

CRESTON MOLY CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2009

(Unaudited- Prepared by Management)

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the interim consolidated financial statements for the period ended April 30, 2009.

CRESTON MOLY CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited- Prepared by Management)

| | April 30, 2009 | July 31, 2008 |
|--|-----------------------|----------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ 2,238,366 | \$ 7,220,728 |
| Receivables | 87,093 | 997,941 |
| Prepaid expenses | 55,398 | 68,897 |
| | <u>2,380,857</u> | <u>8,287,566</u> |
| EQUIPMENT (Note 4) | 69,230 | 86,681 |
| MINERAL PROPERTIES (Note 5) | 59,344,988 | 55,734,477 |
| | <u>\$ 61,795,075</u> | <u>\$ 64,108,724</u> |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 5,066,904 | \$ 3,175,241 |
| FUTURE INCOME TAXES | 13,614,505 | 13,614,505 |
| | <u>18,681,409</u> | <u>16,789,746</u> |
| SHAREHOLDERS' EQUITY | | |
| Capital stock (Note 6) | 65,493,300 | 64,953,301 |
| Contributed surplus | 5,376,447 | 5,105,554 |
| Deficit | (27,756,081) | (22,739,877) |
| | <u>43,113,666</u> | <u>47,318,978</u> |
| | <u>\$ 61,795,075</u> | <u>\$ 64,108,724</u> |

NATURE AND CONTINUANCE OF OPERATIONS- Note 2
COMMITMENTS AND CONTINGENCIES – Note 11
SUBSEQUENT EVENTS- Note 13

APPROVED BY THE DIRECTOR

APPROVED BY THE DIRECTOR

“Jonathan George”
Jonathan George

“Kim Phillips”
Kim Phillips

The accompanying notes are an integral part of these interim consolidated financial statements

CRESTON MOLY CORP.

INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited- Prepared by Management)

| | <u>Share Capital</u> | | <u>Contributed Surplus</u> | <u>Deficit</u> | <u>Total</u> |
|----------------------------------|----------------------|---------------------|--------------------------------|-----------------------|---------------------|
| | Number | Amount | | | |
| Balance, July 31, 2007 | 118,690,646 | \$64,405,980 | \$3,754,044 | \$(19,529,986) | \$48,630,038 |
| Stock options exercised | 410,000 | 64,500 | - | - | 64,500 |
| Warrants exercised | 2,067,501 | 413,500 | - | - | 413,500 |
| Stock-based compensation | - | - | 1,420,831 | - | 1,420,831 |
| Draw Down on options | - | 69,321 | (69,321) | - | - |
| Net loss for the year | - | - | - | (3,209,891) | (3,209,891) |
| Balance, July 31, 2008 | 121,168,147 | 64,953,301 | 5,105,554 | (22,739,877) | 47,318,978 |
| Warrants exercised | 599,999 | 539,999 | - | - | 539,999 |
| Stock-based compensation | - | - | 251,733 | - | 251,733 |
| Net loss for the period | - | - | - | (1,276,259) | (1,276,259) |
| Balance, October 31, 2008 | 121,768,146 | 65,493,300 | 5,357,287 | (24,016,136) | 46,834,451 |
| Stock-based compensation | - | - | 4,505 | - | 4,505 |
| Net loss for the period | - | - | - | (3,028,036) | (3,028,036) |
| Balance, January 31, 2009 | 121,768,146 | 65,493,300 | 5,361,792 | (27,044,172) | 43,810,920 |
| Stock-based compensation | - | - | 14,655 | - | 14,655 |
| Net loss for the period | - | - | - | (711,909) | (711,909) |
| Balance, April 30, 2009 | 121,768,146 | \$65,493,300 | \$5,376,447 | \$(27,756,081) | \$43,113,666 |

The accompanying notes are an integral part of these interim consolidated financial statements

