

**BRS VENTURES LTD.
(A Capital Pool Company)
Financial Statements
Period ended January 31st, 2009**

Unaudited-Prepared by Management, not reviewed by an independent auditor

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BRS VENTURES LTD.
(A Capital Pool Company)
Balance Sheets
As at January 31, 2009 and October 31, 2008

	Jan 31, 2009 (unaudited)	Oct 31, 2008 (audited)
Assets		
Current		
Cash	\$ 61,487	\$ 330,181
Short Term Investments	250,000	
Interest Receivable	760	
	\$ 312,247	\$ 330,181
Liabilities and Liabilities' Equity		
Current		
Accounts payable and accrued liabilities	\$ 12,990	\$ 11,552
Shareholders' Equity		
Capital Stock (note 4)	450,900	450,900
Contributed Surplus	42,150	42,150
Deficit	(193,792)	(174,421)
	299,258	318,629
	\$ 312,247	\$ 330,181

Continuance of operations (Note 1)

"Reg Allen" Director
 Reg Allen

"Brad Aelicks" Director
 Brad Aelicks

See notes to financial statements.

BRS VENTURES LTD.
(A Capital Pool Company)
Statements of Operations, Comprehensive Loss and Deficit
(Unaudited)

Three month period ended January 31

	2009	2008
Revenue		
Interest	\$ 760	\$ -
Expenses		
Accounting Fees	\$ 500	\$ 500
Bank charges & Interest	-	40
Legal fees	4,962	47,496
Listing Fees	799	21,876
Stock-based compensation	-	-
Travel and promotion	13,871	500
Net Loss and Comprehensive Loss for Period	\$ (19,371)	\$ (70,412)
Deficit, beginning of period	(174,421)	(16,639)
Deficit, end of period	\$ (193,792)	\$ (87,051)

See notes to financial statements

BRS VENTURES LTD.
(A Capital Pool Company)
Statements of Cash Flows
(Unaudited)

Three month period ended January 31

	2009	2008
Operating Activities		
Net loss for the period	\$ (19,371)	\$ (70,412)
Item not affecting cash		
Stock-based compensation		
Changes in non-cash working capital		
Share subscriptions receivable		12,630
Accounts payable and accrued liabilities	1,438	11,017
Cash Used in Operating Activities	(17,934)	(46,765)
Financing Activity		
Capital stock issued for cash	-	
Share issue costs		
Net cash provided by financing activities	-	-
Decrease in cash and cash equivalents	(17,934)	(46,765)
Cash and cash equivalents, beginning of period	330,180	270,897
Cash and cash equivalents, End of Period	\$ 312,247	\$ 224,132

See notes to financial statements.

BRS VENTURES LTD.
(A Capital Pool Company)
Notes to Financial Statements
Three month period ended January 31, 2009

1. NATURE AND CONTINUANCE OF OPERATIONS

BRS Ventures Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007. The Company is classified as a capital pool company as defined by TSX Venture Exchange Policy 2.4 ("Policy 2.4"). On January 31, 2008, the Company received a final receipt for a prospectus and became a reporting issuer in British Columbia. The Company completed its initial public offering on February 29, 2008. The Company's objective is to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. These financial statements do not give effect to adjustments that may be necessary to the carrying values of the Company's assets and the classifications of its assets and liabilities should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) 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 amounts of revenues and expenses during the period. Significant areas requiring the use of estimates relate to accrued liabilities and valuation allowance for future tax assets. While management believes these estimates are reasonable, actual results could differ from these estimates and could affect future results of operations and cash flows.

(b) Future income taxes

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized. Such an allowance has been applied to all potential income tax assets of the Company.

BRS VENTURES LTD.
(A Capital Pool Company)
Notes to Financial Statements
Three month period ended January 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Share capital

Common shares issued for non-monetary consideration are recorded at their fair market value based initially upon the trading price of the Company's shares on the TSX Venture Exchange ("the Exchange") on the date of the agreement to issue the shares or, for subsequent issues, the date of share issuance.

Costs incurred to issue shares are deferred until the shares are issued, at which time these costs are charged to share capital.

(d) Stock-based compensation

The Company records compensation associated with stock options granted using a fair value measurement basis and records the expense when the options vest with the recipients.

The proceeds received by the Company on the exercise of options are credited to share capital.

(e) CICA Handbook Section 1535 – Capital Disclosures

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The Company has a simple capital structure and therefore this standard has had no impact on its financial statement disclosures.

(f) Financial Instruments

The Company's financial instruments include cash and accounts payable and accrued liabilities. Cash and cash equivalents are designated as held-for-trading. All other financial instruments are other financial liabilities and are recorded at cost. The fair value of these financial instruments approximates their carrying value due to their short term nature and capacity for prompt liquidation.

Canadian accounting standards require all financial instruments to be classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments within its scope, including derivatives, are to be included on the Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Depending on the classification, changes in fair value are to be recognized in the statements of operations and comprehensive income.

All held-for-trading and available-for-sale financial instruments are recorded on the balance sheet at fair value. All other financial instruments will be recorded at cost or amortized cost, subject to impairment reviews. Transaction costs incurred to acquire held-for-trading financial instruments are recorded to the Statements of Operations. Transaction costs incurred to acquire all other financial instruments are included in the underlying balance.

Related required disclosures in connection with risks involving the Company's financial instruments are not currently applicable given the simple nature of these instruments.

