

CRESTON MOLY CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended JANUARY 31, 2010
(Unaudited- Prepared by Management)

CRESTON MOLY CORP.**INTERIM CONSOLIDATED BALANCE SHEET
(Unaudited- Prepared by Management)**

	January 31, 2010		July 31, 2009	
ASSETS				
Current				
Cash and cash equivalents	\$	4,345,088	\$	2,745,996
Cash restricted- Note 15		2,609,460		1,618,500
Short term investments		2,026		-
Receivables		92,541		50,063
Prepaid expenses and advances		120,160		49,587
		<u>7,169,275</u>		<u>4,464,146</u>
EQUIPMENT- Note 4		49,997		62,818
RECLAMATION BONDS		14,600		-
DEFERRED ACQUISITION COSTS		-		85,335
MINERAL PROPERTIES- Note 6		<u>77,641,039</u>		<u>59,412,319</u>
	\$	<u>84,874,911</u>	\$	<u>64,024,618</u>
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$	3,059,490	\$	4,703,744
ASSET RETIREMENT OBLIGATION- Note 7		93,231		-
FUTURE INCOME TAXES		<u>15,682,316</u>		<u>13,512,505</u>
		<u>18,835,037</u>		<u>18,216,249</u>
SHAREHOLDERS' EQUITY				
Capital stock – Note 8		89,084,144		68,688,457
Contributed surplus		6,473,858		5,380,094
Accumulated other comprehensive income		467		-
Deficit		<u>(29,518,595)</u>		<u>(28,260,182)</u>
		<u>66,039,874</u>		<u>45,808,369</u>
	\$	<u>84,874,911</u>	\$	<u>64,024,618</u>

NATURE AND CONTINUANCE OF OPERATIONS- Note 2**COMMITMENTS- Note 13****CONTINGENT LIABILITY- Note 15****APPROVED BY THE DIRECTOR****APPROVED BY THE DIRECTOR**

"D. Bruce McLeod"

D. Bruce McLeod

"Colin K. Benner"

Colin K. Benner

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</u>	<u>Deficit</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>	<u>Surplus</u>		<u>Other</u> <u>Compre-</u> <u>hensive</u> <u>Income</u>	
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
Transfer on options exercised	-	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
Private placement- net	30,000,000	2,803,107	-	-	-	2,803,107
Finders' fee	1,473,000	147,300	-	-	-	147,300
Shares for debt settlement	2,447,500	244,750	-	-	-	244,750
Stock-based compensation	-	-	274,540	-	-	274,540
Net loss for the year	-	-	-	(5,520,305)	-	(5,520,305)
Balance, July 31, 2009	155,688,646	68,688,457	5,380,094	(28,260,182)	-	45,808,369
Shares on termination	1,890,000	567,000	-	-	-	567,000
Shares for debt settlement	648,486	107,000	-	-	-	107,000
Shares for acquisition costs	335,120	100,536	-	-	-	100,536
Shares issued for Tenajon	53,241,129	15,972,338	-	-	-	15,972,338
Stock options exercised	344,000	60,626	-	-	-	60,626
Transfer on options exercised	-	87,214	(87,214)	-	-	-
Options issued for Tenajon	-	-	773,688	-	-	773,688
Other comprehensive income	-	-	-	-	467	467
Net loss for the period	-	-	-	(371,933)	-	(371,933)
Balance, October 31, 2009	212,147,381	85,583,171	6,066,568	(28,632,115)	467	63,018,091
Stock options exercised	368,000	64,322	-	-	-	64,322
Transfer on options exercised	-	73,201	(73,201)	-	-	-
Stock-based compensation	-	-	480,491	-	-	480,491
Warrants exercised	22,423,000	3,363,450	-	-	-	3,363,450
Net loss for the period	-	-	-	(886,480)	-	(886,480)
Balance, January 31, 2010	234,938,381	\$89,084,144	\$6,473,858	\$(29,518,595)	\$ 467	\$66,039,874