CRESTON MOLY CORP.**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS**
(Unaudited- Prepared by Management)

| | Three Months Ended April 30, 2009 | Three Months Ended April 30, 2008 | Nine Months Ended April 30, 2009 | Nine Months Ended April 30, 2008 |
|---|--|--|---|---|
| EXPENSES | | | | |
| Amortization | \$ 6,411 | \$ 7,930 | \$ 19,185 | \$ 18,191 |
| Consulting fees | 174,239 | 161,249 | 450,991 | 413,420 |
| Filing fees | 105 | 19,974 | 2,700 | 25,875 |
| Arbitration settlement (Note 11) | - | - | 2,601,450 | - |
| Foreign exchange loss | 53,809 | 10,580 | 323,151 | 41,528 |
| Interest charges | 51,409 | - | 51,409 | - |
| Management fees | 94,500 | 94,500 | 283,500 | 283,500 |
| Office | 89,185 | 104,391 | 287,063 | 252,878 |
| Professional fees | 163,169 | 69,723 | 488,101 | 195,042 |
| Shareholder communications | 42,969 | 54,496 | 172,913 | 90,443 |
| Stock-based compensation (Note 6) | 14,655 | 770,613 | 266,388 | 1,105,779 |
| Travel and promotion | 35,733 | 191,017 | 142,386 | 611,802 |
| Interest income | (14,275) | (83,510) | (73,033) | (350,794) |
| NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD | \$ 711,909 | \$ 1,400,963 | \$5,016,204 | \$ 2,687,664 |
| BASIC AND DILUTED LOSS PER COMMON SHARE | \$0.01 | \$0.01 | \$0.04 | \$0.02 |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING | 121,768,146 | 120,451,101 | 121,734,813 | 119,532,305 |

The accompanying notes are an integral part of these interim consolidated financial statements

CRESTON MOLY CORP.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited- Prepared by Management)

| | Three Months Ended April 30, 2009 | Three Months Ended April 30, 2008 | Nine Months Ended April 30, 2009 | Nine Months Ended April 30, 2008 |
|--|--|--|---|---|
| CASH PROVIDED (USED) BY | | | | |
| OPERATING ACTIVITIES | | | | |
| Net loss for the period | \$ (711,909) | \$ (1,400,963) | \$(5,016,204) | \$ (2,687,664) |
| Items not requiring an outlay of cash | | | | |
| Amortization | 6,411 | 7,930 | 19,185 | 18,191 |
| Stock-based compensation | 14,655 | 770,613 | 266,388 | 1,105,779 |
| CHANGE IN NON-CASH ITEMS | | | | |
| Receivables | 408,468 | (285,940) | 910,848 | (641,967) |
| Prepaid expenses | 19,741 | (17,089) | 13,499 | (60,311) |
| Accounts payable | 252,561 | (100,937) | 2,820,994 | (75,352) |
| | (10,073) | (1,026,386) | (985,290) | (2,341,324) |
| INVESTING ACTIVITIES | | | | |
| Mineral property expenditures | (781,880) | (985,721) | (4,535,337) | (2,885,811) |
| Acquisition of equipment | (594) | (6,735) | (1,734) | (36,438) |
| | (782,474) | (992,455) | (4,537,071) | (2,922,249) |
| FINANCING ACTIVITIES | | | | |
| Share issuances | - | 352,083 | 539,999 | 452,500 |
| CHANGE IN CASH AND CASH EQUIVALENTS | (792,547) | (1,666,758) | (4,982,362) | (4,811,072) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD | 3,030,913 | 11,786,545 | 7,220,728 | 14,930,859 |
| CASH AND CASH EQUIVALENTS, END OF THE PERIOD | \$2,238,366 | \$ 10,119,787 | \$ 2,238,366 | \$ 10,119,787 |
| SUPPLEMENTAL INFORMATION- See Note 12 | | | | |
| NON-CASH ITEMS | | | | |
| Mineral property expenditures included in accounts payable | \$394,051 | \$1,266,324 | \$394,051 | \$1,266,324 |
| Stock-based compensation included in mineral property expenditures | - | 106,097 | 4,505 | 106,097 |
| | \$394,051 | \$1,372,421 | \$398,556 | \$1,372,421 |

The accompanying notes are an integral part of these interim consolidated financial statements

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

1. BASIS OF PRESENTATION

These unaudited interim financial statements have been prepared under Canadian Generally Accepted Accounting Principles applicable to interim consolidated financial statements and therefore do not include all the disclosures required for annual financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the audited annual financial statements for the year ended July 31, 2008 and included with the Company's annual report. In the opinion of management, these financial statements contain all adjustments necessary to present fairly the financial position, results of operations and cash flow for the three and nine month periods ended April 30, 2009 and 2008.