BRS VENTURES LTD.
(A Capital Pool Company)
Notes to Financial Statements
Three month period ended January 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Hedges, CICA Section 3865

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. The Company currently does not have any hedges.

(h) Comprehensive Income, CICA Section 1530

This standard requires the presentation of a statement of comprehensive income and its components.

Comprehensive income is the change in net assets that results from transactions, events and circumstances from sources other than shareholders and includes items such as unrealized gains or losses on available-for-sale investments. Accumulated other comprehensive income includes the holding gains and losses from available-for-sale securities which are not included in net income (loss) until realized. Section 1530 currently has no material impact on the Company's financial statements.

(i) Recent accounting pronouncements - 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 October 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 accurately determined at this time.

(j) Loss per share

Loss per share is computed by dividing net loss by the weighted average number of common shares and common share equivalents outstanding during the period. Shares issuable upon the exercise of share purchase warrants and stock options were excluded from the computation of loss per share because their effect would be anti-dilutive. The Company calculates loss per share using the treasury stock method. Under the treasury stock method only instruments with exercise amounts less than market prices impact the diluted calculations.

BRS VENTURES LTD.
(A Capital Pool Company)
Notes to Financial Statements
Three month period ended January 31, 2009

3. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued voting common shares

	2008		2007	
	Number of Shares	Value	Number of Shares	Value
Balance – beginning of period	4,000,000	\$ 300,000	-	\$ -
Issued for:				
Founders' shares	-	-	2,000,000	100,000
Private placement	-	-	2,000,000	200,000
Public offering ⁽²⁾	2,000,000	150,900	-	-
Balance – end of year	6,000,000	\$ 450,900	4,000,000	\$ 300,000

(1) Net of share issuance costs of \$49,100.

On March 4, 2008 the Company had 6,000,000 common shares listed for trading on the Exchange as a capital pool company.

(c) The continuity of stock options outstanding is as follows:

Activity	2008		2007	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance-beginning of period	-	\$ -	-	\$ -
Granted ⁽¹⁾	500,000	0.10	-	-
Cancelled ⁽²⁾	(110,000)	0.10	-	-
Balance-end of year	390,000	\$ 0.10	-	\$ -

(1) Expiry date of the 390,000 options granted is February 28, 2013.

(2) Effective November 17, 2008 when David Silver resigned from the Board his options of 110,000 were cancelled.

At January 31, 2009, the weighted-average remaining contractual life of stock options outstanding was 4 years.

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange, which provides that the Board of Directors of the Company may grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares provided that the number of shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to 5 years from the date of grant. The Board of Directors determines the price per common share and the number of common shares that may be allotted to directors, officers, employees and consultants, and wholly- or partially-owned subsidiaries of the Company and all other terms and conditions of the option, subject to the rules of the Exchange.

In accordance with the Exchange Policy 4.7, the Company may grant non-transferable charitable options equal to one percent (1%) of the total number of securities outstanding immediately after the closing of the offering, exercisable for a period of up to 5 years from the date the Company's shares commence trading on the Exchange. They may be exercised no later than 90 days following the date the holder of the Charitable Option ceases to be a registered charity or registered national arts service organization.

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Notes to Financial Statements
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3. CAPITAL STOCK (Continued)

Of the 390,000 stock options granted, the Company granted 60,000 to an eligible charitable organization.

(d) The continuity of agent warrants outstanding is as follows:

Activity	2008		2007	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance-beginning of period	-	\$ -	-	\$ -
Granted ⁽¹⁾	200,000	0.10	-	-
Balance-end of year	200,000	\$ 0.10	-	\$ -

(1) Expiry date of the 200,000 agent warrants granted is March 1, 2010.

At January 31, 2009, the weighted-average remaining contractual life of agent warrants outstanding was 1 years.

(e) Stock-based compensation

The Company had outstanding a total of 200,000 agent warrants and 390,000 stock options for the period ended January 31, 2009.

(g) Shares held in escrow

On the issued and outstanding common shares at both January 31, 2009 and 2007, 2,425,000 shares will be held in escrow pursuant to the requirements of the Exchange to be released as to 10% thereof on the completion of the Company's Qualifying Transaction and as to 15%, on 6 month intervals, on each of the 6, 12, 18, 24, 30 and 36 months thereafter.

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4. INCOME TAXES

No provision for recovery of income taxes was made in 2008 and 2007 because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for tax purposes of approximately \$149,400 (October 31, 2007 - \$16,700) which expire in various years to 2028 as follows:

2027	\$	16,700
2028	\$	132,700
2029	\$	19,371

As at January 31, 2009, the Company has undeducted share issuance costs totalling \$32,000 (2007 - nil) which are available for deduction against future Canadian taxable income. Future income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years to offset taxable income.

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net loss before income taxes	\$ (19,371)	\$ (157,782)	\$ (157,782)
Tax rate	31.52%	31.52%	34.12%
Calculated income tax recovery	(6,105)	(49,733)	(5,677)
Net adjustment for deductible and non-deductible amounts		7,921	-
Unrecognized benefits of non-capital losses	6,105	41,812	5,677
Income tax recovery	\$ -	\$ -	\$ -

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Future income tax assets			
Unamortized share issuance costs	\$ -	\$ 9,143	\$ -
Non-capital loss carry forwards	6,105	42,548	5,677
	6,105	51,691	5,677
Valuation allowance for future income tax assets	(6,105)	(51,691)	(5,677)
	\$ -	\$ -	\$ -

5. CONTINGENCY

There is no assurance that the Company will identify and acquire a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.