

**QUARTERLY REPORT 3**  
**FOR THE THREE MONTHS ENDED**  
**SEPTEMBER 30, 2008**



## **Roxmark Mines Limited**

### **Management's Discussion and Analysis**

### **For the nine months ended September 30, 2008**

---

Management's Discussion and Analysis of the operating results and financial condition of Roxmark Mines Limited ("Roxmark" or "the Company") for the nine months ended September 30, 2008 and 2007 was prepared as of November 24, 2008 and should be read in conjunction with the Company's audited financial statements and notes for the year ended December 31, 2007 and Management's Discussion and Analysis for the year ended December 31, 2007. All financial information in the MD&A is prepared in accordance with Canadian generally accepted accounting principles. This discussion provides management's analysis of Roxmark's historical financial and operating results and provides estimates of future performance based on information currently available. Readers are encouraged to read the Company's public information filings on SEDAR at [www.sedar.com](http://www.sedar.com).

Roxmark is a Canadian-based junior integrated gold mining company incorporated under the laws of the Province of Ontario and a reporting issuer in that province. Common shares of Roxmark are listed for trading on the TSX Venture Exchange under the symbol "RMK". The Company carries out exploration and development programs on its gold and molybdenum properties in the Geraldton-Beardmore Greenstone Belt of Northern Ontario, Canada, located approximately 200 km northeast of Thunder Bay and served by the Trans-Canada Highway. The highly prospective high-grade gold district has been inactive over the past several decades. It is host to past-producing mines and numerous targets in a district that has yielded more than 4.1 million ounces of historic gold production.

Roxmark's assets comprise 13 properties covering 18,700 acres and including six formerly highly productive gold mines which produced nearly two million ounces of gold from high-grade ore, but were closed primarily due to a \$35/oz. gold price and boundary issues the Company has since eliminated by consolidating land holdings. Three of these mines in the Beardmore Camp processed a total of 1.5 million tons of ore that produced in excess of one million ounces of gold, with an average recovered grade of 0.70 oz/ton Au.

Assets include the Northern Empire Mine (with a fully-permitted onsite mill), the Nortoba-Tyson molybdenum property and five formerly highly productive gold mines. Existing infrastructure above and below ground at these mines will provide important advantages in developing additional gold-bearing structures. Currently, the Company has no producing properties but continues to maintain, acquire and develop its holdings with an emphasis on advancing the development of resource properties to generate cash flow. During the past three years, the Company has been carrying on its activities in the Beardmore Camp. In 2007, the Company signed a Letter of Intent with Premier Gold Mines Limited (TSX – PG) ("Premier") whereby Premier is carrying out exploration on certain Roxmark properties in the Geraldton Mining Camp.

#### **Forward-Looking Statements**

*This MD&A may contain certain "forward-looking statements". All statements regarding the exploration and development of the Company's properties, the Company's beliefs and*

*expectations regarding its properties, assets and exploration plans, the possible exercise of warrants, estimation of program dates and any future plans are forward-looking statements that involve risks and uncertainties including, but not limited to, political risk, title risk, commodity price and currency exchange risk, operating and environmental hazards encountered in the mining business, general industry and economic conditions, changes in regulatory requirements, future capital expenditures and the availability of financing. The results or events discussed or predicted in these forward-looking statements may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this MD&A and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be placed on such statements due to the uncertainty inherent therein.*

### **Overall performance and strategy**

The Company's main focus is to develop its holdings in the Geraldton-Beardmore Camp. In the Beardmore area, it is focussed on advancing resource definition activities on the Northern Empire gold mine and the Nortoba-Tyson molybdenum property. In the Geraldton area, it is carrying out exploration activities under a Letter of Intent with Premier Gold Mines Limited whereby Premier is exploring the "Geraldton Project".

Roxmark has completed two diamond drilling programs on the Northern Empire property to establish NI 43-101 gold resources prior to reopening the mine to extract ore to be processed at the on-site permitted mill. A Technical Report updating resources at the Northern Empire Gold Mine was completed and filed on SEDAR on November 14, 2008. During the past three years, Roxmark has completed bulk samples of gold and molybdenum ore from its properties and processed the extracted tonnage at the Northern Empire mill.

### **Overview of Performance**

#### **Northern Empire Gold Mine**

The property is located approximately one half mile from the centre of the Town of Beardmore, Ontario. The 2008 program drilled 77 holes totalling 8,385 metres. The program, which followed up on a successful 2007 drilling program of 26 holes, intersected high grade gold mineralization in several holes. The mine has historical resources calculated in 1988 by Dr. S. E. Malouf, then consulting geologist, at 562,274 tons grading 0.22 oz Au/t. The Company is not treating the historical estimate as current NI 43-101-defined resources and the historical estimate should not be relied upon. Also, in 2006, SRK Consulting was commissioned to digitize available drilling and other information on the mine and to develop a 3D mineralization model which outlined 150,000 ounces of potential gold resources in the mine area. The SRK assessment is not NI 43-101 compliant.

