

FINLAY MINERALS LTD.

Unaudited Interim Financial Statements

March 31, 2009

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

FINLAY MINERALS LTD.

Balance Sheets

As at

	March 31, 2009 (unaudited)	December 31, 2008
	\$	\$
A S S E T S		
Current		
Cash and short-term deposits	53,285	79,288
GST receivable	439	2,993
Prepaid expense	-	-
	<u>53,724</u>	<u>82,281</u>
Reclamation deposits	57,200	57,200
Mineral property costs (schedule)	5,889,662	5,885,644
	<u>6,000,586</u>	<u>6,025,125</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	9,226	20,307
Due to related parties	-	26,246
	<u>9,226</u>	<u>46,553</u>
Future income taxes	1,246,807	1,249,219
	<u>1,256,033</u>	<u>1,295,772</u>
SHAREHOLDERS' EQUITY		
Share capital (note 4)	4,703,884	4,703,884
Obligation to issue shares	91,250	70,000
Contributed surplus	445,740	445,740
Deficit	(496,321)	(490,271)
	<u>4,744,553</u>	<u>4,729,353</u>
	<u>6,000,586</u>	<u>6,025,125</u>

See notes to the financial statements

FINLAY MINERALS LTD.
Statements of Operations and Deficit
(Unaudited)

	For the Three Months ended March 31,	
	2009	2008
	\$	\$
Expenses		
Advertising and promotion	-	850
Bank charges and interest	94	1,300
Consulting	-	8,450
Office	-	698
Professional fees	187	5,920
Rent	2,502	2,154
Travel and accommodation	-	5,965
Telephone	134	199
Trust and filing	6,010	6,130
Interest income	(465)	(452)
	<u> </u>	<u> </u>
Loss before tax	(8,462)	(31,214)
Future income tax recovery (expense)	2,412	35,201
	<u> </u>	<u> </u>
Net loss for the period	(6,050)	3,987
Deficit, beginning of period	(490,271)	(777,642)
Deficit, end of period	<u><u>(496,321)</u></u>	<u><u>(773,655)</u></u>
Loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of shares	<u>37,655,907</u>	<u>37,655,907</u>

See notes to the financial statements

FINLAY MINERALS LTD.
Statements of Cash Flows
(Unaudited)

For the Three Months ended
March 31,

	2009	2008
	\$	\$
Cash provided by (used for):		
Operations		
Net loss for the period	(6,050)	0
Items not affecting cash:		
Future income tax (recovery) expense	(2,412)	(35,201)
	(8,462)	(35,201)
Changes in non-cash working capital components:		
Accounts payable and accrued liabilities	(11,081)	8,192
Amounts receivable	2,554	36,541
Due to related parties	(26,246)	15,383
	(43,235)	24,915
Investing Activities		
Mineral property costs	(4,018)	(3,446)
	(4,018)	(3,446)
Financing Activities*		
Cash from shares issued	21,250	-
	21,250	-
Net cash used during the period	(26,003)	21,469
Cash, beginning of period	79,288	141,393
Cash, end of period	53,285	162,862

* *Supplemental Disclosure of Non-Cash Investing Activity*

During the period ended March 31, 2009, the Company accrued no exploration expenditures in accounts payable.

During the period ended March 31, 2008, the Company incurred \$9,206 in exploration expenditures recorded in accounts payable.

FINLAY MINERALS LTD.
Statements of Deferred Mineral Property Costs
(Unaudited)

	Balance December 31, 2008	Net Expenditures	Balance March 31, 2009
	\$	\$	\$
BRITISH COLUMBIA			
Atty and Pil Claims			
Acquisition	73,220	-	73,220
Assay, IP and linecutting	528,514	-	528,514
Camp accommodations and travel	1,020,059	-	1,020,059
Drilling	1,466,687	-	1,466,687
Equipment rentals	129,613	-	129,613
Field Office expense	116,249	-	116,249
Geological and geophysical	1,450,054	-	1,450,054
Road constriction	392,273	-	392,273
	<u>5,176,669</u>	<u>-</u>	<u>5,176,669</u>
Silver Hope Claims			
Acquisition	176,334	4,018	180,352
Assay, IP and linecutting	155,181	-	155,181
Camp accommodations and travel	18,120	-	18,120
Drilling	230,428	-	230,428
Equipment rental	3,233	-	3,233
Geological and geophysical	106,803	-	106,803
Roads	18,876	-	18,876
	<u>708,975</u>	<u>4,018</u>	<u>712,993</u>
Total Deferred Mineral Property Costs	<u>5,885,644</u>	<u>4,018</u>	<u>5,889,662</u>