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated in the Province of British Columbia and its principal business activity is the acquisition and exploration of mineral properties. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of exploring and acquiring mineral properties. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production. Further the Company expects its current capital resources will not be sufficient to complete its exploration and development plans and operations through its current operating period and will be required to raise additional funds through equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances.

These unaudited interim consolidated financial statements have been prepared on a going concern basis in accordance with Canadian Generally Accepted Accounting Principles which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete equity financings, or generate profitable operations in the future. For the nine month period ended April 30, 2009 the Company incurred a net loss of \$5,016,204, has an accumulated deficit of \$27,756,081 and a working capital deficiency of \$2,686,047. These consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim consolidated financial statements follow the same significant accounting principles as those outlined in the notes to the audited consolidated financial statements for the year ended July 31, 2008 as well as the following new accounting policies adopted August 1, 2008:

i) Financial Instruments

The Canadian Accounting Standards Board ("AcSB") issued CICA Handbook Section 3862, Financial Instruments – Disclosures, which requires entities to provide disclosures in their financial statements that enable 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 which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, Financial Instruments – Recognition and Measurement, Section 3863, Financial Instruments – Presentation, and Section 3865, Hedges.

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The AcSB issued CICA Handbook Section 3863, Financial Instruments – Presentation, which is to enhance statements users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of elected interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

ii) Capital Disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed.

iii) Assessing Going-concern

The Accounting Standards Board amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

Other than additional disclosures in Notes 2, 9, and 10 the adoption of these sections had no impact on the Company's financial statements.

Recently Introduced Accounting Pronouncements

- i) CICA Handbook Section 3064: Goodwill and Intangible Assets which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450 Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This revised standard applies to financial statements relating to fiscal years beginning on or after October 1, 2008.
- ii) CICA Handbook Section 1582: Business Combinations which replaces Section 1581, Business Combinations. The new section establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3- Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.
- iii) CICA Handbook Section 1601: Consolidated Financial Statements and CICA Handbook Section 1602: Non-controlling Interests in consolidated Financial Statements together replace existing CICA Handbook Section 1600. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, Consolidated and Separate Financial Statements. These revised standards apply to financial statements prepared for periods beginning on or after January 1, 2011 and will be applied prospectively to all non-controlling interests, including any that arose before the effective date.

The Company does not anticipate that the adoption of the above recent accounting pronouncements will have a significant impact on its consolidated financial statements.

iv) International Financial Reporting Standards (IFRS)

In 2006, the 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 of January 1, 2011 will require the restatement for comparative purposes of

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Nine Month Period Ended April 30, 2009****(Unaudited- Prepared by Management)****3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

4. EQUIPMENT

| | <u>April 30, 2009</u> | | | <u>July 31, 2008</u> | | |
|-------------------|-----------------------|-------------------------------------|-------------------------------|----------------------|-------------------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> |
| Office equipment | \$ 61,033 | \$ 29,457 | \$31,576 | \$59,299 | \$24,094 | \$35,205 |
| Computer software | 6,483 | 5,547 | 936 | 6,483 | 4,987 | 1,496 |
| Computers | 33,911 | 9,020 | 24,891 | 33,911 | 4,628 | 29,283 |
| Leaseholds | 48,786 | 36,959 | 11,827 | 48,786 | 28,089 | 20,697 |
| | <u>\$150,213</u> | <u>\$80,983</u> | <u>\$69,230</u> | <u>\$148,479</u> | <u>\$61,798</u> | <u>\$86,681</u> |

5. MINERAL PROPERTIES

The Company through its wholly owned subsidiaries Creston and Global own 100% of the Creston molybdenum deposit, located in Sonora, Mexico. The mineral concessions are subject to a 3% net profits interest retained by the vendors. The accompanying consolidated schedule of deferred mineral property costs discloses expenditures incurred by period.

