Newstrike Resources Ltd.

(A Development Stage Company)

Interim Financial Statements

(Unaudited)

Three and Nine Months Ended December 31, 2009

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Newstrike Resources Ltd. (A Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the March 31, 2009 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Newstrike Resources

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)
Interim Balance Sheets (Unaudited - Expressed in Canadian Dollars)

	December 31, 2009	March 31, 2009
Assets		
Current		
Cash	$ 819,153	$ 87,160
Term deposits	1,001,250	1,225,341
Short-term investments	-	13,302
Other receivable	13,812	1,260
Prepaid expenses	4,982	17,443
	1,839,197	1,344,506
Mineral resource properties (Note 5)	1,284,730	553,655
Reclamation deposit	15,000	15,000
	$ 3,138,927	$ 1,913,161
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	$ 103,482	$ 35,097
Shareholders' equity	3,035,445	1,878,064
	$ 3,138,927	$ 1,913,161

See accompanying notes to unaudited interim financial statements

Nature of operations and going concern (Note 1)

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)
Interim Statements of Operations (Unaudited - Expressed in Canadian Dollars)

	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Nine Months Ended December 31, 2009	Nine Months Ended December 31, 2008	Cumulative from inception on September 24, 2004
Expenses					
Write-off of mineral resource properties	$ -	$ 16,396	$ -	$ 1,487,778	$ 2,414,968
Legal and audit fees	6,348	1,720	20,520	69,175	286,674
Office and general	15,899	10,832	31,443	38,668	257,431
Stock option compensation (Note 8(a))	346,720	-	346,720	34,400	925,890
Accounting and corporate secretarial services	12,955	8,850	28,465	26,410	147,645
Consulting fees	4,500	13,500	32,500	31,625	151,475
Transfer agent and filing fees	9,630	1,984	20,001	14,046	90,077
Shareholder information	4	-	2,979	3,130	44,564
Director fees	1,000	-	4,400	2,200	26,800
Flow-through interest	(2,345)	2,056	4,255	2,056	11,648
Write-down of marketable securities	-	-	-	-	34,212
	394,711	55,338	491,283	1,709,488	4,391,384
Other income					
Interest income (expense)	572	14,347	(5,431)	40,016	53,965
Gain on sale of short-term investments	65,309	-	65,659	-	81,369
	65,881	14,347	60,228	40,016	135,334
Net loss for the period before recovery of income taxes	(328,830)	(40,991)	(431,055)	(1,669,472)	(4,256,050)
Future income tax recovery	-	-	-	-	(670,531)
Net loss	$ (328,830)	$ (40,991)	$ (431,055)	$ (1,669,472)	$ (3,585,519)
Net loss per share	$ (0.02)	$ (0.00)	$ (0.03)	$ (0.11)	
Weighted average number of common shares	18,156,633	16,068,300	16,855,447	15,483,066	

See accompanying notes to unaudited interim financial statements

NEWSTRIKE RESOURCES LTD.

(A Development Stage Company)

Interim Statements of Comprehensive Loss (Unaudited - Expressed In Canadian Dollars)

	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Nine Months Ended December 31, 2009	Nine Months Ended December 31, 2008	Cumulative from inception on September 24, 2004
Net loss	$ (328,830)	$ (40,991)	$ (431,055)	$ (1,669,472)	$ (3,585,519)
Comprehensive items					
Net unrealized gains (losses) on short-term investments	-	(10,545)	33,393	(49,209)	(31,660)
Reclassification of net unrealized gains on disposal of short-term investments	(45,695)	-	(45,670)	-	(51,170)
Total comprehensive loss	$ (374,525)	$ (51,536)	$ (443,332)	$ (1,718,681)	$ (3,668,349)

Interim Statements of Accumulated Other Comprehensive Income (Unaudited - Expressed In Canadian Dollars)

