

Consolidated Financial Statements of

KIRRIN RESOURCES INC.

(formerly Monroe Minerals Inc.)

Nine months ended September 30, 2009
(Unaudited)

Notice - These interim consolidated financial statements have not been reviewed by an auditor.

KIRRIN RESOURCES INC. (formerly Monroe Minerals Inc.)

Consolidated Balance Sheets - Unaudited

	September 30	December 31
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 41,281	\$ 612,050
Accounts receivable	9,658	179,105
Prepaid expenses and other	61,224	5,470
	112,163	796,625
Mineral interests (Note 2)	1,750,386	1,696,373
	\$ 1,862,549	\$ 2,492,998
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 3)	\$ 322,566	\$ 854,433
	322,566	854,433
Amount due to related party (Note 3)	110,000	110,000
	432,566	964,433
Shareholders' equity:		
Share capital (Note 4)	3,062,612	9,473,863
Warrants (Note 4)	495,000	636,000
Contributed surplus (Note 4)	24,685	1,432,227
Deficit	(2,152,314)	(10,013,525)
	1,429,983	1,528,565
	\$ 1,862,549	\$ 2,492,998

See accompanying notes

On behalf of the Board

"Derek Moran"

Derek J. Moran
Director

"Peter Farkas"

Peter T. Farkas
Director

KIRRIN RESOURCES INC. (formerly Monroe Minerals Inc.)

Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Deficit - Unaudited

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Expenses:				
Exploration	\$ 21,949	\$ 526,193	\$ 29,957	\$ 657,216
Project development	-	1,600	58,974	42,656
Amortization	-	-	-	1,880
General and administrative	86,277	136,181	389,367	682,265
Stock based compensation	24,685	56,883	28,207	172,313
Interest income	(4)	(11,620)	(594)	(32,268)
Interest on long term debt	-	-	-	15,857
Foreign exchange loss (gain)	(1,104)	(27,678)	(5,122)	1,528
Loss before the following:	(131,803)	(681,559)	(500,789)	(1,541,447)
Gain on disposal of subsidiary (Note 2)	-	-	362,000	857,448
Income before income taxes	(131,803)	(681,559)	(138,789)	(683,999)
Future income tax reduction (Note 7)	-	-	-	410,000
Net income (loss) and comprehensive income (loss) for the period	(131,803)	(681,559)	(138,789)	(273,999)
Deficit, beginning of period	(10,020,511)	(9,796,465)	(10,013,525)	(10,204,025)
Deficit reduction (Note 4)	8,000,000	-	8,000,000	-
Deficit, end of period	\$ (2,152,314)	\$ (10,478,024)	\$ (2,152,314)	\$ (10,478,024)
Income per share - basic and diluted	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ 0.00

See accompanying notes

KIRRIN RESOURCES INC. (formerly Monroe Minerals Inc.)

Consolidated Statements of Cash Flow - Unaudited

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Cash flows from (used by) operating activities:				
Net income (loss) and comprehensive income (loss) for the period	\$ (131,803)	\$ (681,559)	\$ (138,789)	\$ (273,999)
Add (deduct) non-cash items				
Unrealized foreign exchange gain	(1,104)	-	(5,122)	13,302
Stock based compensation	24,685	56,883	28,207	172,313
Gain on disposal of subsidiary	-	-	-	(857,448)
Amortization	-	-	-	1,880
Future income tax reduction	-	-	-	(410,000)
Change in non-cash working capital	(145,747)	(27,634)	(439,831)	60,310
	(253,969)	(652,310)	(555,535)	(1,293,642)
Cash flows from (used by) financing activities:				
Shares issued for mineral interests	4,000	30,000	8,000	60,000
Shares issued on exercise of options	4,000	-	4,000	-
Share issue costs	-	-	-	(572)
Repayment of long term debt	-	-	-	(456,278)
Change in non-cash working capital	(61,224)	-	(52,250)	(20,557)
	(53,224)	30,000	(40,250)	(417,407)
Cash flows from (used by) investing activities:				
Mineral interests expenditures	(18,087)	(30,000)	(54,013)	(60,000)
Proceeds on disposal of subsidiary	362,000	-	-	1,054,325
Change in non-cash working capital	(30,305)	2,708	79,029	(2,607)
	313,608	(27,292)	25,016	991,718
Net increase (decrease)	6,415	(649,602)	(570,769)	(719,331)
Cash and equivalents at beginning of period	34,866	2,077,423	612,050	2,147,152
Cash and equivalents at end of period	\$ 41,281	\$ 1,427,821	\$ 41,281	\$ 1,427,821
Supplemental cash flow information:				
Interest paid	\$ -	\$ -	\$ -	\$ 16,451

See accompanying notes

KIRRIN RESOURCES INC. (formerly Monroe Minerals Inc.)