6. CAPITAL STOCK**a. Authorized**

Unlimited number of common shares without par value.

During fiscal 2008, the Company adopted a Shareholder Rights Plan ("Rights Plan") which will entitle shareholders of record on March 6, 2008 and subscribers to new common shares issued thereafter the right to acquire additional common shares of the Company at a 50% discount to the market price on the occurrence of certain triggering events, which includes the acquisition by a person or group of 20% or more of the votes attached to all outstanding common shares of the Company in a transaction not approved by the Company's board of directors. If not terminated earlier, the Rights Plan will expire in 2017.

b. Stock Options

During fiscal 2008 the Company adopted a rolling incentive stock option plan whereby a maximum of 10% of the Company's issued shares from time to time, may be reserved for issuance as options to eligible persons to acquire common shares in the Company. Pursuant to the terms of the plan, the Board of Directors have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in the plan. In general, options must expire within five years of the grant date, the exercise price may not be less than the discounted market price as prescribed by the TSX Venture Exchange ("TSX-V"), the options will vest at the discretion of the Board of Directors and not more than 5% (2% for a director or person engaged in investor relations) may be reserved for issuance

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

6. CAPITAL STOCK (CONTINUED)

b) Stock options (continued)

to any one person during any twelve month period. The plan is subject to annual approval by the shareholders and TSX-V.

Options granted prior to the implementation of the new plan continue to be governed by the rules of the Company's old plan, whereby the maximum number of shares reserved for issuance is 6,000,000 common shares, the exercise price of the options issued under the plan will not be priced lower than the market price of the Company's shares at the time of grant, with a minimum exercise price of \$0.10 per share, the term will not to exceed five years and vest at a rate of 25% on the grant date and 25% every six month period thereafter.

During the nine month period ended April 30, 2009, the Company granted 1,560,000 (2008- 3,235,000) stock options with a fair value of \$262,600 (2008-\$934,300) and recorded \$266,388 (2008- \$1,105,779) as stock-based compensation expense for options which vested during the period and \$4,505 (2008- \$106,097) as exploration expenditures.

The following weighted average assumptions were used for valuing the stock options granted.

| | 2009 | 2008 |
|--------------------------|-------------|-------------|
| Risk-free interest rate | 0.99 -2.26% | 2.74-4.6% |
| Expected life of options | 3-4 years | 3.5-5 years |
| Annualized volatility | 117-122% | 113-126% |
| Dividend rate | 0.00% | 0.00% |

Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of the Company's shares. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Nine Month Period Ended April 30, 2009****(Unaudited- Prepared by Management)****6. CAPITAL STOCK (CONTINUED)**

b) Stock options (continued)

As at April 30, 2009, the following incentive stock options were outstanding:

| <u>Options</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|----------------|-----------------------|--------------------|
| 25,000 | \$ 0.17 | December 1, 2009 |
| 600,000 | 0.165 | March 18, 2010 |
| 50,000 | 0.20 | May 10, 2010 |
| 100,000 | 0.18 | June 14, 2010 |
| 50,000 | 0.20 | August 16, 2010 |
| 125,000 | 0.165 | September 21, 2010 |
| 100,000 | 0.25 | October 14, 2010 |
| 25,000 | 0.25 | December 14, 2010 |
| 100,000 | 0.25 | February 11, 2011 |
| 175,000 | 0.18 | August 13, 2011 |
| 100,000 | 0.16 | December 14, 2011 |
| 2,405,000 | 0.40 | March 27, 2012 |
| 100,000 | 0.70 | April 30, 2012 |
| 300,000 | 1.05 | May 15, 2012 |
| 100,000 | 0.82 | June 4, 2012 |
| 50,000 | 0.70 | September 4, 2012 |
| 2,235,000 | 0.40 | January 21, 2013 |
| 250,000 | 0.40 | February 10, 2013 |
| 100,000 | 0.48 | February 26, 2013 |
| 350,000 | 0.31 | May 11, 2013 |
| 400,000 | 0.35 | July 17, 2013 |
| 150,000 | 0.25 | October 8, 2013 |
| 1,000,000 | 0.245 | October 30, 2013 |
| 50,000 | 0.15 | January 14, 2014 |
| 360,000 | 0.15 | March 2, 2014 |
| <hr/> | | |
| 9,300,000 | | |