	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Nine Months Ended December 31, 2009	Nine Months Ended December 31, 2008	Cumulative from inception on September 24, 2004
Accumulated other comprehensive income, beginning of period	$ 45,695	$ 15,818	$ 12,277	$ 54,482	$ -
Transitional adjustment to opening balance	-	-	-	-	82,830
Net unrealized gains (losses) on short-term investments	-	(10,545)	33,393	(49,209)	(31,660)
Reclassification of net unrealized gains on disposal of short-term investments	(45,695)	-	(45,670)	-	(51,170)
Accumulated other comprehensive income, end of period	$ -	$ 5,273	$ -	$ 5,273	$ -

See accompanying notes to unaudited interim financial statements

Newstrike Resources

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)
Interim Statements of Accumulated Deficit (Unaudited - Expressed In Canadian Dollars)

	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Nine Months Ended December 31, 2009	Nine Months Ended December 31, 2008	Cumulative from inception on September 24, 2004
Accumulated deficit, beginning of period	$ (3,256,689)	$ (3,363,886)	$ (3,154,464)	$ (1,735,405)	$ -
Net loss	(328,830)	(40,991)	(431,055)	(1,669,472)	(3,585,519)
Accumulated deficit, end of period	$ (3,585,519)	$ (3,404,877)	$ (3,585,519)	$ (3,404,877)	$ (3,585,519)

See accompanying notes to unaudited interim financial statements

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)
Interim Statements of Cash Flows (Unaudited - Expressed in Canadian Dollars)

	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Nine Months Ended December 31, 2009	Nine Months Ended December 31, 2008	Cumulative from inception on September 24, 2004
Cash provided by (used in)					
OPERATING ACTIVITIES					
Net loss for the period	$ (328,830)	$ (40,991)	$ (431,055)	$ (1,669,472)	$ (3,585,519)
Changes in non-cash working capital (Note 12)	340,859	(138,684)	349,356	1,467,742	2,707,860
	12,029	(179,675)	(81,699)	(201,730)	(877,659)
INVESTING ACTIVITIES					
Purchase of term deposits	-	288,412	(1,000,000)	(406,141)	(3,042,533)
Proceeds from redemption of term deposits	(1,201)	-	1,224,090	-	2,041,282
Purchase of reclamation deposit	-	-	-	-	(15,000)
Proceeds from sale of short-term investment	65,309	-	66,684	-	163,563
Purchase of short-term investment	-	-	-	-	(116,406)
Exploration advances	-	-	-	47,260	(47,260)
Mineral resource properties and exploration expenditures	(222,795)	(72,914)	(448,175)	(1,136,959)	(2,966,574)
	(158,687)	215,498	(157,401)	(1,495,840)	(3,982,928)
FINANCING ACTIVITIES					
Issue of common shares	1,000,000	-	1,000,000	1,089,900	4,239,900
Share issue costs	(58,907)	-	(58,907)	(6,200)	(231,910)
Proceeds from exercise of stock options and warrants	-	-	30,000	20,000	1,671,750
	941,093	-	971,093	1,103,700	5,679,740
Change in cash	794,435	35,823	731,993	(593,870)	819,153
Cash, beginning of period	24,718	77,219	87,160	706,912	-
Cash, end of period	$ 819,153	$ 113,042	$ 819,153	$ 113,042	$ 819,153

See accompanying notes to unaudited interim financial statements

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)
Schedule I (Unaudited - Expressed in Canadian Dollars)
Interim Statements of Changes in Shareholders' Equity From Commencement of Operations, September 24, 2004 to December 31, 2009

	Common shares		Warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total
	#	$	$	$	$	$	$
Balance, March 31, 2008	13,951,800	3,787,454	9,900	281,747	(1,735,405)	54,482	2,398,178
Issuance of flow-through common shares	1,816,500	1,089,900	-	-	-	-	1,089,900
Shares issued for mineral resource properties	250,000	110,000	-	-	-	-	110,000
Exercise of warrants	50,000	20,000	-	-	-	-	20,000
Fair value of warrants exercised	-	9,900	(9,900)	-	-	-	-
Share issue costs - cash	-	(6,200)	-	-	-	-	(6,200)
Fair value of stock options issued	-	-	-	43,520	-	-	43,520
Tax effect of flow-through shares	-	(316,070)	-	-	-	-	(316,070)
Unrealized loss on short-term investments	-	-	-	-	-	(42,205)	(42,205)
Loss for the year	-	-	-	-	(1,419,059)	-	(1,419,059)
Balance, March 31, 2009	16,068,300	4,694,984	-	325,267	(3,154,464)	12,277	1,878,064