Peter Bevan, consulting geologist and a qualified person under NI 43-101, has calculated the resources of the Power and Contact Zones above the diabase sill to the second level (300 feet) only, as per NI 43-101, utilizing 2007 and 2008 drilling results obtained on selected strike lengths of the mine. Based on a cut-off grade of 3g/t and a minimum horizontal width of 0.92

metres, indicated and inferred resources for the limited drilled areas of strike length of the Contact and Power Zones are as follows:

	<b>Tonnes</b>	<b>Gold g/t.</b>	<b>Gold oz/t.</b>	<b>Ounces of gold</b>
Power (Indicated) - East Ext.	12,457	16.72	<b>0.49</b>	<b>6,697</b>
Contact (Indicated) - East Ext	32,544	12.24	<b>0.35</b>	<b>12,808</b>
Mine workings (Indicated)	41,651	7.69	<b>0.22</b>	<b>10,298</b>
Power (Inferred) - East Ext	4,347	19.79	<b>0.58</b>	<b>2,766</b>
Contact (Inferred) - East Ext	6,829	14.13	<b>0.41</b>	<b>3,102</b>
Mine workings (Inferred)	53,572	8.62	<b>0.25</b>	<b>14,847</b>
<b>Total Indicated</b>	<b>86,652</b>	<b>10.70</b>	<b>0.31</b>	<b>29,803</b>
<b>Total Inferred</b>	<b>64,748</b>	<b>9.95</b>	<b>0.29</b>	<b>20,715</b>

The Technical Qualifying Report for the Northern Empire Gold Mine, in accordance with NI 43-101 regulations and dated November 2008, has been filed on SEDAR and is available at the Company's website. The Company is carrying out the recommendations of the report by commissioning a scoping study for dewatering the shaft and installing a headframe, hoist and ancillary equipment on surface and underground. The recommended plan also includes underground mining of a 3,500-4,000-tonne bulk sample to be processed at the Company's Northern Empire mill. The economics of Roxmark's future plans to reopen the Northern Empire to produce gold and carry out underground exploratory drilling will benefit from the availability of existing underground workings and an upgraded, fully permitted on-site mill.

The Northern Empire Mine was operated successfully by Newmont Mines from 1934 to 1941. The mine was serviced by a shaft to a depth of 2,460 feet and produced 149,000 ounces of gold from 426,000 tons of ore at a recovered grade of 0.35 oz Au/t. The on-site 200TPD mill (expandable to 500TPD) was built in 1982 and upgraded and permitted by Roxmark.

### **Nortoba-Tyson Molybdenum Gold Property**

#### **Gold Veins:**

A second drilling program of the year was completed in September 2008 on the gold veins of the Nortoba-Tyson property. The 19 hole-program, covering a total of 1,358 metres of surface diamond drilling, was directed to delineate the gold mineralization of veins No.1, 1A and 2. Prior exploration work included a historical bulk sample. The results indicated that 135 tons extracted in 1964 produced 139 ounces of gold, an average of 1.03 ounces of gold per ton. (*Geological Report 122 of the Ministry of Northern Development and Mines, 1975, Mackasey*). These historic data are not compliant with NI43-101. Several grab samples taken by Roxmark in 2006 from the bottom of the previous bulk sample area assayed at values ranging from 0.17 to 7.64 oz/t Au.

During the summer of 2008, a surface geological program was completed by stripping vein No. 2 for over 350 metres and vein No. 1 for 150 metres in strike. Channel sampling over the exposed area returned encouraging results for gold values up to 13.3 g.Au/t over 0.30 metres.

Although drilling was done on wide spacing, an area of interest encountered gold values up to 16.6 g.Au/t over a strike length of 110 metres. The following table provides significant assays received:

Hole-ID	Dip	From	To	Length (m)	Zone	AU (g/t)
NT08 – 01	-55	80.50	81.00	0.50	Vein No. 2	10.10
NT08 – 02	-55	51.30	51.60	0.30	Vein No. 2	8.79
		51.60	51.90	0.30		1.54
NT08 – 03	-70	47.90	48.20	0.30	Vein No. 2	6.84
		48.20	48.60	0.40		16.60
NT08 – 08	-65	24.30	24.80	0.50	Vein No. 1	4.36
NT08 – 13	-45	27.50	28.00	0.50	Vein No. 2	5.29
NT08 – 15	-45	56.00	56.70	0.70	Vein No. 2	9.30
NT08 – 17	-45	36.90	37.40	0.50	Vein No. 1	4.11

NOTE: True widths estimated at approximately 70% of intersection width

Additional drilling is planned to outline the extent of gold mineralization along the strike length.

### **Molybdenum Mineralization:**

Additional work was carried out on the molybdenum vein. The program uncovered an area of interest that contains molybdenum mineralization about 74 metres west of the known trenches No. 1 and 2. Stripping, geological mapping, trenching and channel sampling was completed in October 2008. The new zone extends for 110 metres and is open to the west and depth. Channels were cut every 1.50 metres along strike indicating that the vein has various widths.

Two zones along the strike of the exposed area returned significant assays, including values as high as 1.68% molybdenum (Mo) over 0.70 metres, which warranted further work.

Sample No.	Zone	Length (m)	Width (m)	Mo %
2475	2 (East)		1.00	<b>0.311</b>
2476	2 (East)		1.00	<b>0.035</b>
2477	2 (East)		1.00	<b>0.667</b>
2478	2 (East)		0.70	<b>1.680</b>
2479	2 (East)		1.00	<b>0.015</b>
2480	2 (East)		0.80	<b>0.029</b>
2481	2 (East)		0.40	<b>0.330</b>
	<b>Average Zone 2</b>	<b>16.0</b>	<b>0.84</b>	<b>0.438*</b>
2535	1 (West)		0.50	<b>0.435</b>
2536	1 (West)		1.00	<b>0.011</b>
2537	1 (West)		0.50	<b>0.040</b>
2538	1 (West)		1.00	<b>0.074</b>
2539	1 (West)		1.00	<b>0.035</b>
2540	1 (West)		1.20	<b>0.291</b>
	<b>Average Zone 1</b>	<b>12.6</b>	<b>0.87</b>	<b>0.136*</b>

\*weighted average

A follow-up to these encouraging results, and based on preliminary investigations which indicate that mineralization increases along the dip, Roxmark crew carried out drilling and blasted two lifts along strike to be included in the tonnage for the second bulk sample.