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 January 31, 2010	Three Months Ended January 31, 2009	Six Months Ended January 31, 2010	Six Months Ended January 31, 2009
EXPENSES				
Amortization	\$ 6,787	\$6,387	\$ 15,546	\$ 12,774
Consulting fees	76,393	147,512	108,060	276,752
Filing fees	30,951	2,595	37,087	2,595
Finder's fee	-	2,315,250	-	2,315,250
Foreign exchange loss (gain)	(4,775)	142,183	3,193	555,542
Interest charges	22,713	-	36,347	-
Management fees	-	94,500	31,500	189,000
Office	72,984	77,837	197,534	142,594
Professional fees	53,852	142,631	112,003	324,932
Shareholder communications	20,900	46,593	57,711	129,944
Stock-based compensation	480,491	-	480,491	251,733
Travel and promotion	24,173	38,689	50,778	106,653
Wages and benefits	108,821	26,492	137,615	55,284
Gain on dispositions	-	-	(389)	-
Interest income	(6,810)	(12,633)	(9,063)	(58,758)
NET LOSS FOR THE PERIOD	886,480	3,028,036	1,258,413	4,304,295
Unrealized gain on short-term investments	-	-	(467)	-
COMPREHENSIVE LOSS FOR THE PERIOD	\$ 886,480	\$3,028,036	\$1,257,946	\$ 4,304,295
BASIC AND DILUTED LOSS PER COMMON SHARE	\$0.01	\$0.02	\$0.01	\$0.04
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	223,360,497	121,768,146	207,901,575	121,718,146

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

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

	Three Months Ended January 31, 2010	Three Months Ended January 31, 2009	Six Months Ended January 31, 2010	Six Months Ended January 31, 2009
CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES				
Net loss for the period	\$ (886,480)	\$ (3,028,036)	\$ (1,258,413)	\$ (4,304,295)
Items not requiring an outlay of cash				
Amortization	6,787	6,387	15,546	12,774
Stock-based compensation	480,491	-	480,491	251,733
Gain on dispositions	-	-	(389)	-
CHANGE IN NON-CASH ITEMS				
Receivables	(2,197)	376,877	(20,638)	502,380
Prepaid expenses	(47,063)	18,186	(61,328)	(6,242)
Accounts payable	(152,905)	2,161,275	(1,842,668)	2,568,433
	(601,367)	(465,311)	(2,687,399)	(975,217)
INVESTING ACTIVITIES				
Restricted cash	(2,609,460)	-	(990,960)	-
Mineral property expenditures	(250,301)	(1,246,406)	(326,932)	(3,753,457)
Asset retirement obligation	-	-	(38,082)	-
Costs on acquisition of Tenajon Resources	-	-	(440,475)	-
Cash on acquisition of Tenajon Resources	-	-	2,589,100	-
Proceeds on dispositions	-	-	8,167	-
Acquisition of equipment	(2,725)	-	(2,725)	(1,140)
	(2,862,486)	(1,246,406)	798,093	(3,754,597)
FINANCING ACTIVITIES				
Share issuances	3,427,772	-	3,488,398	539,999
CHANGE IN CASH AND CASH EQUIVALENTS				
	(36,081)	(1,711,717)	1,599,092	(4,189,815)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD				
	4,381,169	4,742,630	2,745,996	7,220,728
CASH AND CASH EQUIVALENTS, END OF THE PERIOD				
	\$ 4,345,088	\$ 3,030,913	\$ 4,345,088	\$ 3,030,913

SUPPLEMENTAL INFORMATION- Note 14

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 Six Month period ended January 31, 2010

(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, 2009 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 six month period ended January 31, 2010.

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 may 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 six month period ended January 31, 2010 the Company incurred a net loss of \$1,258,413, has an accumulated deficit of \$29,518,595 and working capital of \$4,109,785. These unaudited interim 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, 2009.

Recently Introduced Accounting Pronouncements

- i) 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.
- ii) 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.

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month period ended January 31, 2010

(Unaudited- Prepared by Management)

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.

iii) 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 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.

iv) The Company adopted EIC-173, Credit risk and the Fair Value of Financial Assets and Liabilities, which provides guidance on how to take into account an entity's own credit risk and that of the counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. Upon adoption of this EIC there were no resulting material changes to the Company's financial position or results of operations.

v) The Company adopted EIC-174 Mining Exploration Costs, which provides guidance on how to account for mineral exploration costs as well as when and how to assess for impairment when such exploration costs are capitalized. Upon adoption of the EIC there were no resulting material changes to the Company's financial position or results of operations.

