 2008 for proceeds in the amount of \$54,060, of which \$45,050 was a recovery of a refundable deposit. The Company retains a 1% NSR in the property.

York Harbour Property, Newfoundland

During the year ended September 30, 2009, the Company acquired an option to earn a 100% interest in the York Harbour copper-producing property located in western Newfoundland. In order to acquire this interest, the Company paid \$10 and issued 350,000 stock purchase warrants (valued at \$24,500). The Company is also required to issue an additional 750,000 warrants within eighteen months of the signing date of the Agreement (300,000 issued).

The Company must also incur exploration expenditures of not less than \$1,000,000 by June 12, 2014. A 2% NSR has been reserved in favour of the vendor; the Company may reduce the NSR to 1% at any time upon making a cash payment of \$1,000,000 to the vendor.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (cont'd)

Haven Steady Property, Newfoundland

During the year ended September 30, 2009, the Company acquired an option to earn a 100% interest in the Haven Steady zinc property located in central Newfoundland. In order to acquire this interest, the Company paid \$10 and issued 100,000 stock purchase warrants (valued at \$7,000). The Company is also required to issue an additional 300,000 warrants within eighteen months of the signing date of the Agreement (100,000 issued).

The Company must also incur exploration expenditures of not less than \$600,000 by June 12, 2014. A 2% NSR royalty has been reserved in favour of the vendor; the Company may reduce the NSR to 1% at any time upon making a cash payment of \$1,000,000 to the vendor.

6. INVESTMENTS

At September 30, 2009, investments consist of 550,000 (2008 - 550,000) shares of Windarra. These shares were received at a value of \$91,875 as part of option agreements on the Mishi and Pukaskwa properties (Note 5) and are recorded on the balance sheet at market price as published in the TSX-Venture daily market summary.

7. OBLIGATIONS UNDER CAPITAL LEASES

The Company has acquired vehicles through capital leases. The following is a schedule of the capital lease obligation as at:

	2009		2008	
Obligations under capital lease	\$	33,269	\$	64,082
Less current portion		(6,177)		(30,813)
Long-term portion	\$	27,092	\$	33,269

The following is a schedule of future minimum lease payments required in the years ending September 30:

2010	\$	7,898
2011		7,898
2012		20,929
Total minimum lease payments		36,725
Amount representing interest		(3,456)
Balance of the obligation	\$	33,269



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued corporate and administration fees of \$28,500 (2008 - \$22,500) to an officer of the Company;
- b) Paid salary of \$176,800 (2008 - \$145,833) to a director and officer of the Company, \$109,692 (2008 - \$116,664) of which has been included in deferred exploration costs;
- c) Paid or accrued geological consulting fees of \$56,289 (2008 - \$160,975) to a company controlled by an officer of the Company which have been included in deferred exploration costs;
- d) Paid directors and officers fees in the amount of \$nil (2008 - \$44,500) which have been included in management and financial consulting expense;
- e) Received, during the year ended September 30, 2008, 200,000 common shares of Windarra, valued at \$24,000, in consideration for the sale of mineral properties.

Included in accounts payable is \$15,609 (2008 - \$13,485) owing to directors, officers and/or companies with directors and officers in common.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

9. CAPITAL STOCK

	Number of Shares	Share Amount	Contributed Surplus
Authorized			
Unlimited common voting shares, without par value			
Issued			
Balance as at September 30, 2007	41,342,410	\$ 28,891,766	\$ 4,340,479
Offering costs	-	(9,498)	-
Stock-based compensation	-	-	170,000
Fair value of options issued for services	-	-	58,500
Fair value of warrants issued	-	-	25,500
Tax benefits renounced to flow-through share subscribers	-	(1,919,000)	-
Balance as at September 30, 2008	41,342,410	26,963,268	4,594,479
Issued for cash	2,500,000	250,000	-
Offering costs	-	(9,005)	-
Stock-based compensation	-	-	180,000
Fair value of options issued for services	-	-	7,875
Fair value of warrants issued for property	-	-	36,500
Balance as at September 30, 2009	43,842,410	\$ 27,204,263	\$ 4,818,854

During the year ended September 30, 2009, the Company issued 2,500,000 units at a price of \$0.10 per unit for total proceeds of \$250,000 pursuant to a private placement. Each unit consists of one common share and one share purchase warrant exercisable into one common share at a price of \$0.12 for a period of 5 years.