Approximately 300 tons of blasted material will be hauled to Roxmark's Northern Empire mill next spring. An estimated additional 350 to 450 tons of material will also be extracted from the trenches at that time to be treated at the mill. We anticipate that the second bulk sample will be in the range of 900 tons.

### **Geraldton Project**

On September 20, 2007, the Company signed a Letter of Intent with Premier whereby Premier was to carry out exploration on certain properties of Roxmark in the Geraldton Mining Camp, Northwestern Ontario. Under the terms of the agreement, Premier has the option to earn a 51% interest in the properties over a four-year period by making cash payments, issuing shares of Premier to Roxmark and carrying out, as operator, \$7 million in expenditures to advance the highly prospective high-grade gold properties to a production decision. Premier has the option to increase its interest in the Geraldton project to 70% by making further cash payments, issuing additional common shares of Premier to Roxmark and bringing the property to a production decision, following which Roxmark would be carried as to 30%. The project area covers approximately 10 km of some of the most strategic ground in the region and is host to three past-producing mines and several exploration targets.

Roxmark has received to date from Premier two cash payments for a total of \$200,000 and 200,000 common shares of Premier valued at \$438,000.

During October 2008, Premier acquired several properties from Lac Properties (the "Acquisition"), a subsidiary of **BARRICK GOLD CORPORATION (TSX, NYSE:ABX)**, which will form part of the Geraldton Project, a joint venture between Premier and Roxmark. Premier entered into a definitive purchase agreement with Lac to acquire Lac's interest in all of the mining claims commonly known as the Geraldton, Ozone Creek and Eva Summers properties located in the Geraldton district in the Province of Ontario (collectively the "G-L Property"), together with certain equipment and other assets.

Premier will transfer its interest in the G-L Property so that it will form part of the existing Geraldton Project which is operated under a joint venture between Premier and Roxmark

The G-L Property is host to several past-producing mines which collectively produced more than 2.0 million ounces of gold from the same deposits to relatively shallow depths of approximately 2,000 feet (600 metres) from 1938-1968. The mined zones remained wide open at depth at the time mining ceased.

Immediately prior to the end of the mining on the G-L Property, new development workings were built on a substantial extension of the "F-Zone" of the G-L Property approximately 700 metres down-plunge from the area mined to a depth of 800 metres (2,621 foot level).

Highlight results from drilling into this area (approximately true widths) include:

10.25g/t Au (0.30 oz/ton) over 17.1 m (56 feet)

8.43g/t Au (0.25 oz/ton) over 17.1m (56 feet)

6.03g/t Au (0.18 oz/ton) over 23.2m (76 feet)

The mined zones remain open at depth highlighted by intersections of 13.75g/t Au over 6.4m down-dip beneath the mine workings in the "F-Zone" and 18.41g/t Au over 5.1m down-dip beneath the mine workings in the "North Zone" of the G-L Property. In addition to the depth

potential of the mined zones, significant potential exists for developing resources in several areas, including promising open pit-style mineralization at the site of the original discovery. As well, several newer high-grade discoveries have been made throughout the property package that have received little to no follow-up and Premier intends to pursue resources within the existing mine workings.

Recent discoveries on the Geraldton Project include open pit-style mineralization in the Kailey Zone and high-grade veins located proximal to the historic Little Long Lac Gold Mine. As previously released by Premier, results to date from drilling in the recently discovered Kailey Zone include 39.64g/t Au (1.16 oz/ton) across 2.0 metres contained within a wider zone of mineralization which returned 5.87g/t Au across 16.0 metres, and 2.01g/t Au across 101.0 metres.

The Geraldton Joint Venture Project is located in the heart of the Beardmore-Geraldton greenstone belt, a highly prospective high-grade gold district that has seen relatively little exploration over the past several decades. The Project area covers approximately 15 kilometres of some of the most prospective geology in the region and is host to several past-producing mines and numerous exploration targets in a district that has seen historic production of more than 4.1 million ounces of gold.

The closing of the Acquisition transaction is scheduled to take place on the fifth business day after Premier and Lac have obtained all of the regulatory approvals required under the Purchase Agreement (including the approval of the Toronto Stock Exchange and the Ontario Ministry of Northern Development and Mines), which is expected to be in December 2008. In consideration, Premier will issue to Lac certain common shares and make cash payment as well as granting to Lac a 3% net smelter return (“NSR”) on all Geraldton Project properties, including the G-L Property, which previously carried a 5% NSR.

Premier is actively and extensively exploring the project including line cutting, geophysical work and diamond drilling. Premier has completed in excess of 44,000 metres of diamond drilling on the Geraldton Project. Drilling has intersected gold mineralization that contains occurrences of visible gold. The zones remain open in all directions.