See accompanying notes to unaudited interim financial statements

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)
Schedule I (Unaudited - Expressed in Canadian Dollars)
Interim Statements of Changes in Shareholders' Equity From Commencement of Operations, September 24, 2004 to December 31, 2009 (continued)

	Common shares #	Common shares $	Warrants $	Contributed surplus $	Accumulated deficit $	Accumulated other comprehensive income $	Total $
Balance, March 31, 2009	16,068,300	4,694,984	-	325,267	(3,154,464)	12,277	1,878,064
Shares issued for mineral resource properties (Note 5(ii)(iv))	635,000	282,900	-	-	-	-	282,900
Exercise of stock options	120,000	30,000	-	-	-	-	30,000
Fair value of stock options exercised	-	9,120	-	(9,120)	-	-	-
Issuance of flow-through common shares (Note 6(a))	1,666,666	411,093	530,000	-	-	-	941,093
Fair value of stock options issued (Note 8(a))	-	-	-	346,720	-	-	346,720
Net unrealized gains on short-term investment	-	-	-	-	-	33,393	33,393
Reclassification of net unrealized gains on disposal of short-term investment	-	-	-	-	-	(45,670)	(45,670)
Loss for the nine months ended December 31, 2009	-	-	-	-	(431,055)	-	(431,055)
Balance, December 31, 2009	18,489,966	5,428,097	530,000	662,867	(3,585,519)	-	3,035,445

See accompanying notes to unaudited interim financial statements

1. Nature of operations and going concern

Newstrike Resources Ltd. ("the Company" or "Newstrike") was incorporated under the name "New Bliss Resources Ltd." under the laws of the Province of Ontario by Articles of Incorporation dated September 24, 2004. Pursuant to Articles of Amendment dated October 28, 2004, the name of the Company was changed to "Newbliss Resources Ltd.", and pursuant to Articles of Amendment dated January 25, 2005, the name of the Company was further amended to "Newstrike Resources Ltd.". Since its inception, the Company has concentrated on the acquisition of properties prospective for precious and base metals and other minerals. At the date of these unaudited interim financial statements, the Company has not yet discovered any deposits, nor has it earned any income and it is therefore considered to be in the development stage. The recoverability of the mineral resource properties is dependent upon a number of factors including environmental, legal, and political risks, the existence and economic recovery of such reserves, maintenance of the Company's interest in the underlying mineral claims, the ability to raise long-term financing to complete the development of the properties and upon future profitable production or, proceeds from the disposition thereof. As defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11, the Company is considered to be a development stage enterprise as it has yet to generate significant revenue from operations.

These unaudited interim financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its mineral properties. These unaudited interim financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

2. Summary of significant accounting policies

The unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of the Company's financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual financial statements, except as noted below. The accompanying unaudited interim financial statements should be read in conjunction with the notes to the Company's audited financial statements for the year ended March 31, 2009, since they do not contain all disclosures required by Canadian GAAP for annual financial statements. These unaudited interim financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

Goodwill and Intangible Assets

Effective April 1, 2009, the Company adopted CICA Section 3064, "Goodwill and Intangible Assets" which replaces CICA Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs", as well as EIC-27, "Revenues and Expenditures During the Pre-operating Period", and part of Accounting Guideline 11, "Enterprises in the development stage". Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial Reporting Standards ("IFRS"). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition; and 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing items that do not meet the recognition criteria is eliminated. The standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the standard relating to goodwill remain unchanged. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at December 31, 2009.

2. Summary of significant accounting policies (continued)

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities
In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at December 31, 2009.

Financial Instruments
During 2009, CICA Handbook Section 3862, Financial Instruments - Disclosures ("Section 3862") was amended to require disclosure about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
- Level 3 - Inputs that are not based on observable market data.