4. EQUIPMENT

	<u>January 31, 2010</u>			<u>July 31, 2009</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	\$ 63,758	\$ 34,238	\$29,520	\$ 61,033	\$31,260	\$29,773
Computer software	6,483	5,921	562	6,483	5,735	748
Computers	33,911	13,996	19,915	33,911	10,484	23,427
Leaseholds	48,786	48,786	-	48,786	39,916	8,870
	<u>\$152,938</u>	<u>\$102,941</u>	<u>\$49,997</u>	<u>\$150,213</u>	<u>\$87,395</u>	<u>\$62,818</u>

5. ACQUISITION OF TENAJON RESOURCES CORP.

Effective August 26, 2009 the Company acquired all the issued and outstanding shares of Tenajon Resources Corp. ("Tenajon") by way of a Plan of Arrangement. Tenajon is a Canadian Company engaged in the acquisition and exploration of molybdenum properties. Under the terms of the transaction the Company acquired all the issued and outstanding shares of Tenajon by the issuance of 0.84 shares for each share of Tenajon or 53,241,129

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Six Month period ended January 31, 2010****(Unaudited- Prepared by Management)**

common shares. In addition, 4,078,200 options were exchanged for options held by directors, officers and employees of Tenajon, reflecting the terms and conditions of the share exchange ratio.

The transaction has been accounted for as a purchase of assets. The consideration paid, the net assets acquired and their assigned values are summarized as follows:

Consideration paid	
Issuance of common shares (53,241,129 shares at \$0.30 per share)	\$ 15,972,338
Fair value of stock options	773,688
Acquisition costs	1,193,346
	<hr/>
	\$ 17,939,372
Net assets acquired	
Cash and cash equivalents	\$ 2,589,100
Receivables	21,840
Prepaid expenses and deposits	9,245
Short-term investments	9,337
Reclamation deposits	14,600
Mineral properties	17,731,960
Accounts payable	(141,368)
Future income taxes	(2,169,811)
Asset retirement obligations	(125,531)
	<hr/>
	\$ 17,939,372

6. MINERAL PROPERTIES**Creston Property, Mexico**

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.

Moly Brook, Newfoundland

In April 2007 the Company acquired 100% of the Moly Brook molybdenum property for the sum of \$20,000 and 350,000 shares valued at \$315,000. The Moly Brook property is subject to a 2% net smelter royalty ("NSR"), of which 1.5% can be purchased by the Company for \$1,500,000. The Company also acquired, in 2007 100% of the Moly Brook Extension Property for \$2,500 and 20,000 shares valued at \$21,600. The property is subject to a 2% NSR, of which 1.5% can be purchased by the Company for \$1,500,000. In 2007 the Company acquired a 100% interest in the Grey River West for a \$5,000 cash payment and by issuing 75,000 shares to the vendors valued at \$32,250. The property is subject to a 2% NSR, of which 1% can be purchased back for \$1,000,000.

In May 2008, the Company entered into two separate agreements to acquire the Moly Brook North and Grey River Gold properties. The Company acquired 100% of the Moly Brook North property for the sum of \$5,000 and 75,000 shares valued at \$34,125. The property is subject to a 2% NSR of which 1% can be purchased by the Company for \$1,500,000. The Company acquired 100% of the Grey River Gold property for the sum of \$3,000 and 50,000 shares valued at \$22,750. The property is subject to a 2% NSR of which 1% can be purchased by the Company for \$1,500,000. In addition the Company has acquired through staking 51 claims immediately to the north of the Moly Brook North claim block. A total of \$800 in cash consideration and 12,500 shares, valued at \$5,688, were issued as finder's fees for the property acquisitions.

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Six Month period ended January 31, 2010****(Unaudited- Prepared by Management)****Ajax Property, BC**

The Company owns a 100% interest in six mineral claims known as the Ajax Molybdenum Property in B.C. These claims were acquired by staking.

Burn Property, BC

During 2009 the Company allowed the Burn Property claims in Central B.C. to lapse.

Kansas and Summit Lake Properties, BC

In June 2008, the Company sold its 100% interest in certain mineral claim units in North Western B.C., known as the Summit Lake property and the Kansas claim. The holders of the property may purchase the 3% NSR (the "Summit Lake Royalty") for a price of \$115,000. In addition, the property holder may also elect to pay \$15,000 in exchange for an option to acquire the Summit Lake Royalty for a period of 2 years until June 11, 2010 for \$115,000. The Company retains a 3% NSR on the Summit Lake property, until payments of \$600,000 (no funds have been received to date) are paid and then a 1% NSR thereafter.