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

6. CAPITAL STOCK (CONTINUED)

b) Share options (continued)

| | Nine Months Ended April 30, 2009 | | Year Ended July 31, 2008 | |
|----------------------------------|--|--|-----------------------------|--|
| | Number of options | Weighted Average Exercise price | Number of options | Weighted Average Exercise price |
| Balance, beginning of the period | 8,925,000 | \$0.38 | 5,350,000 | \$0.35 |
| Granted | 1,560,000 | 0.22 | 3,985,000 | 0.39 |
| Exercised | - | - | (410,000) | 0.16 |
| Expired | (1,185,000) | 0.30 | - | - |
| Balance, end of the period | 9,300,000 | \$0.36 | 8,925,000 | \$0.38 |
| Exercisable | 9,300,000 | \$0.36 | 7,911,250 | \$0.37 |

The weighted average fair value of options granted during the nine month period ended April 30, 2009 was \$0.17 (2008 -\$0.29) per option

c) Share Issue Warrants

| | Nine Months Ended April 30, 2009 | | Year Ended July 31, 2008 | |
|-------------------------------------|-------------------------------------|--|-----------------------------|--|
| | Number of warrants | Weighted Average Exercise price | Number of warrants | Weighted Average Exercise price |
| Balance, beginning of the period | 39,941,743 | \$ 0.90 | 42,149,244 | \$ 0.86 |
| Exercised | (599,999) | 0.90 | (2,067,501) | 0.20 |
| Expired | - | - | (140,000) | 0.20 |
| Balance, end of the period | 39,341,744 | \$ 0.90 | 39,941,743 | \$ 0.90 |

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Nine Month Period Ended April 30, 2009****(Unaudited- Prepared by Management)****6. CAPITAL STOCK (CONTINUED)**

c) Share Issue Warrants (continued)

As at April 30, 2009, the following warrants were outstanding:

| Warrants | Exercise Price | Expiry Date |
|-------------------|----------------|--------------|
| 27,980,001 | \$ 0.90 | May 9, 2010 |
| 3,429,600 | 0.90 | May 9, 2010 |
| <u>7,932,143</u> | 0.90 | May 15, 2012 |
| <u>39,341,744</u> | | |

7. RELATED PARTY TRANSACTIONS

During the nine month period ended April 30, 2009, the Company entered into the following transactions with related parties not disclosed elsewhere in these consolidated financial statements:

- a. Paid or accrued management fees of \$283,500 (2008 - \$283,500), consulting fees of \$82,500 (2008-\$22,500) to directors and officers or their companies and capitalized geological consulting and termination costs of \$457,131 (2008-\$54,000) to a company controlled by the the chief operating officer.
- b. The Company shares office premises with a public company that has a director in common and paid \$19,800 (2008 - \$56,243) as its share of the ongoing occupancy costs.
- c. Included in accounts payable is \$72,065 (2008-\$ 8,840) due to directors, previous directors and officers.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related parties include directors and officers and companies with common management and directorships.

8. SEGMENTED INFORMATION

The Company has one operating segment being the acquisition and exploration of mineral properties. Geographic information is as follows:

| | Canada | Mexico | Total |
|----------------------|------------------|----------------------|----------------------|
| April 30, 2009 | | | |
| - Equipment | \$69,230 | \$ - | \$ 69,230 |
| - Mineral properties | - | 59,344,988 | 59,344,988 |
| | <u>\$ 69,230</u> | <u>\$ 59,344,988</u> | <u>\$ 59,414,218</u> |
| July 31, 2008 | | | |
| - Equipment | \$86,681 | \$ - | \$ 86,681 |
| - Mineral properties | - | 55,734,477 | 55,734,477 |
| | <u>\$ 86,681</u> | <u>\$ 55,734,477</u> | <u>\$ 55,821,158</u> |

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At April 30, 2009 the Company has designated its cash and cash equivalents as held-for-trading; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as liabilities.