Notes to Consolidated Financial Statements

September 30, 2009 - Unaudited

Kirrin Resources Inc. (formerly Monroe Minerals Inc.) (the 'Company') is incorporated under the laws of Alberta. The Company's principal business is the acquisition, exploration and development of uranium resource properties.

1. Basis of presentation and significant accounting policies:

The unaudited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada, and follow the same accounting principles and methods of application as those disclosed in Note 1 to the Company's audited consolidated financial statements for the year ended December 31, 2008. These financial statements do not include all disclosures required by Canadian generally accepted accounting principles ('Canadian GAAP') for annual financial statements and, accordingly, should be read in conjunction with the Company's consolidated financial statements included in the 2008 Annual Report.

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

The Company is a development stage company. These consolidated financial statements have been prepared using accounting principles applicable to a going concern. The Company has a history of losses and no operating revenue other than interest income and the receipt of proceeds on the sale of subsidiaries and sundry assets. The ability of the Company to carry out its planned business objectives is dependant on its ability to raise adequate financing and generate operating profitability and positive cash flow, which casts doubt on its ability to continue as a going concern. If the Company is unable to obtain adequate additional financing, it will be required to curtail its activities. The consolidated financial statements do not reflect adjustments, which could be material, to carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

As disclosed in the December 31, 2008 annual audited consolidated financial statements, on January 1, 2009 the Company adopted the accounting standard 'Goodwill and Intangible Assets', which establishes revised standards on the recognition, measurement, presentation, and disclosure of goodwill and intangible assets. The adoption of this standard has not had a material impact on the consolidated financial statements.

2. Mineral interests:

December 31, 2008	Alexis River Canada	Boxey Point Canada	Berry Hill Canada	Lost Pond Canada	Skaapkop South Africa	Total
Balance, January 1, 2008	\$ 42,500	\$ -	\$ -	\$ -	\$ 65,754	\$ 108,254
Additions						
Acquisition costs	25,000	24,000	6,000	12,500	-	67,500
Drilling	412,652	-	-	565,327	-	977,979
Geology and geophysics	173,568	201,343	12,803	10,824	-	398,538
Field support	47,713	48,706	1,332	36,905	-	134,656
Results analysis	13,906	14,474	-	32,407	-	60,787
Maps, drafting and reports	19,883	14,665	-	-	-	34,548
	692,722	303,188	20,135	657,963	-	1,674,008
Total	735,222	303,188	20,135	657,963	65,754	1,782,262
Dispositions	-	-	-	-	(65,754)	(65,754)
Write-offs	-	-	(20,135)	-	-	(20,135)
Balance, December 31, 2008	\$ 735,222	\$ 303,188	\$ -	\$ 657,963	\$ -	\$ 1,696,373

KIRRIN RESOURCES INC. (formerly Monroe Minerals Inc.)

Notes to Consolidated Financial Statements

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2. Mineral interests (continued):

September 30, 2009	Alexis River Canada	Boxey Point Canada	Lost Pond Canada	Total
Balance, January 1, 2009	\$ 735,222	\$ 303,188	\$ 657,963	\$ 1,696,373
Additions				
Acquisition costs	4,000	4,000	-	8,000
Drilling	-	-	-	-
Geology and geophysics	2,161	2,636	4,603	9,400
Field support	-	8,160	5,694	13,854
Results analysis	313	-	1,992	2,305
Maps, drafting and reports	11,660	8,396	398	20,454
	18,134	23,192	12,687	54,013
Balance, September 30, 2009	\$ 753,356	\$ 326,380	\$ 670,650	\$ 1,750,386

Mineral interests under development totalling \$1,750,386 (December 31, 2008 - \$1,696,373) are not subject to depletion and amortization.

On June 30, 2008, the Company completed the sale of its South African subsidiary for consideration of US \$1,300,000, of which US \$1,050,000 was paid in cash. US \$300,000 of the sale consideration was placed in escrow, to be released upon the outcome of certain events. On June 29, 2009, the Company reached agreement on the settlement of various contractual issues, including the disposition of escrow funds, arising from the sale contract. The amount of \$362,000 was received during the quarter and has been included in gain on disposal of subsidiary.

3. Amount due to related party:

The amount due to related party of \$110,000 (December 31, 2008 - \$110,000) is in respect of unpaid salary to the President of the Company, is unsecured, has no repayment terms and bears no interest. The President has agreed not to demand repayment of the balance before October 2010.