Mineral Properties	January 31, 2010	July 31, 2009
EXPENDITURES		
El Creston, Mexico		
- Acquisition costs	\$ -	\$ -
- Assays	37,037	70,713
- Consulting fees	43,944	1,823,292
- Drilling	69,494	784,110
- Field costs	98,388	358,227
- Field equipment	-	8,682
- Geological	109,234	498,874
- Vehicle transportation	9,630	129,439
- Stock-based compensation	-	4,505
	<u>367,727</u>	<u>3,677,842</u>
Ajax, Canada		
- Acquisition costs	7,092,784	-
- Asset retirement obligation	502	-
	<u>7,093,286</u>	<u>-</u>
Moly Brook, Canada		
- Acquisition costs	10,639,176	-
- Assays	7,281	-
- Asset retirement obligation	5,280	-
- Camp and general	6,235	-
- Fuel and equipment	23,752	-
- Helicopter	20,509	-
- Labour and miscellaneous	65,474	-
	<u>10,767,707</u>	<u>-</u>
DEFERRED COSTS, BEGINNING	<u>59,412,319</u>	<u>55,734,477</u>
BALANCE, END OF PERIOD	<u>\$ 77,641,039</u>	<u>\$59,412,319</u>

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month period ended January 31, 2010

(Unaudited- Prepared by Management)

7. ASSET RETIREMENT OBLIGATION

	January 31, 2010	July 31, 2009
Asset retirement obligation, beginning of the period	\$ -	\$ -
- Acquired on acquisition of Tenajon	125,531	
- Expenditures	(38,082)	
- Accretion	5,782	
Asset retirement obligation, end of the period	\$ 93,231	\$ -

The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, was estimated to be \$186,239 of which \$38,082 was incurred. The obligation was calculated using a credit-adjusted risk free discount rate of 10% and an inflation rate of 1%. It is expected that this obligation will be funded from working capital at the time the costs are incurred with the majority of costs expected to occur between 2009 and 2014.

8. 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 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. Incentive Program for the Early Exercise of Warrants

During the six month period ended January 31, 2010 the Company received conditional regulatory approval of an incentive program to encourage the early exercise of up to 31,473,000 warrants. Under the terms of the program the original warrants will be amended to enable the holders to receive a unit for each original warrant exercised prior to the expiry date of the incentive program in lieu of one common share. Each unit will consist of one share and one-half of a warrant. Each whole warrant will allow the holder to acquire an additional common share of the Company at a price of \$0.24 per share for a period of two years. Effective December 17, 2009 22,423,000 warrants were exercised pursuant to the program for proceeds of \$3,363,450 and 11,211,500 warrants were issued exercisable at a price of \$0.24 per share for a period of two years.

c. 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-

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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.

During the six month period ended January 31, 2010, the Company granted 7,187,700 stock options and recorded \$1,254,179 of stock-based compensation expense for options granted of which \$773,688 was capitalized in conjunction with the Tenajon acquisition.

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

	Jan. 31, 2010	July 31, 2009
Risk-free interest rate	0.99%	0.99 -2.26%
Expected life of options	3 years	3 years
Annualized volatility	123-127%	117-122%
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.

As at January 31, 2010, the following incentive stock options were outstanding:

Options	Exercise Price	Expiry Date
600,000	\$ 0.165	March 18, 2010
50,000	0.20	May 10, 2010
100,000	0.18	June 14, 2010
84,000	0.339	June 15, 2010
125,000	0.165	September 21, 2010
100,000	0.25	October 14, 2010
100,000	0.25	February 11, 2011
756,000	0.476	April 21, 2011
150,000	0.18	August 13, 2011
126,000	0.268	January 24, 2012
1,055,000	0.40	March 26, 2012
37,800	0.988	April 30, 2012
300,000	1.05	May 15, 2012
113,400	0.565	September 10, 2012
735,000	0.893	September 26, 2012
2,085,000	0.40	January 21, 2013
33,600	0.631	February 28, 2013
350,000	0.31	May 11, 2013
300,000	0.35	July 17, 2013
134,400	0.333	July 31, 2013
50,000	0.25	October 8, 2013
1,000,000	0.245	October 30, 2013
16,800	0.179	October 31, 2013
360,000	0.15	March 12, 2014
1,218,000	0.179	April 1, 2014
3,109,500	0.22	December 22, 2014
<u>13,089,500</u>	<u>\$0.34</u>	

Subsequent to January 31, 2010, 600,000 stock options were exercised for proceeds of \$ 99,000.

