
CHARIOT RESOURCES LIMITED

(a development stage company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

APRIL 30, 2009 AND 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. These consolidated financial statements contain estimates based on management's judgment. A system of internal control is maintained to provide reasonable assurance that financial information is accurate and reliable.

The Company's independent auditors are appointed by its shareholders to conduct an audit in accordance with Canadian generally accepted auditing standards to allow them to express an opinion on the financial statements.

The Audit Committee of the Board of Directors, which is composed of independent directors, has met with the Company's independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

" Ulrich Rath " Chief Executive Officer
Toronto, Canada
July 23, 2009

" Peter Blunt " Chief Financial Officer
Toronto, Canada
July 23, 2009

Auditors' Report

To the Shareholders of Chariot Resources Limited

We have audited the consolidated balance sheets of Chariot Resources Limited (the "Company") as at April 30, 2009 and 2008 and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, B.C.
July 23, 2009

CHARIOT RESOURCES LIMITED
(a development stage company)
Consolidated Balance Sheets
As at April 30
(Expressed in Canadian Dollars)

	2009	2008
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	589,383	23,102,090
Short term investments	16,001,529	6,116,661
Other receivables	519,175	1,182,076
Prepaid expenses	58,214	214,427
	17,168,301	30,615,254
Equipment (note 4)	261,923	330,924
Mineral property interests (note 5)	73,980,344	62,570,655
Peruvian sales tax receivable (note 7)	9,232,217	7,846,085
	\$ 100,642,785	\$ 101,362,918
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	1,685,224	2,537,783
Capital lease obligations	-	19,668
	1,685,224	2,557,451
Asset retirement obligations	314,225	314,225
Total Liabilities	1,999,449	2,871,676
Shareholders' Equity		
Share capital (note 8)	109,194,259	108,814,267
Contributed surplus	4,626,856	4,160,151
Deficit	(15,177,779)	(14,483,176)
	98,643,336	98,491,242
Total Liabilities and Shareholders' Equity	\$ 100,642,785	\$ 101,362,918

COMMITMENTS AND CONTINGENCIES (notes 5 and 12)

APPROVED ON BEHALF OF THE BOARD

“ Edward Thompson ”

Director

“ John Kutkevicius ”

Director

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended April 30, 2009 and 2008
(Expressed in Canadian Dollars)

	2009	2008
	\$	\$
Expenses		
Amortization	7,109	36,125
Audit and assurance fees	79,258	62,438
Salaries, consulting and management fees	500,386	436,290
General and administration	433,640	872,590
Legal	466,510	128,582
Stock-based compensation (note 8)	282,510	559,063
	<hr/>	<hr/>
Loss before undernoted items	1,769,413	2,095,088
Foreign exchange gain	(345,776)	(36,641)
Interest income	(729,034)	(809,807)
	<hr/>	<hr/>
Net Loss and Comprehensive Loss for Year	\$ 694,603	\$ 1,248,640
	<hr/>	<hr/>
Loss per Share - Basic and diluted	\$ 0.0021	0.0042
	<hr/>	<hr/>
Weighted Average Shares Outstanding	328,517,886	300,225,396
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See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
Consolidated Statements of Shareholders' Equity
For the years ended April 30, 2009 and 2008
(Expressed in Canadian Dollars)

	Common Shares		Contributed Surplus	Deficit	Total
	Shares	Amount			
		\$	\$	\$	\$
Balance - April 30, 2007	303,464,238	86,151,882	3,145,173	(13,234,536)	76,062,519
Issued during year					
For cash					
Exercise of stock options	1,633,465	647,377	-	-	647,377
Public offering	23,204,500	23,204,500	-	-	23,204,500
Share issue costs		(1,544,074)	-	-	(1,544,074)
Stock-based compensation	-	-	1,369,560	-	1,369,560
Transfer of fair value on exercise of options	-	354,582	(354,582)	-	-
Net loss for year	-	-	-	(1,248,640)	(1,248,640)
Balance - April 30, 2008	328,302,203	108,814,267	\$ 4,160,151	\$ (14,483,176)	\$ 98,491,242
Issued during year					
For cash					
Exercise of stock options	393,298	260,356	-	-	260,356
Stock-based compensation	-	-	699,772	-	699,772
Transfer of fair value on exercise of options	-	119,636	(119,636)	-	-
Stock options forfeited	-	-	(113,431)	-	(113,431)
Net loss for year	-	-	-	(694,603)	(694,603)
Balance - April 30, 2009	328,695,501	\$ 109,194,259	\$ 4,626,856	\$ (15,177,779)	\$ 98,643,336