This amended standard applies to annual financial statements with fiscal years ending after September 30, 2009. The Company will include these disclosures in its annual financial statements for the year ending March 31, 2010.

Future accounting changes

IFRS

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011. Early adoption of IFRS is permitted upon receipt of approval from the Canadian Securities Administrators ("CSA").

The CSA have approved the Company's application for early adoption of IFRS beginning in fiscal 2011. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended June 30, 2010. The Company's fiscal 2011 interim and annual financial statements will include comparative fiscal 2010 financial statements, adjusted to comply with IFRS.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

2. Summary of significant accounting policies (continued)

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests (continued)

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to 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. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS lAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

3. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

Newstrike considers its capital to be equity, which is made up of common shares, warrants, contributed surplus, accumulated deficit and accumulated other comprehensive income, which at December 31, 2009, totaled $3,035,445 (March 31, 2009 - $1,878,064).

The mineral resource properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three and nine months ended December 31, 2009. The Company is not subject to externally imposed capital requirements.

4. Property and financial risk factors

(a) Property risk

The Company's significant mineral properties are the Commodore joint venture property ("Commodore JV") and Misema property (collectively, the "Projects"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the Projects. If no additional mineral properties are acquired by the Company, any adverse development affecting the Projects would have a material adverse effect on the Company's financial position and results of operations.

4. Property and financial risk factors (continued)

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and term deposits. Cash and term deposits are held by a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2009, the Company had a cash and short term deposit balance of $1,820,403 (March 31, 2009 - $1,312,501) to settle current liabilities of $103,482 (March 31, 2009 - $35,097). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is also committed to spending approximately $933,000 in Canadian exploration expenditures. If the Company does not spend these funds in compliance with the government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill its flow-through commitment.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and equity price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors prices of precious and base metals and other minerals, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

4. Property and financial risk factors (continued)

Market risk (continued)

Commodity and equity price risk (continued)
Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. A decline in the market price of precious and base metals and other minerals may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value.

As of December 31, 2009, the Company was not a precious minerals, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a nine month period:

(i) Term deposits are subject to floating interest rates. As at December 31, 2009, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the nine months ended December 31, 2009, would have been approximately $7,600 higher/lower, as a result of lower/higher interest income from term deposits. Similarly, as at December 31, 2009, reported shareholders' equity would have been approximately $7,600 lower/higher as a result of lower/higher interest income from term deposits due to a 1% decrease/increase in interest rates.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(Unaudited - Expressed in Canadian Dollars)

5. Mineral resource properties

On a quarterly basis, management of the Company reviews exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. As of December 31, 2009, the Company's mineral resource properties consisted of the following:

	March 31, 2009	Additions	Write-off	December 31, 2009
Commodore JV (i)(ii)(iii)(iv)	$ 553,655	$ 716,223	$ -	$ 1,269,878
Misema property (v)	-	14,852	-	14,852
	$ 553,655	$ 731,075	$ -	$ 1,284,730

(i) Refer to Note 6 of the audited March 31, 2009 financial statements for details of mineral resource properties.

(ii) Pursuant to an option agreement dated as of January 15, 2009, the Company and Queenston Mining Inc. ("Queenston") acquired from a third party an option to each acquire an undivided 50% interest (for an aggregate 100% interest as tenants in common) in 36 mineral claims (12 patented claims and 24 unpatented claims) located in the historic Kirkland Lake gold camp. Under terms of the agreement, to earn a 100% interest in the property, Newstrike and Queenston have each paid the vendor $5,000 cash and have paid a further $95,000 cash each. In addition, Newstrike issued 35,000 shares (valued at $10,500) and Queenston issued 10,000 shares to the vendor. There are no underlying royalties on the property.

(iii) On July 8, 2009, Newstrike and Queenston each purchased a 50% interest in 4 mineral additional claims adjoining the Commodore property to the east. Under terms of the purchase Newstrike and Queenston have each paid the vendor $10,000 cash for a 100% interest in the claims subject to a 2% Net Smelter Returns royalty (“NSR”). The parties retain the right to purchase half of the NSR at any time upon payment of $1,000,000.