The Kailey Zone is a bulk tonnage target proximal and parallel to the historic Little Long Lac Gold Mine from which more than 600,000 ounces of gold were produced during the period 1934-53 at an average grade of 11.66g/t Au.

Drilling carried out at the Magnet Gold Mine led to discovery of a new high-grade gold vein zone that has returned numerous significant intersections including **67.08 g/t Au across 2.0m**. The new “Highway Zone” is located at a depth of approximately 110 metres under the Trans-Canada Highway, immediately south of the historic Magnet Gold Mine. Also, drilling on the Benedict Zone intersected gold mineralization including **10.22 g/t Au (0.30 opt) over 2.5m and 8.14g/t Au (0.23 opt) over 2.0m**. The Magnet Mine is serviced with a shaft and winze to 2,640 feet and equipped with a headframe, production hoist, compressors, generator, hydro substation, and other equipment and facilities. The Magnet Mine had historical production during the period from 1938-1951 of 152,000 ounces of gold from 360,000 tons of ore at an average grade of 14.40 g/t Au.

## **Key Lake Property**

The property is located in the Geraldton Camp and it is not included in the joint venture agreement with Premier. A base line was cut and lines were established for MMI Geochemical soil sampling program. Soil samples collected were sent to SGS Canada Inc, for analysis. The purpose of the survey is to identify drilling targets. Obtained results outlined anomalous areas as drilling targets in the future.

## **Liquidity and Capital Resources**

As at September 30, 2008, current assets amounted to \$786,029 or \$614,633 more than current liabilities compared to \$2,463,269 on December 31, 2007. Included in current assets are cash and cash equivalents of \$612,451 (December 2007 - \$2,552,170). A significant amount of cash is in a guaranteed investment certificate of a Canadian Schedule A Chartered Bank bearing interest linked to the prime rate for a short term. Current liabilities at the same date amounted to \$171,396 compared to \$209,587 on December 31, 2007.

The Company's capital needs have, until this time, been met primarily by equity subscriptions, mainly by flow-through share issuances. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through issuances are renounced to investors in accordance with income tax regulations.

The financial instruments of the Company consisted of cash, cash equivalents, accounts receivable and accounts payable. The Company estimates that the fair value of these instruments approximates their carrying value. During the first quarter, a total of \$497,505 was raised from exercise of warrants. During the year 2007, a total of \$3,212,565 was raised by flow-through financing. Roxmark has sufficient funds to carry out the anticipated programs and to sustain corporate activities for the year 2008. Any additional funds from the exercise of outstanding warrants would be added to working capital. (See Subsequent Events notes for more information.)

The Company had no long-term debt outstanding as of September 30, 2008 (2007 – nil). All loans from related companies and from a director and shareholder have been repaid.

## **Financial Condition**

The Company had no commercial resource income during the six months or during the previous year. As per accounting policies, all administrative expenses are being charged to operations. Activities during the period focussed on planning exploration and development work on the Northern Empire property and additional exploration work on the Nortoba-Tyson Property, along with the administrative functions of the corporation.

Cash used in investing activities totalled \$291,416 for the quarter ended September 30, 2008 (2007 – \$478,693). Included in this amount was a total of \$20,000 for resource properties and \$81,684 for buildings and equipment. The majority of deferred expenditures for the nine months and the previous year was directed to the Beardmore Camp properties, and amounted to \$1,615,052 (2007 – \$733,356).

The Company recorded a comprehensive loss for the quarter of \$172,551 (2007 - \$179,082). Office and administration expenses for the quarter amounted to \$81,330 (2007 –\$124,374). The cost is mainly comprised of wages, consulting fees and miscellaneous expenses related to head office activities. The legal and audit expenses in 2008 were \$56,605 (2007 - \$78,356).

Interest income for the quarter amounted to \$5,941 compared to income for the same period in 2007 of \$2,547. At the present time, the Company has no outstanding long-term debt. Other expenses included the costs related to maintaining the tailings facilities. The amount was \$12,053 for 2008 compared to \$8,228 in 2007.

Additional unrealized gains on securities amounted to \$9,000 (2007 – nil) for the nine month period. An amount of non-cash cost of nil in 2008 (2007 – \$23,016) was recorded for the debt settlement related to the conversion of the 2003 debenture into common stock of the Company.

The Company has no off-balance sheet arrangements and does not engage in any hedging program.

### Resource Properties

Costs related to the acquisition, exploration and development of resource properties are capitalized by property until the beginning of commercial production. Should a property be sold or abandoned, the capitalized cost related to that property would be written off.

The Company recorded an amount of \$200,000 as cash credit to resource properties for the option payment from the joint venture partner, together with a fair value of 200,000 common shares of Premier.

### Summary of Resource Properties:

Resource Properties	December 2007	Additions	September 2008
	\$	\$	\$
<b>Beardmore Camp</b>			
Nortoba-Tyson Molybdenum	185,049	<b>35,000</b>	<b>220,049</b>
Northern Empire Mine	26,074	-	<b>26,074</b>
Northern Empire West Extension	30,000	<b>20,000</b>	<b>50,000</b>
Sand River Mine	306,826	-	<b>306,826</b>
Leitch property	126,809	<b>6,000</b>	<b>132,809</b>
East Leitch property	85,683	-	<b>85,683</b>
	<b>760,441</b>	<b>61,000</b>	<b>821,441</b>

<b>Resource Properties</b>	<b>December 2007</b>	<b>Additions</b>	<b>September 2008</b>
	\$	\$	\$
<b>Geraldton Camp</b>			
Magnet Mine	367,170	-	367,170
Bankfield Mine	50,000	-	50,000
Algoma Little Long Lac properties	69,979	-	69,979
Others	11,878	(629,000)	(617,122)
	499,027	(629,000)	129,973
<b>Total Resource properties</b>	1,259,468	(568,000)	691,468

### Buildings and Equipment

During the quarter, the Company incurred \$81,864 (2007 – \$80,482) for the expansion and upgrading of the mill complex.