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended April 30, 2009 and 2008
(Expressed in Canadian Dollars)

	2009	2008
	\$	\$
Operating Activities		
Net loss for year	(694,603)	(1,248,640)
Items not involving cash:		
Amortization	7,109	36,125
Stock-based compensation	282,510	559,063
	(404,984)	(653,452)
Changes in operating assets and liabilities:		
Decrease (increase) in other receivables	662,901	(765,070)
Decrease (increase) in prepaid expenses	156,213	(9,451)
(Decrease) increase in accounts payable and accrued liabilities	(79,789)	189,561
	334,341	(1,238,412)
Investing Activities		
Expenditures on equipment	20,257	(35,151)
Expenditures on mineral property interests	(11,856,661)	(16,235,087)
Increase in Peruvian sales tax receivable	(1,386,132)	(3,095,957)
Short term investments	(9,884,868)	(6,116,661)
	(23,107,404)	(25,482,856)
Financing Activities		
Shares issued for cash	260,356	22,307,803
	(22,512,707)	(4,413,465)
Cash and cash equivalents, beginning of year	23,102,090	27,515,555
Cash and cash equivalents, end of year	\$ 589,383	\$ 23,102,090

SUPPLEMENTARY CASH FLOW INFORMATION (note 10)

See accompanying notes to the financial statements

CHARIOT RESOURCES LIMITED
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

The Company was incorporated on November 12, 1996 under the Business Corporations Act (Yukon). On October 28, 2004, the Company was continued under the *Business Corporations Act* (British Columbia).

The Company is directly engaged in the exploration and development of the Marcona property in Peru.

The recoverability of the amounts shown as mineral property interests is dependent upon the existence of economically recoverable reserves, the continuance or rights to tenure of the areas of interest, the results of future exploration, the successful development and exploitation of the areas of interest or, alternatively, their sale or partial sale.

2. ACCOUNTING POLICIES

a) Significant accounting policies

Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries: Andes Resources Compañía Minera S.A.C. (“Andes”); Chariot Holdings Inc.; Chariot Operating Limited and Chariot Partners Limited and its proportionate 70% interest in Marcobre S.A.C., (“Marcobre”) an incorporated joint venture with LS-Nikko Copper Inc. (“LS-Nikko”) and Korea Resources Corporation (“KORES”). Inter company balances and transactions are eliminated upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingent liabilities at the date of the financial statements, and the reported amounts of expenses during the reported period. Significant management estimates relate to the determination of asset retirement obligations, recoverability of mineral property and deferred exploration expenditures and stock-based compensation. Actual results could differ materially from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include deposits at call, term deposits with an original maturity date of 90 days or less. Cash equivalents are designated as “Held-for-trading”. They are recorded at fair value, with changes in fair value recorded in income.

Short term investments

Short term investments include deposits with an original maturity date of more than 90 days but less than 1 year.

Short term investments are designated as “Held-for-trading” and recorded at fair value with changes in fair value recorded in income.

Mineral Property Interests

Mineral property costs and exploration, development and field support costs directly related to mineral

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
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2. ACCOUNTING POLICIES (continued)

properties are deferred until the property to which they relate is placed into production, sold, abandoned or determined to be impaired. Deferred costs will be amortized over the life of the ore body to which they relate following commencement of production or charged to operations if the property is sold or abandoned. Administration costs and other costs that do not relate to specific properties are expensed as incurred.