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month period ended January 31, 2010

(Unaudited- Prepared by Management)

c) Stock options- continued

	Period Ended January 31, 2010		Year Ended July 31, 2009	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance, beginning of the period	9,300,000	\$0.36	8,925,000	\$0.38
Granted	7,187,700	0.34	1,560,000	0.22
Exercised	(712,000)	(0.18)	-	-
Expired	(2,686,200)	(0.44)	(1,185,000)	0.30
Balance, end of the period	13,089,500	\$0.34	9,300,000	\$0.36
Exercisable	12,928,100	\$0.34	9,300,000	\$0.36

d) Share Issue Warrants

	Period Ended January 31, 2010		Year Ended July 31, 2009	
	Number of warrants	Weighted Average Exercise price	Number of warrants	Weighted Average Exercise price
Balance, beginning of the period	70,814,744	\$ 0.57	39,941,743	\$ 0.90
Exercised	(22,423,000)	0.15	(599,999)	0.90
Expired	-	-	-	-
Issued	11,211,500	0.24	31,473,000	0.15
Balance, end of the period	59,603,244	\$ 0.66	70,814,744	\$ 0.57

As at January 31, 2010, 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
7,932,143	0.90	May 15, 2012
9,050,000	0.15	July 27, 2011
11,211,500	0.24	December 17, 2011
<u>59,603,244</u>		

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Six Month period ended January 31, 2010****(Unaudited- Prepared by Management)**

9. RELATED PARTY TRANSACTIONS

During the six month period ended January 31, 2010, the Company entered into the following transactions with related parties not disclosed elsewhere in these consolidated financial statements:

- a. Paid or accrued management and consulting fees of \$168,962 (2009 - \$239,000) to directors and officers or their companies and capitalized geological costs of \$55,362 (2009-\$187,906) paid to companies affiliated with directors or former directors of the Company.
- b. The Company shares office premises with a public company that has a director in common and paid \$116,291 (2009 - \$13,200) as its share of the ongoing occupancy and staffing costs.
- c. Included in accounts payable is \$51,346 (2009-\$ nil) due to directors, former directors and officers.
- d. Issued 1,890,000 shares to a director and two former directors in conjunction with the termination of their management contracts at a deemed value of \$567,000.
- e. Issued 406,062 shares in settlement of \$67,000 of amounts payable to 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.

10. SEGMENTED INFORMATION

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

	Canada	Mexico	Total
January 31, 2010			
- Equipment	\$ 47,272	\$ 2,725	\$ 49,997
- Mineral properties	17,860,993	59,780,046	77,641,039
	<u>\$ 17,908,265</u>	<u>\$ 59,782,771</u>	<u>\$ 77,691,036</u>
Net loss for the six month period	<u>\$ 1,155,793</u>	<u>\$ 102,620</u>	<u>\$1,258,413</u>
July 31, 2009			
- Equipment	\$ 62,818	\$ -	\$ 62,818
- Mineral properties	-	59,412,319	59,412,319
	<u>\$ 62,818</u>	<u>\$ 59,412,319</u>	<u>\$ 59,475,137</u>
Net loss for the year	<u>\$4,941,358</u>	<u>\$578,947</u>	<u>\$5,520,305</u>

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At January 31, 2010 the Company has designated its cash and cash equivalents as held-for-trading; short term investments as available for sale; receivables as loans and receivables; and accounts payable and accrued liabilities as liabilities.

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month period ended January 31, 2010

(Unaudited- Prepared by Management)

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 the Company's monetary assets and liabilities. Cash and cash equivalents include deposits which can be subject to variable interest rates. Sensitivity to a plus or minus 1% change in rates could affect net loss by \$14,017 over the next three months.

ii) Credit risk

Credit risk is the risk of a financial loss to the Company if 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 taxes recoverable are 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 and makes significant purchases in U.S. dollars. As such, the Company is subject to risk due to fluctuations in the exchange rate for the Mexican peso and the U.S. dollar. At January 31, 2010 the Company did not have significant funds denominated in Mexican pesos or U.S. dollars. 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 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 represents their fair values due to the short term to maturity of the instruments.