### Summary of Expenditures:

	<b>December 2007</b>	<b>Additions</b>	<b>September 2008</b>
	\$	\$	\$
Building	56,262	-	56,262
Mining equipment	349,425	-	349,425
Mill concentrator	1,814,551	238,598	2,053,140
Office equipment	9,586	-	9,586
	2,229,824	238,598	2,468,413

### Deferred Expenditures

For the current financial year, substantially all expenditures were for the Beardmore Mining Camp. Summary is as follows:

<b>Resource Properties</b>	<b>December 2007</b>	<b>Additions</b>	<b>September 2008</b>
	\$	\$	\$
<b>Beardmore Camp</b>			
Northern Empire Mine	1,851,521	1,300,510	3,152,031
Northern Empire West Extension	183,426	33,499	216,925
Sand River Mine	97,079	-	97,079
Leitch Mine	145,514	-	145,514
East Leitch Property	654,668	-	654,668
Nortoba-Tyson Moly Property	2,495,980	221,959	2,717,939
	5,428,188	1,555,968	6,984,156
<b>Geraldton Camp</b>	2,472,231	-	2,472,231
<b>Mining Leases</b>	349,696	59,084	408,780
<b>Balance, end of year</b>	8,250,115	1,615,052	9,865,167

## Outstanding Share Capital

The Company has one class of common shares consisting of an unlimited number of authorized shares. As at September 30, 2008, a total of 160,811,477 (as at December 31, 2007 – 157,884,976) common shares issued are outstanding (see Subsequent Event). The 500,000 special shares which are non-participating, voting and redeemable at the paid-up capital amount were redeemed and cancelled during the quarter.

## Warrants

As at September 30, 2008, a total of 20,309,017 warrants are outstanding. Warrants have been issued in connection with the private placement financings having exercise prices ranging from \$0.10 to \$0.55 per share with various expiry dates ranging from December 2008 to December 2009 (see Subsequent Event).

If all of the remaining outstanding warrants as of the date of this MD&A were exercised, 20,309,317 common shares would be issued for gross proceeds of \$6,608,431.

## Stock Options

An aggregate of 4,950,000 stock options had been granted as of the date of this MD&A to directors, officers, employees and consultants of the Company for a term of five years from the date of the grant with the exercise price per share ranging from \$0.09 to 0.265.

The fair value of options granted is estimated on the date of grant using the Black-Scholes option pricing model, with certain assumptions. The stock based compensation amounts were included in the respective statement of operations for each grant.

## Outstanding Share Data

The Company's issued common shares, outstanding options and warrants as at the date of this MD&A are:

Common shares	165,811,477
Warrants	15,309,017
Stock options	4,950,000
<b>Fully-diluted shares</b>	<b>186,070,494</b>

## Transactions with Related Parties

The Company obtained, during the quarter, consulting services from a director and officer of the Company for a fee of \$15,750 (2007 – \$7,500). It is the Company's assessment that the exchange amount is representative of fair market value considering the circumstances. Subsequent to the end of quarter, a Director exercised 5,000,000 share purchase warrants at \$0.10 each for total proceeds to the Company of \$500,000.

## Summary of Quarterly Results

	2008			2007
Quarter ended	September 30	June 30	March 31	December 31
Revenue	\$ -	\$ -	\$ -	\$ -
Net (gain) loss	172,551	313,314	136,135	(182,375)*
Loss per share basic / diluted	0.001	0.002	0.001	(0.001)

	2007			2006
Quarter ended	September 30	June 30	March 31	December 31
Revenue	\$ -	\$ -	\$ -	\$ -
Net (gain) loss	179,082	231,451	198,728	241,227
Loss per share basic / diluted	0.001	0.002	0.001	0.002

\* Effect of future tax recovery

## Selected Annual Information

The highlights of financial data for the Company for the three most recent financial years are as follows:

	2007	2006	2005
Revenue	\$ -	\$ -	\$ -
Loss for the year <sup>(1)</sup>	426,886	710,693	344,226
Loss per share – basic /diluted	0.003	0.006	0.003
Total assets <sup>(2)</sup>	14,446,339	12,232,945	8,998,608
Total long-term liabilities <sup>(3)</sup>	-	438,651	523,424
Cash dividend declared	-	-	-

- (1) The loss for the year is the result of charging the administration expenses of the Company to operations. In 2007, a total of \$420,000 and in 2005, a total of \$227,500 of future income tax recovery reduced the loss.
- (2) Assets increased due to completion of acquisition of several resource properties and to exploration and development programs during the years.
- (3) For the year 2005, a significant amount was reclassified from long-term debt to current liabilities.

## Internal Control and Procedures

The Company has made no changes to its internal controls over financial reporting that had any material effect during the period. The Company has very limited administrative staff and relies on senior management review and approval to ensure that the system of control is as effective as possible.