On a periodic basis, as events and circumstances dictate, management reviews the carrying values of deferred mineral property costs to assess whether there has been any impairment in value. If it is determined that undiscounted future cash flows are less than the carrying value of a project, a write down to the estimated fair value of such deferred mineral property costs will be charged to operations.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

Although the Company has taken steps to verify title to mineral properties in which it has an interest according to the usual industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Asset Retirement Obligations

The Company recognizes a liability for its legal obligations associated with reclamation of mineral properties when the liability is incurred. A liability is recognized initially at fair value if a reasonable estimate of the fair value can be made and the resulting amount is capitalized as part of the asset. In subsequent periods, the Company adjusts the carrying amounts of the asset and liability for changes in estimates of the amount or timing of underlying future cash flows.

It is reasonably possible that the Company's estimates of its ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis.

Joint Ventures

The Company participates in a joint venture and consolidates its proportionate share of the assets, liabilities and expenses where joint control is exercised.

Equipment – Amortization

Equipment is recorded at cost less accumulated amortization. Amortization is determined on a straight-line basis over the related asset's estimated useful life, which is generally from three to ten years. Equipment under capital lease contracts is initially carried at the lower of fair value or discounted minimum lease payments and is amortized on a straight-line basis over the life of asset.

Leases

Leases are classified as either capital or operating. Leases which transfer substantially all the benefits and risks of ownership are accounted for as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

CHARIOT RESOURCES LIMITED
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
(Expressed in Canadian Dollars)

2. ACCOUNTING POLICIES (continued)

Income Tax

Income taxes are accounted for under the asset and liability method. Under this method, tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value and the tax basis of assets and liabilities.

Future tax assets and liabilities are measured using the enacted or substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period during which the change in rates is considered to be substantially enacted. Future tax assets are evaluated and if realization is not considered more likely than not, a valuation allowance is provided.

Foreign Currency Translation

The Company's overseas subsidiaries are considered to be integrated foreign operations whose transactions, balances and accounts are translated into Canadian dollars using the temporal method, as follows:

- i. Expenses, except for amortization, at average exchange rates for each year;
- ii. monetary items at the rates of exchange prevailing at balance sheets dates; and
- iii. non-monetary items at the historical exchange rates.

Exchange gains and losses arising from translation are included in the determination of earnings for each year.

Loss per Share

Loss per share computations are based upon the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options and warrants. This method assumes that the proceeds from exercise of in the money options and warrants would be used to purchase common shares at the average market price during the year. The effect of conversion of outstanding options and warrants would be anti-dilutive when the Company incurs a loss and therefore, basic and diluted losses per share are the same.

Stock-Based Compensation

The Company records compensation associated with stock options granted to directors and employees using a fair value measurement basis and records the corresponding amount as an expense or a capital cost, as appropriate, over the vesting period for the options. Consideration paid by grantees when the options are exercised, as well as the fair value at the grant date of options exercised, is added to share capital. For stock options that vest at the end of vesting period, compensation cost is recognized on a straight-line basis over the vesting period. No compensation cost is recognized from stock options that employees forfeit if they fail to satisfy the service requirement for vesting.

b) Change in accounting policies

Effective May 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
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2. ACCOUNTING POLICIES (continued)

Section 1535 - Capital Disclosures.

This Section establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company is required to disclose information that enables the users of its financial statements to evaluate the Company's objectives, policies and processes for managing capital. Disclosures required by this standard are included in Note 13.

Section 3862 - Financial Instruments – Disclosures.

This Section 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 to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Disclosures required by this standard are included in Notes 3 and 14.

Section 3863 - Financial Instruments – Presentation.

This Section replaces existing requirements for presentation of financial instruments and non-financial derivatives. The purpose of this section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

Section 1400 - General Standards of Financial Statement Presentation.

An Amendment to this Section requires that management make an assessment of the Company's ability to continue as a going concern. The Company's adoption of the modifications of this Section had no effect on the reported consolidated financial results.

EIC 173 - Credit risk and the fair value of financial assets and financial liabilities

This abstract considers whether an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The Company's adoption of the modification of this abstract had no effect on the reported consolidated financial statements.