The Company is also indebted to its President in the amount of \$164,273 (December 31, 2008 - \$148,846), included in accounts payable and accrued liabilities, in respect of expenses incurred on its behalf in the amount of \$29,273 (December 31, 2008 - \$38,846) and unpaid salary of \$135,000 (December 31, 2008 - \$110,000).

The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to as approximating fair value by the transacting parties.

4. Share capital and other:

Authorized:

Unlimited number of common shares without nominal or par value.

Unlimited number of preferred shares in one or more series, none of which have been issued

Common shares issued:	Number	Amount
Balance, December 31, 2007	121,970,023	\$ 9,816,363
Issued for mineral interests	1,500,000	67,500
Future income tax effect from tax benefits renounced on flow-through shares	-	(410,000)
Balance, December 31, 2008	123,470,023	9,473,863
Issued for mineral interests	90,000	8,000
Issued on exercise of options	40,000	4,000
Consolidation of share capital	(111,123,021)	-
Deficit reduction	-	(6,423,251)
Balance, September 30, 2009	12,477,002	\$ 3,062,612

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4. Share capital and other (continued):

Warrants issued:	Number	Amount
Balance, December 31, 2007	49,968,778	\$ 734,200
Expired	(3,695,949)	(98,200)
Balance, December 31, 2008	46,272,829	636,000
Expired	(5,035,000)	(141,000)
Consolidation of share capital	(37,114,046)	-
Balance, September 30, 2009	4,123,783	\$ 495,000

Contributed surplus:	Amount
Balance, December 31, 2007	\$ 1,207,433
Stock based compensation	126,594
Finders warrants and options expired	98,200
Balance, December 31, 2008	1,432,227
Stock based compensation	28,207
Warrants expired	141,000
Deficit reduction	(1,576,749)
Balance, September 30, 2009	\$ 24,685

On July 15, 2009, the Company issued 50,000 common shares at \$0.08 per share for consideration of \$4,000 as part of its instalment obligations for the acquisition of its interest in the Alexis River property.

On July 30, 2009, the Company issued options over 75,000 common shares at an exercise price of \$0.10 per share to a consultant. The options will vest 25% annually and expire on July 31, 2014.

In September 2009, the Company issued 40,000 common shares on the exercise of options at \$0.10 per share for total proceeds of \$4,000.

At the Annual General and Special Meeting held May 1, 2009, shareholders approved the consolidation of the share capital of the Company on the basis of one new common share for each ten old common shares of the Company, authorized the Board to amend the Company's articles to effect the change of name of the Company to 'Kirrin Resources Inc.', authorized the reduction of the accumulated deficit of the Company by an amount of \$8,000,000 and correspondingly reducing the contributed surplus and share capital accounts, approved an amendment to the stock option plan and approved the repricing of all outstanding stock options.

Stock options and warrants:

	Number outstanding	Weighted average exercise price	Number exercisable	Weighted average exercise price	Grant date	Expiry date
Incentive stock plan options						
Employees/directors	636,000	\$0.10	495,500	\$0.10	Dec 2004 - Nov 2007	Dec 2009 - Nov 2012
Consultants	210,000	0.10	153,750	0.10	Sep 2006 - Jul 2009	Sep 2010 - Jul 2014
Total	846,000	\$0.10	649,250	\$0.10		
Warrants						
Common share warrants	1,939,330	\$1.20	1,939,330	\$1.20	Nov 2007	Nov 2009
Flow-through share warrants	2,184,453	1.50	2,184,453	1.50	Nov 2007	Nov 2009
Total	4,123,783	\$1.36	4,123,783	\$1.36		

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4. Share capital and other (continued):

Stock options and warrants (continued):

	September 30, 2009		December 31, 2008	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Incentive stock plan options				
Outstanding at beginning of period	8,747,500	\$0.14	10,360,000	\$0.14
Expired	(637,500)	0.15	(1,612,500)	0.14
Consolidation of share capital and repricing of options	(7,299,000)	-	-	-
Issued	75,000	0.10	-	-
Exercised	(40,000)	0.10	-	-
Outstanding at end of period	846,000	\$0.10	8,747,500	\$0.14
Exercisable at end of period	649,250	\$0.10	5,863,333	\$0.15
Other options and finder's warrants				
Outstanding at beginning of period	-	\$0.00	4,195,949	\$0.11
Expired	-	-	(4,195,949)	0.11
Outstanding and exercisable at end of period	-	\$0.00	-	\$0.00
Warrants				
Outstanding at beginning of period	46,272,829	\$0.11	46,272,829	\$0.11
Expired	(5,035,000)	0.15	-	-
Consolidation of share capital and repricing of warrants	(37,114,046)	-	-	-
Outstanding and exercisable at end of period	4,123,783	\$1.36	46,272,829	\$0.11

5. Financial instruments

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Company's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration program, and limit exposure to credit and market risks. There were no changes to the objectives or the process from the prior year.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Fair values:

The Company's financial instruments recognized on the balance sheet consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and amount due to related party. The fair values of the Company's financial instruments, excluding amount due to related party, approximate their carrying value. The fair value of the amount due to related party is not determinable as there are no set terms of repayment.

b) Market risk

Foreign currency risk

The Company has \$610 (US \$562) (December 31, 2008 - \$139,337 (US \$113,949)) in US currency held in low risk, secure US dollar investments at financial institutions. Foreign exchange risk related to required payments is perceived as low risk.