## Subsequent Event

On November 18, 2008, the Company announced that a significant shareholder and Director of Roxmark had exercised 5,000,000 common share purchase warrants for a gross amount of \$500,000.

## **Outlook**

The Company will continue to focus the majority of its exploration and development efforts in the Beardmore mining camp, maximizing the impact of its limited resources by concentrating on the Northern Empire property with a view to reopening the mine, subject to obtaining financing, and on the Nortoba-Tyson property. Results of the recently completed surface drilling program on the Northern Empire Mine are encouraging and are included in a Technical Report dated November 2008 in accordance with NI 43-101 regulations. Studies are ongoing to determine the economic viability and the mining methods and associated operating costs. The next step is to explore the Nortoba-Tyson molybdenum property and proceed with the development of its gold and molybdenum veins.

It is anticipated that, for the foreseeable future, the Company will rely on the equities market and on proceeds from the exercise of outstanding warrants to meet its financing needs. In management's opinion, the current working capital availability will be sufficient for the purpose of completing the planned exploration program.

## **Critical Accounting Estimates**

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those estimates.

### **Nature of Operations**

Roxmark is an exploration and mining company. Its mineral properties are currently being explored and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, as established in accordance with National Instrument 43-101, the ability of Roxmark to obtain the necessary financing to complete exploration and development and put the property into production and upon future profitable production or proceeds from disposition of such properties.

The Company tries to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and to make appropriate use of financial management resources.

### **Going Concern**

The financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities

in the normal course of operations. If the “going concern” assumption is not appropriate, then material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities in these financial statements.

### **Mineral Properties and Deferred Exploration Costs**

The Company defers the costs of exploration on existing projects and carries them as assets until production commences. Mineral properties and the deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and related exploration expenditures are written off.

Senior management periodically reviews the carrying value of the mineral properties and deferred exploration expenditures to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the investment exceeds the estimated future cash flows. Where estimates of the future cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered and provides for impairment, if so indicated.

### **Financial Instruments, Comprehensive Income (Loss) and Hedges**

In January 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Handbook Sections 3855 – *Financial Instruments – Recognition and Measurement, 1530 – Comprehensive Income* and 3865 – *Hedge*”. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. Accordingly, comparative amounts for prior periods have not been restated. The Company adopted these new standards effective January 1, 2008.

#### **(a) Financial Instruments – Recognition and Measurement**

*CICA 3855* prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

The carrying values of *cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities* approximate their fair values due to the relatively short periods to maturity of the instruments.

(b) Comprehensive Income / (Loss)

*CICA 1530* introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Hedges

*CICA 3865* provides alternative treatments to *CICA 3855* for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on *Accounting Guideline 13 – Hedging Relationships*, and the hedging guidance in *CICA 1650 – Foreign Currency Translation* by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. As at and for the year ended December 31, 2007 and the nine months ended September 30, 2008, the Company had no hedges in place.

(d) Impact upon Adoption of *CICA 1530, 3855, and 3865*

The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

### **Capital Disclosures**

Effective January 1, 2008, the Company has adopted the CICA issued Handbook Section *1535, Capital Disclosures*. This new guidance establishes standards for disclosing information about an entity's capital and how it is managed. This standard became effective for fiscal years beginning on or after October 1, 2007 and is applicable to the Company as of January 1, 2008.

Capital Management - The Company defines capital as the aggregate of its long term obligations (presently nil) and shareholders' equity.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, 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 of capital resources, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the development and exploration stages and as such, the Company is dependent on external financing through private placements and warrant and option exercises 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 geologic or economic potential and if it has adequate available or committed financial resources to complete such acquisitions. The Company is not subject to any externally imposed capital restrictions.

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

### **Risk Factors**

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties. An investment in the Company's shares involves a high degree of risk and must be considered speculative due to the nature of the Company's business and the early stage of exploration and development of its properties. In particular, the following risk factors apply:

#### *No production revenue*

The Company has not recorded any revenues from its mining operations and has not commenced commercial production on any of its properties. The amount and timing of expenditures made on its properties will depend on the progress of its exploration and development programs.

#### *Exploration and mining risks*

Resource exploration and development is a speculative business involving significant risks, including, among other things, unprofitable results. At present, the Company's properties have a known ore body which will be further explored and developed by recommended work programs. The development of gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metals markets and government regulations and legislation, most importantly regarding environmental matters.

#### *Dependence on management*

The success of the operations and activities of the Company is dependent, to a significant extent, on management of the Company. The Company does not maintain key employee insurance for any of its employees.

#### *Reliance on additional funding*

The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for its activities. Failure to obtain such additional financing could result in delay in the exploration and development of its properties. Furthermore, there can be no assurance that such financing, if available, will be on terms satisfactory to the Company.

#### *Volatility of gold and other metals prices*

The economics of developing gold and other metal properties are affected by many factors including the price of gold or other metals. Depending on these prices, the Company may

determine that it is impractical to commence commercial production or, if it is commenced, to continue. The price of gold fluctuates significantly.

#### *Environmental risks*

The mining properties of the Company are located in the Province of Ontario and as such are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, mine safety and other matters. Such laws and regulations could increase costs and/or delay or prevent the development of the properties and have a material adverse impact on the Company's operations. There is no assurance that the Company will be successful in obtaining the necessary licences and permits to continue its exploration and development activities in the future.