EIC 174 - Mining exploration costs

This abstract considers the issues of (i) when exploration costs related to mining properties may be capitalized, and (ii) if exploration costs are initially capitalized, when should impairment be assessed to determine whether a write-down is required, and what conditions indicate impairment. The Company's adoption of the modification of this abstract had no effect on the reported consolidated financial statements.

c) Recent accounting pronouncements

Section 3064 - Goodwill and Intangible Assets.

This Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This section will apply to the Company's annual and interim consolidated financial statements beginning in May 2009 and is not expected to have a significant impact on the Company's consolidated financial statements.

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
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2. ACCOUNTING POLICIES (continued)

Section 1582 - Business Combinations.

This Section replaces Section 1581 and applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on May 1, 2011. The Company is currently evaluating the impact of this Section on its consolidated financial statements.

Section 1601 - Consolidated Financial Statements.

This section establishes standards for the preparation of consolidated financial statements and applies to financial reporting periods beginning on May 1, 2011. The Company is currently evaluating the impact of this Section on its financial statements.

3. FINANCIAL INSTRUMENTS

All significant financial assets and financial liabilities of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, currency risk, convertibility risk and credit risk.

Due to the short-term nature of other receivables, accounts payable and accrued liabilities, the Company estimates that their carrying value approximates their fair value.

The Company classified its cash equivalents and short-term investment as held-for-trading. Other receivables as loan and receivables which are measured at amortized cost. Accounts payable and accrued liabilities and capital lease obligations are classified as other financial liabilities, all of which are measured at amortized cost.

Foreign Exchange Rate Risk

The Company is required to make certain payments in US dollars and has not entered into forward currency contracts or other financial derivatives to hedge exchange risk.

4. EQUIPMENT

Equipment consists of: vehicles, leasehold improvements, computer equipment, furniture and fixtures as follows:

	2009			2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Vehicles	94,033	90,655	3,378	179,971	82,621	97,350
Equipment and furniture	395,106	136,561	258,545	329,425	95,851	233,574
	<u>489,139</u>	<u>227,216</u>	<u>261,923</u>	<u>509,396</u>	<u>178,472</u>	<u>330,924</u>

Amortization in the amount of \$41,633 (2008 - \$35,051) has been deferred in exploration and development expenditures.

CHARIOT RESOURCES LIMITED
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
(Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS

Marcona Project

On January 3, 2005 the Company and KORES and LS-Nikko, jointly the “Korean Partners”, paid the first of two payments to acquire a 100% undivided interest in the Marcona Copper Project (“Marcona”). The Company’s share of the first payment was \$18,695,535 representing payments to the former owners of Marcona in the amount of \$17,023,464 and a payment in respect of Peruvian General Sales Tax (“IGV”) in the amount of \$1,672,071. The payment in respect of IGV is considered to be eventually recoverable as a credit against IGV otherwise payable in respect of future mineral production from Marcona.

On January 3, 2007 the Company and the Korean Partners made the second of the two mandatory payments required under the abovementioned Marcona acquisition agreement. The Company’s 70% share of this second payment was \$10,646,090 and a payment in respect of IGV of \$1,163,085. The payment in respect of IGV is considered to be eventually recoverable as a credit against IGV otherwise payable in respect of future mineral production from Marcona.

In the event that the Company and the Korean Partners approve the start of construction of a mine and plant to process mineralized material from Marcona, additional contingent payments will be required to complete the acquisition of an undivided 100% interest in Marcona as follows:

An amount of US \$3.0 million will be payable to Rio Tinto Mining and Exploration, Sucursal del Peru and Shougang Hierro Peru S.A.A (the “Vendors”) if the total mineral resource on the TA1 concession (which includes the Mina Justa deposit and the Magnetite Manto deposit) is greater than the equivalent of 2.58 million tonnes of contained copper metal using a copper equivalent cut-off grade of 0.3% .

An additional amount of US \$7.0 million will be payable to the Vendors if the total mineral resource on the TA1 concession is greater than the equivalent of 3.44 million tonnes of contained copper metal using a copper equivalent cut-off grade of 0.3%.

These contingent payments to the Vendors will not exceed U.S. \$10.0 million and the amounts of such payments will be determined by whether Marcobre approves commencing the construction of mine and processing facilities on the TA1 concession and the amount of copper equivalent contained in the mineral resource on the TA1 concession.