Commodity price risk

The Company is a development stage company and has no production or sales revenues. Accordingly, it is not exposed to commodity price risk.

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5. Financial instruments (continued)

c) Credit risk

The Company does not engage in any sales activities and has no significant credit risk arising from operations. Credit risk primarily arises from the Company's cash and accounts receivable. The risk exposure is limited to their carrying amount at the balance sheet date.

Cash is held as cash deposits. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the banks.

d) Liquidity risk

Financial liquidity represents the Company's ability to fund future activities and obligations as and when required. The Company endeavours to ensure that it has sufficient capital to meet short term business requirements. As at September 30, 2009, the Company has a working capital deficiency of \$214,153 (December 31, 2008 - \$57,808).

6. Capital management

The Company's capital structure reflects its strategy and the financial environment in which it operates. The objectives when managing capital are to maintain adequate levels of funding to support the acquisition, exploration and development of uranium resource properties, to maintain the necessary corporate and administrative functions to facilitate these activities, and to safeguard the Company's ability to continue as a going concern.

The Company's current portfolio of properties is in the exploration stage and the Company is dependent primarily on external equity financing to fund its activities. There can be no assurance that the Company will be able to raise capital in this manner in the future. The Company will utilize its existing working capital, and raise additional amounts as required, to carry out planned exploration and to fund administrative costs. The Company will continue to assess new properties and to seek to acquire interests in additional properties if it believes sufficient economic potential exists and it has adequate financial resources to do so.

There was no change in the Company's approach to capital management during the period ended September 30, 2009. The Company is not subject to externally imposed capital requirements.

7. Income taxes:

The income tax provision differs from the amount which would be obtained by applying the Canadian expected tax rates to income before income taxes as follows:

	September 30 2009	December 31 2008
Income tax rate	29.5%	29.5%
Computed expected income tax reduction	\$ (42,270)	\$ (64,753)
Adjustments:		
Stock based compensation	8,321	37,345
Accounting gain on sale of subsidiary	(106,790)	(266,950)
Tax assets lost on sale of subsidiary	-	968,542
Tax deductible exploration costs lost on sale of subsidiary	-	1,728,048
Effect of change in tax rate and other	133,578	(411,888)
	(7,161)	1,990,344
Valuation allowance	7,161	(2,400,344)
	\$ -	\$ (410,000)

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Notes to Consolidated Financial Statements

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7. Income taxes (continued):

The components of the net future income tax asset at June 30, 2009, no portion of which has been recorded in these financial statements, are as follows:

	September 30 2009	December 31 2008
Non-capital/net operating losses	\$ 1,418,000	\$ 1,326,000
Share issue costs	42,000	84,000
Capital losses	23,000	23,000
Mineral interests	(438,000)	(415,000)
	1,045,000	1,018,000
Valuation allowance	(1,045,000)	(1,018,000)
	\$ -	\$ -

The Company has Canadian tax losses of approximately \$4,238,000 with expiry dates ranging between 2009 and 2029.

8. Subsequent event:

On November 13, 2009, the Company announced that it has raised gross proceeds of \$206,000 pursuant to its previously announced private placement in respect of units of the Corporation at an issue price of \$0.10 per unit, each unit consisting of one common share and one half of one warrant. Each full warrant will be exercisable into one common share at a price of \$0.15 per common share for 12 months from the date of issuance and \$0.20 per common share for the following 12 months, subject to earlier expiry in certain circumstances.

Management's Discussion and Analysis

September 30, 2009

Management's Discussion and Analysis ('MD&A') has been prepared as of November 16, 2009. It should be read in conjunction with the Kirrin Resources Inc. (formerly Monroe Minerals Inc.) ('Kirrin' or 'the Company') consolidated financial statements and notes thereto for the year ended December 31, 2008.

Information provided herein relating to the balance of 2009 and later years is based on assumptions regarding future events and results may vary. All prices are in Canadian dollars unless otherwise stated.

The above referenced financial statements and the Company's other public filings can be found on SEDAR at www.sedar.com.

