



TORCH RIVER RESOURCES LTD.

**SECOND QUARTER
INTERIM FINANCIAL STATEMENTS**

April 30, 2008
(Prepared by Management)

**NOTICE TO SHAREHOLDERS
FOR THE SECOND QUARTER ENDED APRIL 30, 2008
TORCH RIVER RESOURCES LTD.**

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

The Accompanying unaudited interim consolidated financial statements of Torch River Resources Ltd. have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada, consistent with previous periods

Torch River Resources Ltd.'s independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statement by an entity's auditor.

TORCH RIVER RESOURCES LTD.
BALANCE SHEET AS AT APRIL 30, 2008

	April 30 2008	April 30 2007	YE October 31 2007 (Audited)
ASSETS			
Current			
Cash and equivalents	\$ 82,496	\$ 251,675	\$ 10,669
Short term investments	2,086,725	2,505,867	2,109,334
Accounts Receivable	80,899	22,723	218,993
Prepaid Expenses	26,415	3,919	20,605
	2,276,535	2,784,184	2,359,601
Restricted cash	36,000	26,000	26,000
Equipment	95,701	106,743	106,538
Deferred Finance Charge	7,774	13,384	7,774
Mineral properties and rights	1,952,969	465,000	1,938,060
Deferred exploration costs	2,648,872	1,993,845	2,583,446
	\$ 7,017,851	\$ 5,389,156	\$ 7,021,419
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 11,254	\$ 59,292	\$ 56,524
Current portion of long term debt	18,944	44,396	25,232
	30,198	103,688	81,756
Long Term			
Finance contracts payable	17,108	27,262	23,357
	47,306	130,950	105,113
SHAREHOLDER'S EQUITY			
Share capital	8,708,911	6,540,153	8,493,761
Contributed Surplus	877,365	343,628	775,802
Deficit	(2,615,731)	(1,625,575)	(2,353,257)
	6,970,545	5,258,206	6,916,306
	\$ 7,017,851	\$ 5,389,156	\$ 7,021,419

On behalf of the Board of Directors

"William E. Pfaffenberger"
William Pfaffenberger
President, CEO

"Barry Pearson"
Barry Pearson
CFO

TORCH RIVER RESOURCES LTD.

**STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (DEFICIT)
FOR THE SIX MONTH PERIOD ENDED APRIL 30, 2008**

	3 Months April 30 2008	3 Months April 30 2007	6 Months April 30 2008	6 Months April 30 2007
Administrative Costs				
Amortization	\$ 5,418	\$ 1,610	\$ 10,837	\$ 3,220
Bank and loan interest	245	155	429	328
Filing fees	8,369	5,836	8,536	10,992
General Meetings	500		2,985	
Internet and website	1,700	1,413	2,483	2,066
Investor Relations	42,795	30,225	68,032	48,246
Management fees	23,400	15,100	46,800	30,300
Office compensation	3,501		5,110	
Office expense	3,207	2,100	8,268	4,960
Property examination		26,163		26,163
Professional fees	7,010	14,686	18,013	16,205
Stock Compensation	79,931	106,858	101,563	106,858
Telecommunications	160	502	772	1,629
Transfer Agent	980	4,136	2,958	5,746
Travel & Promotion	10,737	1,930	23,077	5,221
Operating costs for the year	\$ 187,953	\$ 210,714	\$ 299,863	\$ 261,934
Interest	16,325	10,093	37,389	10,251
Loss before income taxes	\$ 171,628	\$ 200,621	\$ 262,474	\$ 251,683
Future income tax recovery	\$ -	\$ 228,000	\$ -	\$ 228,000
Loss for period	\$ 171,628	\$ (27,379)	\$ 262,474	\$ 23,683
Deficit, beginning of year / quarter	\$ 2,444,103	\$ 1,652,954	\$ 2,353,257	\$ 1,601,892
Deficit end of quarter	\$ 2,615,731	\$ 1,625,575	\$ 2,615,731	\$ 1,625,575
Loss (gain) per share - basic and diluted	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.00

TORCH RIVER RESOURCES LTD.

STATEMENT OF CASH FLOWS

FOR THE SECOND QUARTER ENDED APRIL 30, 2008

	3 Months April 30 <u>2008</u>	3 Months April 30 <u>2007</u>	6 Months April 30 <u>2008</u>	6 Months April 30 <u>2007</u>
Cash Flow from (used in) the following				
Operations				
Net income (loss) for the year	\$ (171,628)	\$ 27,379	\$ (262,474)	\$ (23,683)
Items not involving cash				
Stock based compensation	79,931	106,858	101,563	106,858
Amortization	5,418	1,610	10,837	3,220
Future Income Tax Recovery		(228,000)		(228,000)
	(86,279)	(92,153)	(150,074)	(141,605)
Cash provided by (invested in) non-cash working capital				
Decrease (increase) in accounts receivable and prepaids	(8,712)	73,835	132,284	72,886
Increase (decrease) in accounts payable and accrued liabilities	(34,997)	40,617	(45,420)	(108,503)
Letter of Credit	(10,000)	(26,000)	(10,000)	(26,000)
	(139,988)	(3,701)	(73,210)	(203,222)
Cash Flow from (used in) financing activities				
Issuance of share capital		2,534,887	215,150	2,817,779
Share Issuance Cost	(750)			
Repayment of long term debt				
Deferred finance charges	(6,248)	(8,050)	(12,537)	(21,327)
	(6,998)	2,526,837	202,613	2,796,452
Cash flows from (used in) investing activities				
Acquisition of mineral properties for cash	(14,909)		(14,909)	
Acquisition of capital assets				
Deferred exploration expenses	(44,907)	(1,643)	(65,426)	10,374
Restricted cash for contingency				
	(59,816)	(1,643)	(80,335)	10,374
Increase (decrease) in cash and cash equivalents	\$ (206,802)	\$ 2,521,493	\$ 49,068	\$ 2,603,604
Cash and cash equivalents, beginning of period	2,376,023	236,049	2,120,003	153,938
Cash and cash equivalents, end of period	\$ 2,169,221	\$ 2,757,542	\$ 2,169,071	\$ 2,757,542

TORCH RIVER RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2008

1. Basis of presentation

The interim period financial statements have been prepared by the Company (without audit) in accordance with Canadian generally accepted accounting principles. The preparation of these financials follow the same accounting policies and methods of their application as the most recent audited annual financial statements.