Marcona is owned by Marcobre, a Peruvian limited liability company. The Company indirectly owns 70% of Marcobre and the Korean Partners own 30%. Each of the Company and the Korean Partners have guaranteed, to the extent of their respective pro rata ownership of Marcobre, the contingent payments described above and each has pledged its shares of Marcobre as security in respect of such payments. In addition, Marcobre has granted a security interest with respect to the Marcona Project as security in respect of the contingent payments described above.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
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5. **MINERAL PROPERTY INTERESTS (continued)**

Mineral property interests consist of:

	Marcona Copper Project	
	\$	\$
Balance April 30, 2007		44,726,213
Exploration & development		
Resource Development	6,512,179	
Metallurgical test work	1,080,645	
Feasibility Study	4,105,121	
Environmental Health, Safety and Community Relations	1,750,431	
Senior Loan financing negotiations	1,643,719	
Project support costs	2,752,347	17,844,442
Balance April 30, 2008		62,570,655
Exploration & development		
Resource Development	2,311,658	
Metallurgical test work	355,565	
Feasibility Study	3,808,931	
Environmental Health, Safety and Community Relations	344,074	
Senior Loan financing negotiations	897,603	
Project support costs	3,691,858	11,409,689
Balance April 30, 2009		\$ 73,980,344

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
(Expressed in Canadian Dollars)

6. JOINT VENTURE

The Company's share of the assets and liabilities and cash flows of the Marcobre joint venture is as follows:

	<u>2009</u>	<u>2008</u>
	\$	\$
Current assets	498,557	1,405,332
Current liabilities	1,047,115	1,839,551
Working capital	(548,558)	(434,219)
Mineral property interests	72,773,909	61,721,911
Other non-current assets	10,027,127	8,843,175
Less: non-current liabilities	<u>314,225</u>	<u>314,225</u>
Net assets	<u>\$ 81,938,253</u>	<u>\$ 69,816,642</u>
Net cash flows from operating activities	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>\$ 14,184,501</u>	<u>\$ 18,043,649</u>
Net cash flows from investing activities	<u>\$ 74,135,249</u>	<u>\$ 63,875,687</u>

7. PERUVIAN SALES TAX RECEIVABLE

Included in non-current assets is \$9,232,217 (2008-\$7,846,085) of refundable Peruvian IGV. This amount is refundable either as a credit received from the export of mineral production or under the sales tax early recovery program established by the Peruvian government. During the year ended April 30, 2009, the Company recovered \$368,551 (2008 - \$437,565) under the early recovery program.

8. SHARE CAPITAL

Authorized and Issued

The Company's authorized share capital is an unlimited number of common shares of which 328,695,501 were issued and outstanding as at April 30, 2009.

On March 20, 2008 the Company completed a public offering of 22,000,000 common shares at a price of \$1.00 per share. In addition to the shares issued to the public, the underwriters of the offering syndicate were granted an over allotment option to purchase up to an additional 1,204,500 common shares at \$1.00 per share, which they duly exercised. The gross proceeds of the underwriting and exercise of the underwriters' option amounted to \$23,204,500. The net proceeds to the Company after underwriters' fees and expenses of \$1,544,074 were \$21,660,426.

CHARIOT RESOURCES LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED APRIL 30, 2009 AND 2008
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8. SHARE CAPITAL (continued)

Stock Options

On January 20, 2009 the Company granted 3,255,000 options and on February 13, 2009 granted 150,000 options to purchase common shares. All of these options granted are exercisable for 10 years from the date of grant and vest as to one-third on the date of grant, one-third on the first anniversary of the date of grant and one-third on second anniversary of the day of the grant.

The following table sets out information concerning stock options granted and outstanding as at April 30, 2009.