Second Quarter Highlights

Highlights during the third quarter of 2009 include:

- On August 20, 2009 the Company received \$362,000 additional consideration on the sale of its diamond interests in 2008. The receipt follows the settlement of various contractual issues, including the disposition of escrow funds, arising from the sale contract.
- On September 9, 2009 the Company announced an offering of up to 8,000,000 units ('Unit') at a price of \$0.10 per Unit for aggregate gross proceeds of up to \$800,000. Each Unit consisted of one common share and one half of one common share purchase warrant. On November 13, 2009 the Corporation announce it had raised \$206,000 gross proceeds under the offering. The proceeds from the offering will be used for exploration of the Company's portfolio of uranium and rare earth element (REE) properties and for general working capital purposes.
- On September 14, 2009 the Company announced its 2009 exploration plans for the Boxey Point uranium project located in Newfoundland and Labrador. The program has a \$400,000 budget, includes 1,600 m drilling and should be completed by the end of 2009.
- On September 17, 2009 the Company announced that its application for Junior Exploration Assistance under the Department of Natural Resources of the Province of Newfoundland & Labrador's Minerals Incentive Program has been successful. The grant of \$100,000 will be used on the drilling program at the Boxey Point uranium project.
- On September 24, 2009, the Company announced its 2009 exploration plans for the Lost Pond REE and uranium project located in Newfoundland and Labrador. The program has a \$400,000 budget, and includes the expansion of the REE prospecting program, follow-up of known REE anomalies, 1,500 m drilling on the U2 uranium zone, and should be completed by the end of 2009.

Properties

Kirrin's technical expertise lies in project selection and exploration planning and implementation. Present goals include the identification of additional exploration properties in Canada, as well as the selection of larger scale uranium projects in Africa and elsewhere. Kirrin is current on its earning obligations in all of its projects.

The Qualified Person who has reviewed the information on Properties contained in this MD&A is Dr. Reg Olson, Ph.D., P. Geol.

ALEXIS RIVER

The Alexis River property, located in southeastern Labrador, is approximately 2,500 hectares in size and the area is underlain by rocks assigned to the Pinware Terrane of the Eastern Grenville Province, which are potential hosts for uranium mineralization. Kirrin may earn a minimum 60% interest in the Alexis River property over four years by spending \$1,250,000 on exploration and issuing 2,500,000 shares to Altius Resources Inc. ('Altius').

Since acquiring an interest in Alexis River, Kirrin has overseen: a helicopter borne radiometric and magnetometer survey conducted by Altius in July 2007; limited follow-up prospecting by Altius over selected airborne radiometric anomalies; additional lake sediment sampling of Anomaly Lake during August and September 2007; further systematic lake sediment sampling conducted by Altius in February 2008 and by Kirrin in June and July 2008; and a total of 1,294.5 metres drilled in five holes in October 2008 intended to test bedrock beneath Anomaly Lake.

The lake sediment sample results for uranium are unusually high, being well over two orders of magnitude higher than the average uranium content of lake sediment samples within Labrador. The highest uranium content recorded during the above sampling programs was 2,370 ppm U.

The key drilling results are from two holes, with the best intercept (a) in hole AL0802 being 0.754% U_3O_8 across 0.2 m from 58.9 m to 59.1 core length, plus a second intercept of 0.069% U_3O_8 across 2.0 m from 83.0 to 85.0 m, and (b) in hole AL0805 being 0.188% U_3O_8 across 0.85 m from 197.7 m to 198.55 m core length, with five other lower grade intercepts higher in the hole ranging down to 0.034% U_3O_8 across 0.4 m from 16.7 m to 17.1 m. These intersections are all from unaltered, biotitic coarse-grained granitic dykes cutting mafic rocks.

Kirrin concludes that the anomalous uranium in lake sediment at Anomaly Lake may be due to one or more causes, including (a) the narrow high grade drill intercepts that exist locally in bedrock beneath Anomaly Lake, (b) the highly elevated uranium in rivulet waters which drain into the northeast end of the lake, or (c) from other uranium-bearing subterranean ground waters which may discharge into the bottom of the lake. Future plans include a more detailed interpretation of selected airborne geophysical and topographic, regional geochemical and geological data, to be followed by additional prospecting, sampling and ground geophysical surveys.

BOXEY POINT

The Boxey Point uranium property is located in southern Newfoundland. Kirrin may earn a 60% interest in the property over four years by spending \$1,000,000 on exploration, including a minimum first year commitment of \$135,000, and issuing 2,000,000 shares to Altius, including

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400,000 shares issued on signing and 1,600,000 shares divided equally over four years to be issued on each anniversary of the agreement.