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

CRESTON MOLY CORP.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****For the Six Month period ended January 31, 2010****(Unaudited- Prepared by Management)**

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 current capital resources may not be sufficient to meet all of its future exploration plans and operating requirements and may be dependent upon future equity or debt transactions to meet these obligations.

13. COMMITMENTS

The Company previously entered into four management and consulting agreements, with directors, officers and their companies requiring minimum payments of \$468,000 per annum. The agreements contained termination clauses which provide for payments of up to 24 months of the monthly contractual amounts. During the six month period ended January 31, 2010 the Company terminated these agreements for total consideration of \$189,000 and 1,890,000 shares. In addition, the contracts contain provisions that provide for payments up to 24 months should specified transactions occur before August 26, 2010.

Effective January 1, 2010 the Company entered into four employment and consulting agreements requiring minimum payments of \$367,500 per annum. The agreements contain clauses which provide for payments of between 18 and 36 months should the contracts be terminated or certain specified transactions occur.

The Company previously entered into a management consulting agreement with a director's company which provided for annual payments of \$120,000. The agreement contained 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. Effective September 1, 2009 the agreement was amended to provide annual payments totaling \$55,000 and payments of up to 36 months on termination.

The Company shares office premises with a public company that has a director in common and has entered into an agreement to pay a share of ongoing joint occupancy, office and staff costs.

Minimum annual payments over the remaining initial terms of the above contracts for fiscal years are; 2010 - \$253,200; 2011 - \$482,500; 2012 - \$482,500 and 2013- \$482,500 and 2014- \$482,500

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Six Months Ended January 31, 2010	Six Months Ended January 31, 2009
Interest paid in cash during the period	\$ -	\$ -
Income taxes paid in cash during the period	\$ -	\$ -
	January 31, 2010	July 31, 2009
CASH AND CASH EQUIVALENTS		
- Cash on deposit	\$ 134,757	\$ 2,733,716
- Short-term investments	4,205,000	-
- Mexican Pesos	5,331	12,280
	\$ 4,345,088	\$2,745,996

CRESTON MOLY CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month period ended January 31, 2010

(Unaudited- Prepared by Management)

Significant non-cash transactions for the period ended January 31, 2010 consisted of:

- i. Incurring mineral property expenditures of \$177,051 (2009-\$380,095) through accounts payable
- ii. Issuance of 648,486 shares in settlement of \$107,000 (2009-\$nil) of debt
- iii. Issuance of 53,241,129 of shares at a value of \$15,972,338 in conjunction with the Tenajon acquisition
- iv. Issuance of 4,078,200 options at a value of \$773,688 in conjunction with the Tenajon acquisition
- v. Incurring acquisition costs on the acquisition of Tenajon of \$85,335 through deferred acquisition costs
- vi. Transfer of contributed surplus of \$160,415 (2009- \$nil) on the exercise of stock options
- vii. Recording an accretion charge of \$5,782 (2009-\$nil) on the asset retirement obligation
- viii. Issuance of 1,890,000 shares at a value of \$567,000 on the termination of management and consulting contracts related to the Tenajon acquisition.
- ix. Issued 335,120 shares at a value of \$100,536 for Tenajon acquisition costs

15. CONTINGENT LIABILITY

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 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 plus costs and the Company recorded the additional amount awarded in the arbitration as a liability. The Company applied to the Courts for leave to appeal the award, however, the leave to appeal was denied and the Company has applied to appeal the award in a higher court. In conjunction with seeking an appeal of the arbitrator's award the Company registered a General Security Agreement over the assets of the Company in favour of the Finder and entered into an Escrow Agreement which provided that the Escrow Agent would hold US\$1,500,000 on deposit and the shares of the Company's subsidiaries, Creston Mining Corporation and Global, as additional security. During the six month period ended January 31, 2010 the Escrow Agent forwarded US\$1,500,000 (\$1,637,400) to the Finder and the Company deposited the unpaid balance of the arbitration award (\$2,502,600) plus interest into trust. On depositing the funds into trust the General Security and Escrow agreements were terminated and the shares of the Company's subsidiaries were released from escrow.

16. COMPARATIVE FIGURES

Certain of the 2009 comparative figures have been restated to conform with the presentation adopted for the current period.