(iv) On August 27, 2009, Newstrike and Queenston announced that they have entered into an addendum to the existing joint venture agreement on the Commodore property.

Pursuant to the addendum the following property interests are to be contributed to the Newstrike – Queenston joint venture: (i) Nine patented mineral claims known as the Morris claims to be contributed by Newstrike; and (ii) seven patented mineral claims and four unpatented mineral claims, collectively the Queenston claims, to be contributed by Queenston. As additional consideration for the contribution made to the Commodore JV by Queenston, Newstrike has agreed to issue 600,000 common shares (valued at $272,400) to Queenston.

(Unaudited - Expressed in Canadian Dollars)

5. Mineral resource properties (continued)

(v) On November 9, 2009, Newstrike announced that it has entered into an option agreement with Misema Resources Ltd. ("Misema") pursuant to which Newstrike has been granted the option to acquire up to a 50% legal and beneficial interest in eight mining claims located in Gauthier Township, Ontario (collectively, the "Property"). Mr. John Pollock is the President of Newstrike, and also the President of Misema.

In order to acquire an initial 20% interest in the Property, Newstrike is required to make a cash payment of $10,000 (paid) and incur aggregate exploration expenditures on the Property of $90,000 over a one year period. Upon exercise of its option to earn a 20% interest in the Property, Newstrike may thereafter elect to earn an additional 30% interest in the Property (for an aggregate 50% interest) by incurring an additional $400,000 in exploration expenditures on the Property over the subsequent two year period.

6. Share capital

Authorized - Unlimited common shares without par value.

	Number of Shares	Amount
Balance, March 31, 2009	16,068,300	$ 4,694,984
Issued (Note 5(ii)(iv))	635,000	282,900
Issuance of flow-through common shares (a)	1,666,666	1,000,000
Cost of issue (a)	-	(58,907)
Warrant valuation (a)	-	(530,000)
Exercise of stock options	120,000	30,000
Fair value of stock options exercised	-	9,120
Balance, December 31, 2009	18,489,966	$ 5,428,097

(a) On October 19, 2009, Newstrike closed a non-brokered private placement pursuant to which it has issued an aggregate of 1,666,666 flow-through units ("FT Units") at a price of $0.60 per FT Unit to raise aggregate gross proceeds of approximately $1,000,000. Each FT Unit consists of one "flow-through" common share and one share purchase warrant of Newstrike, each such share purchase warrant entitling the holder thereof to acquire one additional common share of Newstrike (which shall not be a "flow-through" share) for a period of 24 months at an exercise price of $0.75 per share.

Share issuance costs of $58,907 were incurred in relation to the offering.

Insiders of Newstrike subscribed for an aggregate of 183,000 FT Units in connection with the offering.

A value of $530,000 was assigned to the warrants using the Black-Scholes option pricing model with the following assumptions: expected dividend yield – 0%; expected volatility – 112%; risk-free interest rate – 1.48% and an expected life of two years.

(Unaudited - Expressed in Canadian Dollars)

7. Warrants

The following table summarizes the warrant activity for the period:

	Number of Warrants	Weighted Average Price	Fair Value
Balance, March 31, 2008	-	$ -	$ -
Issued (Note 6(a))	1,666,666	0.75	530,000
Balance, December 31, 2009	1,666,666	$ 0.75	$ 530,000

The following table reflects the actual warrants outstanding as of December 31, 2009:

Expiry Date	Exercise Price ($)	Warrants	Fair Value
October 19, 2011	0.75	1,666,666	$530,000

8. Stock options

The following table summarizes the stock option activity for the period:

	Stock Options Outstanding	Weighted Average Exercise Price
Balance, March 31, 2009	1,245,000	$ 0.77
Issued (a)	880,000	0.55
Exercised	(120,000)	0.25
Expired	(200,000)	0.60
Balance, December 31, 2009	1,805,000	$ 0.72

(a) On November 27, 2009 the Company granted 880,000 options to purchase common shares of the Company to directors, officers and consultants at an exercise price of $0.55 per share, expiring on November 27, 2014. These stock options vest immediately. The fair value of $346,720 was assigned to the stock options using the Black-Scholes option pricing model with the following assumptions: expected dividend yield – 0%; expected volatility – 93%; risk-free interest rate – 2.08% and an expected life of five years.