i) 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. There is limited interest rate risk due to the short-term maturity of its monetary assets and liabilities.

ii) 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 obligations. The Company is not exposed to significant credit risk on its financial assets due to cash being placed with major financial institutions and GST recoverable is due from government agencies.

iii) Currency risk

The Company is exposed to foreign currency fluctuations to the extent expenditures incurred are not denominated in Canadian dollars. The Company conducts business in Mexico whose currency is the Mexican peso. As such, the Company is subject to risk due to fluctuations in the exchange rate for the Mexican peso. The Company does not have foreign currency derivatives in place to hedge this risk.

iv) 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 or debt 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. The Company is exposed to liquidity risk should the Company encounter difficulties meeting its obligations.

v) Other price and market risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of commodities. The Company is exposed to other price and market risks should the fair value of future cash flows from financial instruments fluctuate.

vi) Fair value

The carrying value of cash and accounts payable and accrued liabilities represent their fair values due to the short term to maturity of the instruments.

10. MANAGEMENT OF CAPITAL

The Company considers shareholders' equity and debt as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, pursue the development of mineral resource interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

10. MANAGEMENT OF CAPITAL (CONTINUED)

Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company does not expect its current capital resources will be sufficient to meet all of its future exploration plans and operating requirements and is dependent upon future equity or debt transactions to meet these obligations.

11. COMMITMENTS AND CONTINGENCIES

The Company has entered into management and consulting agreements, with directors, officers and their companies requiring minimum payments of \$468,000 per annum. The agreements contain termination clauses which provide for payments of up to 24 months of the monthly contractual amounts.

The Company entered into a management consulting agreement with a director's company which provides for annual payments of \$120,000. The agreement provides an incentive clause providing for a cash bonus payment of up to 0.75% of the aggregate value of certain specified transactions and a termination payment from six months to thirty-six months of the monthly contract amounts. The Company also committed to issue stock options to acquire up to 1,250,000 common shares to be maintained on a non-dilutive basis. Options to acquire 250,000 shares at \$0.35 exercisable to July 17, 2013 and options to acquire 1,000,000 shares at \$0.245 exercisable to October 30, 2013 have been granted.

The Company entered into a management and consulting agreement with a company which employs an officer of the Company requiring minimum payments of US\$324,000 per annum. The agreement contains a termination clause which provide for a payment of twelve to twenty-four months of the monthly contractual amount. On May 1, 2009 the Company announced that it had entered into an agreement to terminate the contract by the payment of Cdn\$200,000.

The Company entered into consulting and advisory agreements requiring minimum payments of \$300,000 per annum. The agreements have initial contract periods ranging from twenty-four to forty-eight months from May 1, 2007 and contain termination clauses which provide for payments from six to twenty-four months of the monthly contract amounts. On May 1, 2009 the Company announced that it had entered into agreements to terminate the contracts by the issuance of 1,947,500 shares at a deemed price of \$0.10 per share, subject to regulatory approval.

The Company entered into a consulting agreement requiring minimum payments of US\$170,000 per annum for a period of two years commencing February 1, 2008. The agreement contains a termination clause which provides for a payment of twelve to twenty-four months of the monthly contractual amount. On May 1, 2009 the Company announced that it had entered into an agreement to terminate the contract by the payment of Cdn\$50,000 and the issuance of 500,000 shares at a deemed price of \$0.10 per share, subject to regulatory approval.

Minimum annual payments over the remaining initial terms of the above contracts for fiscal years are; 2009 - \$147,000; 2010 - \$588,000; and 2011 - \$294,000.

The Company shares office premises with a public company that has a director in common and has agreed to pay a monthly charge of approximately \$8,000 as its share of ongoing occupancy and office costs.