Number of Options	Number of Options vested	Exercise Price \$	Expiry Date	Number of months To Expiry
1,975,000	1,975,000	0.27	January 3, 2015	69
100,000	100,000	0.27	January 26, 2015	69
200,000	200,000	0.28	March 10, 2015	71
2,285,000	2,285,000	0.34	April 5, 2015	72
1,865,700	1,865,700	0.44	February 7, 2016	82
200,000	200,000	0.60	October 25, 2016	90
3,111,688	3,111,687	0.57	January 11, 2017	93
426,667	426,667	0.67	January 26, 2017	93
550,000	366,685	1.00	August 27, 2017	100
3,040,000	1,996,459	0.88	January 7, 2018	105
3,255,000	1,084,025	0.15	January 19, 2019	117
150,000	50,000	0.15	February 13, 2019	118
17,159,055	13,661,223	\$ 0.47		93

Stock option transactions for the years ended April 30, 2009 and 2008 were as follows:

	2009		2008	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance - beginning of year	15,510,368	0.56	12,938,833	0.43
Granted	3,405,000	0.15	4,205,000	0.90
Exercised	(393,298)	0.66	(1,633,465)	0.40
Expired	(791,333)	0.45	-	-
Forfeited	(571,682)	0.82	-	-
Balance - end of year	17,159,055	\$ 0.47	15,510,368	\$ 0.56

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. SHARE CAPITAL (continued)

Granting stock options results in a stock-based compensation charge. Stock-based compensation expense is determined by a Black-Scholes option pricing model. Option pricing models include the use of assumptions and estimates. The following table sets out the principal assumptions and estimates used in the determination of the fair value of options granted and the estimation of stock-based compensation expense.

Grant - year ending	April 30, 2009	April 30, 2008
Number of options	3,405,000	4,205,000
Estimated life of options	3	3
Share price on date of grant	\$ 0.15	\$ 0.90
Option exercise price	\$ 0.15	\$ 0.90
Risk free interest rate	1.38%	3.36%
Estimated volatility	85%	59%
Expected dividend yield	0%	0%
Option value	\$ 0.08	\$ 0.38
Fair value of options granted	\$ 280,866	\$ 1,597,429

During the year ended April 30, 2009, the Company recorded stock based compensation expenditure of \$699,772 (2008 - \$1,369,560) attributable to the grant of stock options of which \$417,262 (2007 - \$810,497) was capitalized to mineral property interests.

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9. SEGMENTED INFORMATION

The Company's principal business activity is the acquisition, exploration and development of mineral properties located in Peru. The assets and liabilities of the Company are located geographically as set out below:

	<u>Canada</u>	<u>Peru</u>	<u>Cayman Islands</u>	<u>Total</u>
	\$	\$	\$	\$
April 30, 2009				
Cash and cash equivalents	10,396	576,551	2,436	589,383
Short term investments	16,001,529	-	-	16,001,529
Mineral Property Interests	-	73,980,344	-	73,980,344
Other Assets	484,566	9,586,963	-	10,071,529
	16,496,491	84,143,858	2,436	100,642,785
Liabilities	251,113	1,748,336	-	1,999,449
	<u>\$ 16,245,378</u>	<u>\$ 82,395,522</u>	<u>\$ 2,436</u>	<u>\$ 98,643,336</u>
April 30, 2008				
Cash and cash equivalents	22,010,280	1,070,236	21,574	23,102,090
Short term investments	6,116,661	-	-	6,116,661
Mineral Property Interests	-	62,570,655	-	62,570,655
Other Assets	574,311	8,999,201	-	9,573,512
	28,701,252	72,640,092	21,574	101,362,918
Liabilities	484,572	2,387,104	-	2,871,676
	<u>\$ 28,216,680</u>	<u>\$ 70,252,988</u>	<u>\$ 21,574</u>	<u>\$ 98,491,242</u>

10. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash investing activities and other supplementary cash flow information is as follows:

	April 30, 2009	April 30, 2008
	\$	\$
Non-cash investing activity		
(Decrease) increase in accounts payable related to mineral property interests	(772,768)	744,139
Capitalization of stock based compensation	417,262	810,497
Capitalization of amortization	41,633	35,051

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11. INCOME TAXES

The Company's provision for income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the loss as a result of the following:

	<u>2009</u>	<u>2008</u>
	\$	\$
Statutory rates	33.3%	35.2%
Income tax recovery computed at statutory rates	<u>231,534</u>	<u>439,938</u>
Permanent differences		
Other	(159,995)	(278,138)
Rate differential for foreign entities	19,185	39,552
Stock-based compensation	<u>(233,257)</u>	<u>(196,977)</u>
Total permanent differences	<u>(374,067)</u>	<u>(435,563)</u>
Book to tax differences	(915,443)	1,696,417
Change in valuation allowance	1,018,892	(1,461,434)
Change in tax rate	<u>39,084</u>	<u>(239,358)</u>
Recovery of income taxes	<u>-</u>	<u>-</u>

The tax effects of temporary differences that give rise to significant components of future income tax assets or liabilities are as follows:

	<u>2009</u>	<u>2008</u>
	\$	\$
Future tax assets		
Financing costs	362,009	705,475
Non-capital loss carry forwards	3,059,264	2,517,289
Other	7,784	9,798
Resource properties	<u>1,969,968</u>	<u>-</u>
Total gross future income tax assets	5,399,025	3,232,562
Less valuation allowance	<u>(5,348,888)</u>	<u>(2,988,816)</u>
Net future income tax assets	50,137	243,746
Less future income tax liabilities	<u>(50,137)</u>	<u>(243,746)</u>
Net future income tax	<u>-</u>	<u>-</u>

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11. INCOME TAXES (continued)

At April 30, 2009, Chariot Resources Limited has non-capital losses of \$10,240,331 which may be carried forward to apply against future years' income for Canadian income tax purposes, subject to final determination by taxation authorities expiring as follows:

		\$
2010	238,502	
2011	521,528	
2015	1,753,438	
2016	2,475,465	
2027	1,110,104	
2028	2,032,763	
2029	2,108,531	
	10,240,331	

At April 30, 2009, the Company's subsidiaries have non-capital losses, which may be carried forward to apply against future years income for Peruvian income tax purposes, subject to final determination by taxation authorities expiring as follows:

		\$
2010	744	
2011	26,203	
2012	54,950	
2013	216,666	
	298,563	

In addition, Chariot Resources Limited has capital losses of approximately \$2,590,958, which may be carried forward indefinitely to apply against future years capital gains for Canadian income tax purposes, subject to final determination by taxation authorities.

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12. COMMITMENTS AND CONTINGENCIES

Leases

The Company has entered into operating lease contracts for office premises in Toronto, Canada and office and storage facilities in Lima, Peru. The terms of the leases and expected payments under the lease contracts are tabled below:

Location and term	Payments due by period		
	Total	2010	2011
	\$	\$	\$
Toronto office June 1, 2005 - December 31, 2009	38,767	38,767	-
Lima office December 1, 2007 - November 30, 2009	44,486	44,486	-
Lima storage facility December 21, 2008 - December 20, 2010	24,573	14,744	9,829

13. CAPITAL DISCLOSURE

The Company manages its common shares and stock options as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop its projects for the benefit of its stakeholders. The Company is not subject to any externally imposed capital requirement.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. All its funds are available for project and corporate objectives.

As at April 30, 2009, the Company had no bank indebtedness or long-term debt.

14. FINANCIAL INSTRUMENTS

The Company's receivables consist of general sales tax due from the Federal Governments of Peru as well as advances to vendors. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

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14. FINANCIAL INSTRUMENTS (continued)

a) *Currency risk*

The Company operates internationally with offices and operations in Canada and Peru, which gives rise to the risk that its financial instruments may be adversely impacted by exchange rate fluctuations. A significant portion of the Company's expenses are also incurred in U.S. dollars and to a lesser extent other foreign currencies. A significant change in the currency exchange rates between the Canadian dollar relative to the Peruvian currency or US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations. However, as many of the Company's obligations are denominated in U.S. dollars, the impact of foreign exchange differences on U.S. dollar denominated financial assets would be naturally hedged to an extent.

Although the majority of the Company's expenditures are incurred in United States dollars. The Company maintains its cash, cash equivalents and short term investments in Canadian dollars.

b) Interest rate risk

The interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All short-term deposits are accruing interest at fixed rates.

c) Liquidity risk

This refers to the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 8 to the consolidated financial statements