(Unaudited - Expressed in Canadian Dollars)

8. Stock options (continued)

The following table reflects the actual stock options outstanding as of December 31, 2009:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)	Options Outstanding and Exercisable	Fair Value
May 29, 2012	0.69	2.41	100,000	$ 28,300
September 4, 2012	0.90	2.68	825,000	198,000
November 27, 2014	0.55	4.91	880,000	346,720
		3.75	1,805,000	$ 573,020

9. Related party transactions

(i) For the three and nine months ended December 31, 2009, the Company paid $4,500 and $13,500, respectively to Marrelli CFO Outsource Syndicate Inc. for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company (three and nine months ended December 31, 2008 - $4,500 and $13,500, respectively). Carmelo Marrelli beneficially owns Marrelli CFO Outsource Syndicate Inc. The Chief Financial Officer is also the president of a firm providing accounting services to Newstrike. During the three and nine months ended December 31, 2009, Newstrike expensed $10,705 and $21,715, respectively (three and nine months ended December 31, 2008 - $11,100 and $33,160 respectively) for services rendered by this firm. In addition, as at December 31, 2009, this firm was owed $6,349 (March 31, 2009 - $2,740) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three and nine months ended December 31, 2009, the Company paid director fees of $1,000 and $4,400, respectively (three and nine months ended December 31, 2008 - $nil and $2,200, respectively). For the three and nine months ended December 31, 2009, the Company paid consulting fees related to administrative services of $nil and $18,000, respectively (three and nine months ended December 31, 2009 - $11,000 and $23,000, respectively) to a director of the Company. In addition, for the three and nine months ended December 31, 2009, the Company also paid geological consulting fees to a director amounting to $4,400 and $9,400, respectively (three and nine months ended December 31, 2008 - $2,200 and $25,331, respectively), of which $4,400 and $8,400, respectively (three and nine months ended December 31, 2008 - $2,200 and $25,331, respectively) is included in mineral resource properties. As at December 31, 2009, the director of the Company was owed $5,528 (March 31, 2009 - $nil).

(iii) For the three and nine months ended December 31, 2009, the Company paid geological consulting fees of $nil (three and nine months ended December 31, 2008 - $nil and $1,125, respectively) to a director of the Company.

(iv) Insiders of Newstrike subscribed for an aggregate of 183,000 FT Units in connection with the offering disclosed in Note 6(a).

(v) Mr. John Pollock is the President of Newstrike, and also the President of Misema Note 5(v).

The transactions above are in the normal course of operations and are measured at the exchange value (the amount established and agreed to by the related parties), which approximates the arm's length equivalent value. Amounts due to related parties are non-interest bearing, unsecured and subject to normal trade payments terms.

(Unaudited - Expressed in Canadian Dollars)

10. Commitment

The Company is committed to spending approximately $933,000 associated with the flow-through offering that was completed on October 19, 2009. The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the Income Tax Act (Canada).

11. Comparative Information

Certain comparative figures have been reclassified to conform with current period financial statement presentation.

12. Changes in non-cash working capital

	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Nine Months Ended December 31, 2009	Nine Months Ended December 31, 2008	Cumulative from inception on September 24, 2004
Stock option compensation(Note 8(a))	$ 346,720	$ -	$ 346,720	$ 34,400	$ 925,890
Gain on sale of short-term investments	(65,309)	-	(65,659)	-	(81,369)
Write-down of marketable securities	-	-	-	-	34,212
Write-off of mineral resource properties	-	16,396	-	1,487,778	2,414,968
Future income tax recovery	-	-	-	-	(670,531)
Increase in other receivable and prepaids	(1,737)	(4,321)	(91)	(52,226)	(18,794)
(Decrease) increase in accounts payable and accrued liabilities	61,185	(150,759)	68,386	(2,210)	103,484
	$ 340,859	$ (138,684)	$ 349,356	$ 1,467,742	$ 2,707,860