Warrants

	Number of of Warrants	Weighted Average Exercise Price
		\$
Balance, September 30, 2007	1,665,694	1.58
Warrants issued for property	150,000	0.39
Warrants expired	(730,694)	2.00
Balance, September 30, 2008	1,085,000	1.13
Warrants issued	2,500,000	0.12
Warrants expired	(835,000)	(1.14)
Warrants issued for property	700,000	0.10
Balance, September 30, 2009	3,450,000	0.17



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

9. CAPITAL STOCK (cont'd)

Warrants (cont'd)

The following warrants were outstanding at September 30, 2009:

Number of Warrants	Exercise Price	Expiry Date
	\$	
100,000	1.65	April 4, 2010
150,000	0.39	February 6, 2011
250,000	0.10	February 6, 2012
2,500,000	0.12	June 5, 2014
350,000	0.10	June 24, 2014
100,000	0.10	June 25, 2014
3,450,000		

During the year ended September 30, 2009, the Company issued 2,500,000 warrants as part of a private placement. Each warrant entitles the holder to purchase one common share at a price of \$0.12 for a period of 5 years.

In addition, the Company also issued:

- 250,000 (2008 – 150,000) warrants each entitling the holder to purchase one common share at \$0.10 (2008 - \$0.39) for a period of three years as part of the acquisition of the Skidder property option. (See note 5.)
- 350,000 warrants each entitling the holder to purchase one common share at \$0.10 for a period of five years as part of the acquisition of the York Harbour property option. (See note 5.)
- 100,000 warrants each entitling the holder to purchase one common share at \$0.10 for a period of five years as part of the acquisition of the Haven Steady property option. (See note 5.)

The fair value of the share purchase warrants issued was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2009	2008
Risk-free interest rate	2.15%	3.13%
Expected life	4 years	3 years
Dividend rate	0%	0%
Volatility	106%	60%



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

9. CAPITAL STOCK (cont'd)

Stock options

The Company has a stock option plan that grants options to executive officers and directors, employees and consultants, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. These options vest immediately with the individual. On termination of the optionee's relationship with the Company, the expiry date is adjusted to 90 days after the date of such termination. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

During the year ended September 30, 2009, the Company issued a total of 3,000,000 stock options to directors, consultants and employees with a fair value \$0.06 per option.

During the year ended September 30, 2008, the Company issued a total of 850,000 stock options to directors, consultants and employees with a fair value of \$0.20 per option. These options were cancelled during the year ended September 30, 2009.

During the year ended September 30, 2008, the Company also issued 150,000 options with a fair value of \$0.21 per option for a total value of \$31,500 as part of an investor relations agreement, \$7,875 of which was expensed in fiscal 2009. These options expired during the year ended September 30, 2009.

The following stock options were outstanding at September 30, 2009:

Number of Shares	Exercise Price	Expiry Date
3,000,000	\$ 0.10	May 2, 2014



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

9. CAPITAL STOCK (cont'd)

Stock options

Stock option transactions for the year are summarized as follows:

	Number of of Options	Weighted Average Exercise Price
		\$
Balance, September 30, 2007	3,607,100	1.35
Options expired/cancelled	(2,304,000)	1.49
Options issued	1,000,000	0.49
Balance, September 30, 2008	2,303,100	0.83
Options expired/cancelled	(2,303,100)	0.83
Options issued	3,000,000	0.10
Balance, September 30, 2009	3,000,000	0.10
Number of options currently exercisable	3,000,000	0.10

Stock-based compensation

The Company uses the fair value-based methodology for measuring compensation costs of granting stock options. During the year ended September 30, 2009, 3,000,000 stock options with a fair value of \$0.06 per option were granted to employees, directors, officers and consultants and stock-based compensation of \$180,000 has been recognized.

During the year ended September 30, 2008, 850,000 stock options with a fair value of \$0.20 per option were granted to employees, directors, officers and consultants and stock-based compensation of \$170,000 was recognized. These options were cancelled during the year ended September 30, 2009.

The fair value of these stock options was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2009	2008
Risk-free interest rate	2.01%	3.03%
Expected life	5 years	3 years
Dividend rate	0%	0%
Volatility	110%	60%



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

10. SEGMENTED INFORMATION

The Company currently conducts all of its operations in Canada in one business segment being the acquisition and exploration of mineral properties.