The Boxey Point property totals thirty-six claims and is approximately 900 hectares in size. A 2007 prospecting and rock grab sampling program yielded elevated uranium results including two rock samples that assayed 738 ppm and 1,498 ppm uranium (0.09 to 0.18% U_3O_8) respectively.

The 2008 exploration programs included reconnaissance and locally more systematic radiometric prospecting, geological mapping, the collection of 58 rock chip and rock grab samples, plus 601 soil samples, with the bulk of the work being completed at the west-central part of the Boxey Point promontory. In addition, a detailed radiometric survey was done along a mineralized zone exposed over about 80 m in a sea cliff along the west side of the promontory. The soil samples results range from less than 0.5 ppm U up to 45 ppm U; the geochemical results indicate there are anomalous uranium trends in soils extending east-southeasterly and northeasterly up to about 1.4 km away from the radioactive zone along the west shore of Boxey Point promontory. Fourteen rock samples were analyzed for uranium; two of which assayed 325 and 359 ppm uranium (0.038% and 0.042% U_3O_8).

The 2009 work program includes drill testing selected targets by a series of moderate length (averaging about 150 m EOH) inclined holes and commenced on November 3.

LOST POND

In September 2008 the Company agreed to enter into an option agreement with Ucore Uranium Inc. ('Ucore') on the Lost Pond uranium and rare earth elements ('REE') property, located in western Newfoundland. The letter agreement is to be supplemented by a detailed option and joint venture agreement under negotiation. Kirrin may earn a 50% interest in the property over four years by spending \$2,600,000 on exploration, including a minimum first year commitment of \$700,000, and issuing 3,000,000 shares to Ucore, including 500,000 shares on signing.

Kirrin completed a 2,500 m drilling program in Q4 2008. Eight holes were drilled at the U2 Cataclastic Zone Grid, five of which targeted the area which had previous intersections up to 0.045% U_3O_8 over 12.3 m. One of these targeted the down-plunge extent of the zone and hit the target at 235.4 m, resulting in an intersection of 0.038% U_3O_8 over 20.1 m, including 0.061% U_3O_8 over 3.0 m. The Cataclastic Zone is interpreted as dipping steeply southeast and plunging about 75° northeast: hence the estimated true widths are approximately 75% to 80% of the down-hole drill intercepts. The zone is open down-plunge and, possibly, down dip.

Ten holes targeted the Bottom Brook A (formerly called U3) REO zone, located about 2 km east of the U2 Cataclastic Zone. These holes were drilled on sections approximately 50 m apart to evaluate a discrete 250 m long 'double bulls-eye' magnetic high. This magnetic high is associated with REO minerals and previous drilling by Ucore in 2007 intersected up to 4.47% Total Rare Earth Oxides (TREO) over 5.64 m. Drilling intersected multiple mineralized zones, including 4.32% TREO over 2.0 m core length in hole LP08-13 and 1.162% TREO over 15.3 m core length in LP08-17. This near surface mineralization appears to be affected by a number of fault blocks which complicate the continuity of the rare earth-bearing U3 zone.

Additional work, including a series of short drill holes, will be required to better define the deposit geometry of both the U2 uranium zone and Bottom Brook A REO zone. True width estimates are not known with certainty at this time. The 2009 program will commence in mid-November and will focus on both the REE potential of the property and the down-plunge potential

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of the U2 Uranium Zone. The overall intent of the 2009 follow-up drilling at U2 will be to work towards preparation of a NI 43-101 compliant uranium resource estimate if the drill results continue to be positive.

Properties Analysis

The following table presents the approximate carrying amounts and expenditures on the Company's mineral properties.

Property	December 31, 2008	Incurred during the period ended September 30, 2009	Expensed, amortized, disposed of or written down in 2009	September 30, 2009
Alexis River, Canada	\$ 735,200	\$ 18,100	\$ -	\$ 753,300
Boxey Point, Canada	303,200	26,300	-	329,500
Lost Pond, Canada	658,000	9,600	-	667,600
Projects under review	_____ -	<u>88,900</u>	<u>88,900</u>	_____ -
Total	\$ <u>1,696,400</u>	\$ <u>142,900</u>	\$ <u>88,900</u>	\$ <u>1,750,400</u>

Results of Operations

Operations

All of the Company's operations are at the exploration stage. Therefore, other than minimal interest earned on its cash deposits, the Company continues to create operating losses as a result of general and administration expenses required to review, acquire and evaluate assets and to maintain a public listing.