Certain information and footnotes disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles for annual financial statements have been condensed or omitted. The interim period financial statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented.

2. Nature of Operations

Torch River Resources Ltd. is incorporated in Alberta and extra provincially in Saskatchewan, Manitoba and British Columbia. Its shares are listed on the TSX Venture Exchange.

On July 8, 2005, the Company entered into an agreement with Red Bird Resources Ltd, whereby the Company has an Option to acquire a 100% interest in a molybdenum/copper property consisting of 840 hectares located in the Skeena Mining division of the Central Coastal region of British Columbia. The complete July 8, 2005 Option Agreement is published on www.sedar.com

The Company also obtained Grouse Mountain consisting of six silver claims near Houston, B.C. in July 2007 and maintains the High Rock and the Climpy gold prospect properties in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,544 hectares (Aug 7, 2007 Sedar)

An option agreement was signed on Mount Copeland February 12, 2008, whereby the Company can acquire a 100% interest in a former producing molybdenum property near Revelstoke, British Columbia. The Company paid a \$10,000 extension price to move the acceptance date to June 30, 2008. The Company has made the \$25,000 first payment and issued 200,000 shares on June 23, 2008. Review www.sedar.com for additional details on this agreement.

3. Capital Disclosure

The majority of the capital controlled by Torch is funds currently retained in Canadian banking institutions which were sourced through private placements for Company operations and exploration activity. The Company has maintained a low risk approach on all investments with all investments in cashable GIC's at a chartered bank. The objectives when managing this capital are to safeguard the entity's ability to continue as a going concern so that it can provide returns for shareholders.

4. Share Capital

The authorized share capital of the Company is:

An unlimited number of voting common share without par value

An unlimited number of non-voting first preferred shares

An unlimited number of non-voting second preferred shares

As at April 30, 2008 the Company's issued common shares were as follows:

	2008		2007	
	Number of Shares	\$ Amount	Number of Shares	\$ Amount
Balance Beginning of Year	44,046,177	8,493,761	25,477,166	3,950,374
Private Placement			1,666,667	300,000
Private Placement			2,500,000	1,250,000
Private Placement			4,666,667	700,000
Private Placement			500,000	300,000
Warrants Exercised	580,000	145,000	1,995,227	449,682
Options Exercised	580,000	70,150	180,000	25,200
Share Issue Cost		—		(207,103)
Contributed Surplus				(228,000)
End of Period	45,126,177	8,708,911	36,985,727	6,540,153

5. Share Capital Options and Warrants

<u>Number of Shares Under Option</u>	<u>Exercise Price \$</u>	<u>Expiry Date</u>
300,000	0.17	August 25, 2008
20,000	0.15	August. 25, 2008
210,000	0.14	September 29, 2008
250,000	0.17	February 12, 2009
80,000	0.40	March 7, 2009
100,000	0.55	April 20, 2009
200,000	0.32	June 06, 2009
124,000	0.42	September 16, 2009
50,000	0.17	December 27, 2009
100,000	.135	January 17, 2012
50,000	0.16	March 7, 2012
1,230,000	0.38	May 15, 2012
670,000	0.32	June 6, 2012
120,000	0.18	Aug 25, 2012
180,000	0.15	November 29, 2012
<u>320,000</u>	0.18	Feb 17, 2013
4,454,000		

Number of Warrants	Purchase Price	Expiry Date
4,330,000	\$0.35	September 28, 2008
1,250,000	0.37	September 28, 2008
	0.50	September 28, 2009
125,000	0.37	September 28, 2008
	0.50	September 28, 2009
936,666	0.25	December 29, 2008
	0.35	December 29, 2009
1,466,667	0.18	February 28, 2009
233,333	0.18	February 28, 2009
2,500,000	0.65	April 5, 2009
250,000	.050	April 5, 2009
499,997	0.75	April 5, 2008
	0.90	April 5, 2009
50,000	0.75	April 5, 2008
	0.95	April 5, 2009
11,641,663		

6. Related Party Transactions

During the period the Company incurred charges from directors or companies sharing common directors as follows:

	2008	2007
Management Fees	\$ 9,000	\$ 3,000
Office expense	210	179
Travel and promotion	1,360	758
Stock Compensation	64,267	63,828
Meeting expense	<u>2,194</u>	<u>0</u>
Total	\$ 77,031	\$67,765

These transactions occurred during the normal course of operation and were measured at the exchange amount that is the amount established and accepted by the parties.

7. Contractual Obligations

The Company has financial obligations under the Option Agreement with Red Bird Resources Ltd. signed July 8, 2005. These obligations are:

Obligations for remaining six (6) months 2008 (subsequently paid May 15, 2008 per agreement)	\$ 500,000
Red Bird option agreement payment due Dec. 31, 2008	<u>\$ 4,000,000</u>
Total	\$ 4,500,000

8. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying values, unless otherwise noted. The Company is not exposed to significant risk, currency or credit risk arising from these financial instruments.