#### *Royalties*

The Company's mining properties are subject to various royalty and lease obligations. Failure by the Company to meet such payment obligations could result in the loss of related property interests. However, the aggregate amount of such royalty and lease obligations are not considered material to the Company.

#### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and can be obtained by visiting Roxmark's web site at [www.roxmark.com](http://www.roxmark.com).

---

# **ROXMARK MINES LIMITED**

Financial Statements for the

Nine months ended September 30, 2008

(Unaudited – Prepared by Management)

# ROXMARK MINES LIMITED

Balance Sheets

(Unaudited - Prepared by Management)

	September 30, 2008 (Unaudited)	December 31, 2007 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and short term deposits	\$ 612,451	\$ 2,552,170
Prepaid expenses	11,172	6,172
Accounts receivable	162,406	114,514
	<b>786,029</b>	<b>2,672,856</b>
<b>Marketable Securities</b>	<b>438,000</b>	-
<b>Other</b>		
Financial assurance in trust	34,076	34,076
Resource properties	691,468	1,259,468
Buildings and equipment	2,468,413	2,229,824
Deferred exploration expenditures	9,865,167	8,250,115
	<b>13,059,124</b>	<b>11,773,483</b>
	<b>\$ 14,283,153</b>	<b>\$ 14,446,339</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 171,396	\$ 209,587
<b>Total liabilities</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 4)	20,172,787	19,645,782
Contributed surplus	1,297,310	1,327,310
Deficit	(7,358,340)	(6,736,340)
	<b>14,111,757</b>	<b>14,236,752</b>
	<b>\$ 14,283,153</b>	<b>\$ 14,446,339</b>

# ROXMARK MINES LIMITED

Statements of Operations, Comprehensive Net Loss and Deficit  
For the nine months ended September 30, 2008 and 2007  
(Unaudited – Prepared by Management)

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
<b>EXPENSES</b>				
Tailings pond	\$ 12,053	\$ 8,228	\$ 22,220	\$ 34,893
<b>ADMINISTRATIVE EXPENSES</b>				
Office and administration expenses	81,330	124,374	455,742	338,212
Legal and audit	21,057	31,631	56,605	78,356
Stock exchange fees	(788)	5,900	12,949	30,720
Insurance	-	-	17,140	15,000
Transfer agent's fees and expenses	3,393	2,709	7,276	9,649
Shareholders' communications	21,447	7,682	81,012	27,753
Government fees and licences	-	1,105	3,875	4,004
Interest expense, net of interest (income)	(5,941)	(2,547)	(25,819)	5,658
Unrealized (gain) loss on securities	40,000	-	(9,000)	-
Debt settlement costs	-	-	-	23,016
Stock-based compensation	-	-	-	42,000
	<b>172,551</b>	<b>179,082</b>	<b>622,000</b>	<b>609,261</b>
Net loss and comprehensive net loss	<b>172,551</b>	<b>179,082</b>	<b>622,000</b>	<b>609,261</b>
Deficit, beginning of the period	<b>7,185,789</b>	<b>6,739,633</b>	<b>6,736,340</b>	<b>6,309,454</b>
Deficit, end of period	\$ <b>7,358,340</b>	\$ <b>6,918,715</b>	\$ <b>7,358,340</b>	\$ <b>6,918,715</b>
Net loss per share - basic	\$ <b>0.001</b>	\$ <b>0.001</b>	\$ <b>0.004</b>	\$ <b>0.004</b>

# ROXMARK MINES LIMITED

## Statement of Cash Flows

For the nine months ended September 30, 2008 and 2007

Unaudited – Prepared by Management

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
<b>Operating activities:</b>				
Net (loss) for the period	\$ (172,551)	\$ (179,082)	\$ (622,000)	\$ (609,261)
Adjustments to reconcile net loss to cash flow from operating activities:				
Stock-based compensation	-	-	-	42,000
Unrealized loss (gain) on securities	40,000	-	(9,000)	-
Net changes in non-cash operating working capital items:				
Accounts receivable	(14,787)	63,165	(52,892)	204,918
Accounts payable and accrued liabilities	(42,529)	(16,745)	(38,191)	(300,387)
<b>Cash flow from operating activities</b>	<b>(189,867)</b>	<b>(132,662)</b>	<b>(722,083)</b>	<b>(662,730)</b>
<b>Financing activities:</b>				
Common shares issued, net of issue costs	-	904,478	497,505	1,104,993
Redemption of special shares	-	-	(500)	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>904,478</b>	<b>497,005</b>	<b>1,104,993</b>
<b>Investing activities:</b>				
Additions to resource properties	80,000	(18,349)	(139,000)	(45,349)
Additions to buildings and equipment	(81,684)	(80,482)	(238,589)	(219,812)
Additions to deferred expenditures	(289,732)	(379,862)	(1,615,052)	(905,530)
<b>Cash flow from investing activities</b>	<b>(291,416)</b>	<b>(478,693)</b>	<b>(1,714,641)</b>	<b>(1,170,691)</b>
<b>Increase (decrease) in cash:</b>	<b>(481,283)</b>	<b>293,123</b>	<b>(1,939,719)</b>	<b>(728,428)</b>
Cash and short term deposits at beginning of period	1,093,734	895,947	2,552,170	1,917,498
<b>Cash and short term deposits at end of period</b>	<b>\$ 612,451</b>	<b>\$ 1,189,070</b>	<b>\$ 612,451</b>	<b>\$ 1,189,070</b>

# ROXMARK MINES LIMITED

Notes to Financial Statements

For the nine months ended September 30, 2008

(Unaudited – Prepared by Management)

---

## 1. NATURE OF BUSINESS AND GOING CONCERN CONSIDERATIONS

Roxmark Mines Limited (“the Company”) owns and has interests in resource properties primarily located in the Beardmore – Geraldton Camps of Northwestern Ontario and was incorporated on January 7, 1969 under the laws of the Province of Ontario.