The third quarter saw detailed planning of field exploration programs for the Boxey Point and Lost Pond properties. Both programs are scheduled for completion by year end. The next stage of exploration at Alexis River remains under review. One of the Company's objectives is the identification of suitable uranium companies and assets for acquisition, merger, strategic partnership or joint venture. In the furtherance of that objective, the Company continued its due diligence on the acquisition of a majority interest in Kodiak Exploration Ltd.'s Otish Basin uranium property portfolio located in Québec, Canada.

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General and Administration Expenses ('G&A')

The gross costs (with comparative figures for 2008) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Salaries and benefits	\$30,612	\$ 49,654	\$91,066	\$ 232,737
Financial administration	25,545	38,993	95,198	130,267
Audit	8,750	5,000	32,567	39,451
Legal	3,817	(2,641)	39,476	26,919
Investor relations	17,753	35,715	96,808	110,325
Stock based compensation expense	24,685	56,883	28,207	172,313
General office and miscellaneous	(4,893)	(17,626)	16,652	68,062
Travel and marketing	<u>4,693</u>	<u>27,086</u>	<u>17,600</u>	<u>74,504</u>
Total	\$ <u>110,962</u>	\$ <u>193,064</u>	\$ <u>417,574</u>	\$ <u>854,578</u>

Salary costs were lower in 2009 due to the closure of the Angola office in February 2008, the disposal of the Company's diamond interests in June 2008, and agreement on reduced executive salaries. Financial administration decreased compared to the third quarter of 2008 due to a lower volume of work on the administration of flow-through obligations. The decrease in stock based compensation expense is a consequence of the repricing at May 1, 2009 of stock options issued. Audit, general office and miscellaneous costs decreased as a further consequence of discontinuing activities in Angola, the disposal of the Company's diamond interests and tight cost control.

Interest on Long Term Debt

Interest expense on long term debt decreased from \$15,857 to \$nil for the period ended September 30, 2009 as a consequence of the repayment of principal and of accumulated interest in the second quarter of 2008.

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Summary of Quarterly Results

Quarterly results are unaudited.

(All figures are in \$ except share numbers)

	Three months ended							
	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008	March 31, 2008	December 31, 2007
Exploration and Project development	21,949	12,266	54,716	125,786	(93,146)	136,924	35,155	121,250
Amortization	-	-	-	-	-	878	1,002	3,313
(Income) loss for the period	131,803	(218,042)	225,028	108,409	60,620	(433,809)	26,249	1,300,849
Working capital	(210,403)	(93,198)	(197,601)	(57,808)	1,136,715	1,843,889	1,506,607	1,869,979
Mineral interests	1,750,386	1,732,299	1,739,691	1,696,373	757,906	106,967	138,254	108,254
Equipment	-	-	-	-	-	-	16,521	17,523
Total assets	1,862,549	2,166,960	1,901,213	2,492,998	2,244,574	2,198,776	2,019,360	2,338,933
Shareholders' equity	1,429,983	1,529,101	1,322,090	1,528,565	1,674,621	1,696,389	1,210,563	1,553,971
Shares outstanding (1.)	12,477,002	12,387,002	123,870,023	123,470,023	122,970,023	122,470,023	122,470,023	121,970,023
Net (income) loss per share	0.01	0.02	0.00	0.00	0.01	(0.01)	0.00	0.03

1. Share consolidation on the basis of one new common share for ten old common shares approved by the shareholders on May 1, 2009.
2. Quarterly information has been conformed to year end presentation.
3. No dividends have ever been paid. Fully diluted per share amounts are not presented as the results are antidilutive.
4. The above information has been summarized from the consolidated financial statements of the Company prepared in accordance with accounting principles generally accepted in Canada.
5. Refer to 'Results of Operations' for a discussion of factors that have caused period to period variations, significant acquisitions, changes in direction of Kirrin's business and other information relevant to an understanding of the Company's financial condition and results of operations.

Liquidity

Working Capital

At September 30, 2009, the Company had a working capital deficiency of \$210,403 (2008 working capital - \$1,522,543). The Company does not generate positive cash flow from operations and is dependent on its current working capital, private placements and the exercise of stock options to supplement its limited financial resources. The Company continues to face difficult capital market conditions particularly for financing of its working capital needs.

Amount due to related party

The President of the Company is owed \$245,000 (December 31, 2008 - \$220,000) in respect of accumulated remuneration. \$110,000 (December 31, 2008 - \$110,000) has been recorded as long term as the President has agreed not to demand repayment of this amount before October 2010. The balance is recorded in accounts payable.

Stock Options

On July 30, 2009 the Company granted options over 75,000 common shares at an exercise price of \$0.10 per common share to a consultant. The options vest 25% per annum commencing on the date of grant and expire on July 31, 2014.

On September 2, a director exercised options over 40,000 common shares at a price of \$0.10 per common share.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet financial arrangements.