In connection with the acquisition of Creston Mining Corporation in May 2007 the Company agreed to pay a Finders' Fee to an arm's length third party (the "Fee"). The TSX-V approved the payment of US\$1,500,000 as the Fee, which, at the option of the Finder, could be paid in any combination of cash or shares. The TSX-V

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Period Ended April 30, 2009

(Unaudited- Prepared by Management)

11. COMMITMENTS (CONTINUED)

determined that a price of \$0.70 per share was to be used in determining the number of shares to be issued as payment of the Fee or a portion of the Fee. The Finder claimed that \$0.15 per share should have been used as the basis for determining the fee. The Finder entered into arbitration proceedings seeking payment of the finder's fee in cash at an equivalent price of \$0.15 per share. The arbitrator found in favour of the Finder, awarded the finder CDN\$4.14 million and the Company has recorded the additional amount awarded in the arbitration as an expense of \$2,601,450 in the period. The Company intends to appeal the award and has initiated legal proceedings. In conjunction with seeking an appeal of the arbitrator's award the Company has registered a General Security Agreement over the assets of the Company in favour of the Finder. Subsequent to April 30, 2009 the Company entered into an Escrow Agreement which provided that the Escrow Agent shall hold US\$1,500,000 on deposit and the shares of its subsidiaries, Creston Mining Corporation and Exploracionnes Global S.A. de C.V., as additional security related to the Company's proceeding in seeking an appeal of the arbitration award.

12. SUPPLEMENTAL CASH FLOW INFORMATION

| | | |
|---|---|-------------------------------------|
| Interest paid in cash during the period | \$ - | \$ - |
| Income taxes paid in cash during the period | \$ - | \$ - |
| | Nine Months Ended April 30, 2009 | Year Ended July 31, 2008 |
| CASH AND CASH EQUIVALENTS | | |
| - Cash on deposit | \$ 246,833 | \$ 183,238 |
| - Short-term investments | 1,991,533 | 7,037,490 |
| | \$ 2,238,366 | \$7,220,728 |

13. SUBSEQUENT EVENTS

On May 27, 2009 the Company announced that it had entered into a letter agreement to merge with Tenajon Resources Corp. ("Tenajon") by way of a Plan of Arrangement or other form of business combination. Tenajon Resources Corp. is a Canadian company engaged in the acquisition and exploration of molybdenum properties. Under the terms of the Transaction, Creston will acquire all of the issued and outstanding shares of Tenajon by the issuance of 0.84 shares of Creston for each share of Tenajon or approximately 53,000,000 common shares. In conjunction with the acquisition the Company has retained Haywood Securities Inc. as its financial advisor and Miller Thomson LLP as its legal advisor. Tenajon has retained Canaccord Capital Corporation as its financial advisor and DuMoulin Black as its legal advisor.

CRESTON MOLY CORP.

**INTERIM CONSOLIDATED SCHEDULE OF DEFERRED MINERAL PROPERTY COSTS
(Unaudited- Prepared by Management)**

| | Cumulative | Three months ended April | | Nine months ended April | |
|----------------------------|---------------|--------------------------|--------------|-------------------------|---------------|
| | | 30, 2009 | 2008 | 30, 2009 | 2008 |
| EXPENDITURES | | | | | |
| - Acquisition costs | \$49,316,358 | \$ - | \$ - | \$ - | \$ 188,509 |
| - Assays | 273,076 | - | 90,239 | 68,256 | 124,288 |
| - Consulting fees | 2,623,997 | 559,329 | 204,076 | 1,822,625 | 295,259 |
| - Drilling | 4,703,345 | 39,803 | 1,366,122 | 784,110 | 2,644,477 |
| - Field costs | 696,061 | 85,951 | 60,616 | 327,434 | 222,727 |
| - Field equipment | 130,985 | - | 6,400 | 8,682 | 109,527 |
| - Geological | 1,168,455 | 94,680 | 182,472 | 467,749 | 436,946 |
| - Vehicle transportation | 308,775 | 16,073 | 74,946 | 127,150 | 130,401 |
| - Stock-based compensation | 123,936 | - | 106,097 | 4,505 | 106,097 |
| | 59,344,988 | 795,836 | 2,090,968 | 3,610,511 | 4,258,231 |
| DEFERRED COSTS, BEGINNING | - | 58,549,152 | 51,383,408 | 55,734,477 | 49,216,145 |
| | \$ 59,344,988 | \$ 59,344,988 | \$53,474,376 | \$ 59,344,988 | \$ 53,474,376 |