The Company is in the process of exploring its resource properties on its own and with a joint venture partner and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the deferred expenditures and the resource properties is dependent upon the existence of economically recoverable ore reserves as it is, also, on the ability of the Company to obtain necessary financing to complete the exploration and development of its mining interests, and furthermore, upon future profitable production or alternatively, the sufficiency of proceeds from disposition.

If the going concern basis is not appropriate, material adjustments may be necessary in the carrying amounts and/or classifications of assets, liabilities and expenses in these financial statements.

## 2. ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies are those as set out in the audited financial statements for the year ended December 31, 2007. Certain information and note disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been omitted. These interim financial statements should be read together with the Company’s audited financial statements for the year ended December 31, 2007.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended September 30, 2008 are not indicative of the results that may be expected for the full year ending December 31, 2008 as the Company is entering a period of development of certain interest.

### Change in Accounting Policy

The following changes in accounting policies have been adopted since the most recent annual audited financial statements:

On December 1, 2006, the CICA issued three new accounting standards: *CICA 1535 – Capital Disclosures*, *CICA 3862 – Financial Instruments – Disclosure and CICA 3863 – Financial Instruments – Presentation*. These new standards are effective for interim and annual financial statements for the Company’s reporting period beginning January 1, 2008.

### Capital Disclosure

Effective January 1, 2008, the Company has adopted the CICA issued Handbook Section 1535, *Capital Disclosures*. This new guidance establishes standards for disclosing information about an entity’s capital and how it is managed. This standard became effective for fiscal years beginning on or after October 1, 2007 and is applicable to the Company as of January 1, 2008.

Capital Management - The Company defines capital as the aggregate of its long term obligations (presently nil) and shareholders’ equity.

# ROXMARK MINES LIMITED

Notes to Financial Statements

For the nine months ended September 30, 2008

(Unaudited – Prepared by Management)

---

## 2. ACCOUNTING POLICIES (continued)

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, 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 of capital resources, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the development and exploration stages and as such, the Company is dependent on external financing through private placements and warrant and option exercises 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 geologic or economic potential and if it has adequate available or committed financial resources to complete such acquisitions. The Company is not subject to any externally imposed capital restrictions.

### Financial Instruments

*CICA 3862* and *CICA 3863* replace *CICA 3861 – Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

## 3. RELATED PARTY TRANSACTIONS

During the period, the Company paid a director and officer \$33,750 (2007 – \$22,500) for management services. It is the Company's assessment that the exchanged amount is representative of fair market value considering the circumstances.

## 4. SHARE CAPITAL

(a) **Authorized:** Unlimited number of common shares  
2,000,000 special shares

(b) **Issued:**

Common Shares	Number of Shares	Amount
Balance, December 31, 2007	157,884,976	\$ 19,645,282
Issued for cash		
Exercise of warrants	2,926,501	497,505
Net of fair value of exercised warrants		30,000
Balance end of period	160,811,477	\$ 20,172,787

---

# ROXMARK MINES LIMITED

Notes to Financial Statements

For the nine months ended September 30, 2008

(Unaudited – Prepared by Management)

## 4. SHARE CAPITAL (continued)

### Warrants

	Number of Warrants	Weighted Average Exercise Price \$
Outstanding at beginning of period	30,064,017	0.275
Transactions during the period		
Exercised	2,926,501	0.170
Expired	6,828,499	0.170
Balance at end of period	20,309,017	0.325

The warrants have various expiry dates ranging from December 2008 to December 2009.

### (c) Stock-based compensation

The Company established in 2004 an incentive stock option plan providing for the issuance of stock options to a total of up to 10% of the total issued and outstanding share capital. The Board of Directors, at its discretion, may grant options to its directors, officers, employees and consultants. Under the terms of the plan, options expire on or before the fifth anniversary of the date of issue unless otherwise specified.

The fair value of options recognized in the Statement of Operations and Deficit has been estimated at the grant date using the Black-Scholes pricing model.

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumption can affect estimates and therefore the existing models do not necessarily provide a reliable means of determining the fair value of the Company's stock option.

	September 30, 2008		September 30, 2007	
	No. of Options	Exercise Price \$	No. of Options	Exercise Price \$
Outstanding at beginning of period	3,550,000	0.144	2,750,000	0.118
Granted	-	-	500,000	0.198
Expired/ Cancelled	-	-	-	-
Outstanding at end of period	3,550,000	0.144	3,250,000	0.131
Exercisable at end of period	2,850,000	0.129	2,950,000	0.127

# ROXMARK MINES LIMITED

Notes to Financial Statements

For the nine months ended September 30, 2008

(Unaudited – Prepared by Management)

---

## **5. INCOME TAXES**

At September 30, 2008, the Company's income tax expense was nil (2007 – nil). The Company has unused CEE and CDE expenses which are available to carry forward indefinitely.

## **6. Subsequent Event**

On November 18, 2008, a total of 5,000,000 common share purchase warrants were exercised by a Director for gross proceeds of \$500,000.