Environmental Liabilities

Kirrin maintains its environmental rehabilitation liabilities on a current basis, thus obviating the need to accumulate a provision for this purpose.

Capital Resources

On January 8, 2009 the Company issued 400,000 common shares at \$0.01 per common share for consideration of \$4,000 as part of the acquisition of an interest in the Boxey Point property.

On July 10, 2009 the Company issued 50,000 common shares at \$0.08 per common share for consideration of \$4,000 as part of its installment obligations for the acquisition of its interest in the Alexis River property.

Outlook

Kirrin faces critical challenges in 2010, particularly in relation to financing its overhead and portfolio expansion plans. At September 30, 2009, the Company has met all of its obligations on its existing portfolio and has no expenditure obligations during the remainder of 2009 to maintain its interests.

Transactions with Related Parties

Except for the debt arrangements referred to in *'Liquidity'* there were no significant transactions with related parties.

Critical Accounting Estimates

The amounts recorded for capitalized exploration expenses, depletion and amortization, write down of mineral interests, stock based compensation, and future income taxes are based on estimates. By their nature, these estimates are subject to measurement uncertainty and changes in these estimates may impact the consolidated financial statements for future periods.

Changes in Accounting Policies Including Initial Adoption

Changes in accounting policies and recent accounting pronouncements are discussed in Notes 1(b) and 1(m) to the consolidated financial statements for the year ended December 31, 2008. These include the adoption of standards with respect to 'Goodwill and Intangible Assets' as of January 1, 2009.

Financial Instruments and Other Instruments

The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's exposure to financial risk factors is detailed in Note 5 to the consolidated financial statements for the period ended September 30, 2009.

Controls and Procedures

In the light of the Company's small size, controls and procedures for financial reporting and proper public disclosure are affected by limited segregation of duties. To mitigate potential control weaknesses, (a) the Chief Executive Officer ('CEO') is actively involved in the day to day business of the Company including in its overseas jurisdictions, (b) the CEO and Chief Financial Officer ('CFO') have identified those individuals carrying responsibility for compiling the relevant data for each line of information in the financial statements and requested that they confirm the accuracy and completeness of same, and (c) the Company has implemented accounting data review procedures to assist the integrity of reports. It is not economically feasible, at the Company's current size and with the limited number of staff available, to achieve optimum or complete segregation of duties. Also, Kirrin does not have a sufficient number of finance personnel, with all of the technical accounting knowledge, to address all complex and non-routine accounting transactions that may arise. These weaknesses in internal controls raise the possibility that a material misstatement may not be prevented or detected.

Management and the Board of Directors work to mitigate the risk of material misstatements: the integral role of the CEO in day to day operations provides a direct connection to source data and accounting data review procedures provide a further level of assurance. Kirrin currently has no plans to remediate the above mentioned weaknesses which are linked with its current size and nature of operations.

Other Matters

Investor Relations

The investor relations program is aimed primarily at investor communications and interaction with the financial community in Canada and Europe. CHF Investor Relations of Toronto and Calgary is the Company's investor relations counsel in Canada. The monthly fee is \$4,000, plus expenses which arise, *inter alia*, in relation to briefings, presentations and the provision of publicity materials. In addition, CHF has been granted an option to acquire 1,250,000 shares in the Company to April 2012 at prices varying between \$0.12 and \$0.30 per share. Investment Connections of Versoix, Switzerland, is the Company's investor relations counsel in Europe. Remuneration arrangements are on a *per diem* basis as well as a finder's fee for private placements of the Company's securities.

Disclosure of Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value and unlimited preferred shares in one or more series. No preferred shares have been issued. Outstanding share data at September 30, 2009 and November 16, 2009 was:

	As of September 30, 2009	As of November 16, 2009
Issued and outstanding common shares	12,477,002	14,537,002
Warrants outstanding	4,123,783	5,308,203
Options outstanding	846,000	846,000

Business Risks

The exploration and development of natural resource properties involves a wide range of risks which includes, but is not limited to, the uncertainty of discovery, lack of commercial deposits following discovery, title to properties, changes in government regulations, uninsured risks, product price fluctuations, environmental factors, political and economic risks, exchange rate fluctuations and exchange controls.

Kirrin's projects are at an early stage of exploration. Kirrin's success will depend on the expertise of its management in pursuing business opportunities. The Company is in competition with companies possessing greater financial resources for both properties and personnel. The Company does not generate positive cash flow, has limited financial resources and must raise additional capital to implement its programs.

Readers are directed to the Company's web site for a fuller disclosure of business risks.

Additional Information

Additional information regarding the Company is available on the Company's web site at www.kirrinresources.com.