11. INCOME TAXES

A reconciliation of income taxes at Canadian statutory rates is as follows:

	2009	2008
Loss for the year before taxes	\$ 423,251	\$ 785,115
Expected income tax recovery	\$ (128,000)	\$ (250,000)
Non-deductible (deductible) items	(51,000)	(18,000)
Unrecognized (recognized) benefits of non-capital losses	(200,000)	(447,000)
Total income tax recovery	\$ (379,000)	\$ (715,000)

	2009	2008
Future income tax assets:		
Non-capital loss carryforwards	\$ 595,000	\$ 482,000
Financing costs	105,000	183,000
Equipment	20,000	10,000
Investments	4,000	8,000
Capital loss carryforwards	1,000	1,000
	<u>725,000</u>	<u>684,000</u>
Future income tax liabilities:		
Mineral properties and deferred exploration costs	(3,261,000)	(3,595,000)
Valuation allowance	(5,000)	(9,000)
Net future income tax liability	\$ (2,541,000)	\$ (2,920,000)



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

11. INCOME TAXES (cont'd)

Subject to certain restrictions, the Company has operating losses of approximately \$2,382,000 available to reduce income in future years. Unless utilized, these losses will expire through to 2029. In addition, the Company has resource deductions totalling approximately \$8,365,000 available to reduce taxable income of future years. The Company also has capital losses totalling \$6,200 which can be carried forward indefinitely.

Future tax benefits which may arise as a result of these non-capital losses and resource deductions have been offset by a valuation allowance and have not been recognized in these financial statements.

During the years ended September 30, 2009 and 2008, the Company did not issue any flow-through shares. Flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to the flow-through participants. In the year ended September 30, 2008, the Company renounced exploration expenditures of \$6,014,500 (2009 - \$nil) which, along with changes in tax rates, resulted in a future income tax recovery of \$715,000 (2009 - \$nil), a \$1,919,000 (2009 - \$nil) charge against capital stock and a future income tax liability of \$2,920,000 (2009 - \$nil).

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended September 30, 2009, the Company had the following significant non-cash transactions:

- a) incurred accounts payable for deferred exploration costs of \$5,800;
- b) recorded \$38,930 as amortization included in deferred exploration costs;
- c) issued 700,000 warrants valued at \$36,500 as part of mineral property agreements (Note 5); and
- d) transferred assets with a net book value of \$31,222 from equipment under capital leases to building and equipment.

During the year ended September 30, 2008, the Company had the following significant non-cash transactions:

- a) incurred accounts payable for deferred exploration costs of \$320,000;
- b) recorded \$61,017 as amortization included in deferred exploration costs;
- c) issued 150,000 warrants valued at \$25,500 as part of the Skidder Property agreement (Note 5);
- d) received investments valued at \$24,000 for mineral property recoveries;
- e) acquired equipment valued at \$43,478 through a capital lease; and
- f) renounced mineral property expenditures to flow-through subscribers resulting in a decrease of \$1,919,000 to capital stock with an increase of \$1,204,000 to future income tax liability and \$715,000 to future income tax recovery.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

The fair values of cash, term deposits, receivables, and accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments. The carrying value of investments and obligations under capital leases approximates the fair value.

(a) ***Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) ***Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of sales tax receivables due from federal government agencies as well as accrued interest receivable on term deposits.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact of the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.



NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

14. CAPITAL MANAGEMENT

The Company defines capital that it manages as cash, term deposits and equity, consisting of issued common shares, stock options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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.

15. SUBSEQUENT EVENT

Subsequent to the year ended September 30, 2009, the Company completed a non-brokered private placement for the issuance of 1,403,333 flow-through shares at a price of \$0.15 per share for total proceeds of \$210,500.



CORPORATE DATA

JANUARY 2010

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Kerry Sparkes, Vice President, Exploration
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Steven Brunelle, Director
Peter Mordaunt, Director
John Pallot, Director

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CAPITALIZATION

Authorized:	Unlimited
Issued:	45,245,743
Options:	3,000,000
Warrants:	3,850,000
Fully diluted:	52,095,743

LISTING

TSX Venture Exchange
Trading Symbol: MMI
Cusip No.: 590815 10 6
S.E.C. 12g3-2(b) Exemption: 82-2682