See notes to the financial statements

FINLAY MINERALS LTD.
Notes to the Financial Statements
March 31, 2009 and December 31, 2008

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company's major activity is the acquisition and exploration of mineral properties. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves. The Company does not generate cash flows from operations and has therefore relied principally upon the issuance of equity securities to finance its exploration activities. The Company intends to continue relying upon the issuance of equity securities to finance its operations and exploration activities to the extent that such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's interim financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

2. ACCOUNTING PRINCIPLES AND USE OF ESTIMATES

The accompanying unaudited interim financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements dated December 31, 2008. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods have been reflected. The results for the nine month period ended March 31, 2009 are stated utilizing the same accounting policies as those reflected in the Company's most recent annual financial statements, but these interim figures are not necessarily indicative of the results to be expected for the full year.

All accounting policies are the same as described in note 2 of the Company's audited financial statements for the year ended December 31, 2008, with the exception of the following accounting policies adopted by the Company on a prospective basis with no restatement of prior period financial statements.

(i) Capital Disclosures

The Company considers share capital, cash and equivalents and short term investments as capital and manages them by safeguarding them in order to utilize them to fund its operation and explore its mineral properties. The Company issues shares to maintain its capital structure and is not subject to any external capital requirements. The Company's policy is to maintain sufficient capital to conduct its operations and has not made any changes to this policy in the nine months ended September 30, 2008.

(ii) Financial Instruments - Disclosure (Section 3862) and Presentation (Section 3863)

The carrying amount of the Company's cash and short term deposits, amounts receivable and accounts payable approximates their fair values. The Company manages its capital as follows; credit, liquidity and counterparty risk is managed by investing only in Canadian bank financial instruments, or government securities which are capable of prompt liquidation.

The Company maintains all of its investments and conducts all of its business in Canada and so has no foreign exchange risk nor does it have any currency or other hedge related risks.

Interest rate risk is minimized by investing in short term securities with floating rates of interest. Commodity risk is not hedged as the Company has no production and any market risk is outside of the Company's control.

3. ACCOUNTING PRINCIPLES AND USE OF ESTIMATES (continued)

(iii) International Financial Reporting Standards (“IFRS”)

In February 2008 the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not yet been determined.

Flow-through financing

The Company may issue securities referred to as flow-through shares, whereby the investors may claim the tax deductions arising from the expenditure of the proceeds. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), and share capital is reduced. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

3. SHARE CAPITAL

- a) Authorized share capital consist of: 200,000,000 common shares without par value.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

Issued:

	Number of shares	Total Value	Contributed Surplus
		\$	\$
Issued at December 31, 2008	37,655,907	4,703,884	445,740
Future income tax costs*	-	-	-
Issued at March 31, 2009	<u>37,655,907</u>	<u>4,703,884</u>	<u>445,740</u>

*Associated with flow-through renunciations occurring during the current interim period.

- f) Obligation to issue shares

The Company received \$21,250 (December 31, 2008 - \$70,000) under a private placement of units at \$0.05 per unit, each unit comprising one common share and one warrant exercisable into one common share at \$0.08 per share for two years. The private placement had not been finalized by interim date.

3. **SHARE CAPITAL** (continued)

b) Summary of stock options outstanding at March 31, 2009:

Expiry Date	Exercise Price	December 31, 2008	Expired	March 31, 2009
	\$			
May 20, 2009	0.375	200,000	-	200,000
May 18, 2011	0.22	200,000	-	200,000
May 29, 2012	0.20	1,125,000	-	1,125,000
		1,525,000	-	1,525,000
Weighted average exercise price		\$ 0.23	\$ -	\$ 0.23
Weighted average remaining life		2.63		2.63

c) Summary of warrants and agent warrants outstanding at March 31, 2009:

Number	Exercise Price	Expiry Date
	\$	
<i>Warrants:</i>		
4,347,824	0.35	April 10, 2009
<i>Agent warrants:</i>		
347,826	0.20	April 10, 2009

4. **RELATED PARTY TRANSACTIONS**

All these related party transactions were in the normal course of operations and are measured at their fair value as determined by management. The amounts are unsecured, bear no interest and have no fixed terms for repayment.

During the current year, the Company incurred \$Nil with these related parties (December 31, 2008) for property exploration costs and \$Nil (December 31, 2008 - \$13,178) for consulting. The Company's solicitor is a director of the Company and charged \$Nil (December 31, 2008 - \$9,517) in legal costs.