

BLACKBIRD INVESTMENTS INC.

FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED
APRIL 30, 2009

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended April 30, 2009.

BLACKBIRD INVESTMENTS INC.
BALANCE SHEETS
(Unaudited – Prepared by Management)

	April 30, 2009	July 31, 2008
ASSETS		
Current		
Cash	\$ 415,218	\$ 286,487
Receivables	<u>8,030</u>	<u>-</u>
	423,248	286,487
Deferred financing costs (Note 11)	<u>67,265</u>	<u>23,000</u>
	<u>\$ 490,513</u>	<u>\$ 309,487</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 31,331	\$ 7,500
Shareholders' equity		
Capital stock (Note 4)	500,000	1
Share subscriptions received in advance (Note 4)	-	309,168
Deficit	<u>(40,818)</u>	<u>(7,182)</u>
	<u>459,182</u>	<u>301,987</u>
	<u>\$ 490,513</u>	<u>\$ 309,487</u>

Nature and continuance of operations (Note 1)
Proposed transaction (Note 11)

On behalf of the Board:

"William Macdonald"

Director

"Ron Schmitz"

Director

The accompanying notes are an integral part of these financial statements.

BLACKBIRD INVESTMENTS INC.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended April 30, 2009	Three Month Period Ended April 30, 2008	Nine Month Period Ended April 30, 2009	Nine Month Period Ended April 30, 2008
EXPENSES				
Office and miscellaneous	\$ 29	\$ -	\$ 160	\$ -
Professional fees	5,570	-	25,320	-
Registration and filing fees	<u>5,936</u>	<u>-</u>	<u>14,371</u>	<u>-</u>
Loss before other items	(11,535)	-	(39,851)	-
OTHER ITEMS				
Foreign exchange gain	-	-	212	-
Interest income	<u>1,846</u>	<u>-</u>	<u>6,003</u>	<u>-</u>
	<u>1,846</u>	<u>-</u>	<u>6,215</u>	<u>-</u>
Loss and comprehensive loss for the period	(9,689)	-	(33,636)	-
Deficit, beginning of period	<u>(31,129)</u>	<u>-</u>	<u>(7,182)</u>	<u>-</u>
Deficit, end of period	\$ (40,818)	\$ -	\$ (40,818)	\$ -
Basic and diluted loss per common share				
	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding				
	10,000,000	100	7,765,587	100

The accompanying notes are an integral part of these financial statements.

BLACKBIRD INVESTMENTS INC.
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended April 30, 2009	Three Month Period Ended April 30, 2008	Nine Month Period Ended April 30, 2009	Nine Month Period Ended April 30, 2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (9,689)	\$ -	\$ (33,636)	\$ -
Changes in non-cash working capital item:				
Increase in receivables	(1,371)	-	(8,030)	-
Increase in accounts payable and accrued liabilities	<u>3,156</u>	<u>-</u>	<u>10,253</u>	<u>-</u>
Net cash used in operating activities	<u>(7,904)</u>	<u>-</u>	<u>(31,413)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Deferred financing costs	(10,694)	-	(41,541)	-
Proceeds from capital stock	-	-	190,831	-
Refund of deferred financing costs	<u>854</u>	<u>-</u>	<u>10,854</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(9,840)</u>	<u>-</u>	<u>160,144</u>	<u>-</u>
Change in cash during the period	(17,744)	-	128,731	-
Cash, beginning of period	<u>432,962</u>	<u>1</u>	<u>286,487</u>	<u>1</u>
Cash, end of period	\$ 415,218	\$ 1	\$ 415,218	\$ 1

Supplemental disclosure with respect to cash flows (Note 7)

The accompanying notes are an integral part of these financial statements.

BLACKBIRD INVESTMENTS INC.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
APRIL 30, 2009

1. NATURE AND CONTINUANCE OF OPERATIONS

Blackbird Investments Inc. (the “Company”) was incorporated under the Business Corporations Act (BC) on September 21, 2006.

The Company’s management intends to complete an Initial Public Offering (“IPO”) and to list the Company on the TSX Venture Exchange (“TSX-V”) (Note 11).

The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities (the “Qualifying Transaction”). Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

These financial statements have been prepared in accordance with generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

	April 30, 2009	July 31, 2008
Working capital	\$ 391,917	\$ 278,987
Deficit	(40,818)	(7,182)

2. BASIS OF PRESENTATION

These interim period financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the annual audited financial statements and the accompanying notes for the year ended July 31, 2008. 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 periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

Assessing going concern

The Accounting Standards Board (“AcSB”) amended CICA handbook Section 1400, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

Goodwill and intangible assets

CICA Handbook Section 3064 replaces the current standard for goodwill and intangible assets and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

The Company adopted the above requirements on August 1, 2008 with no significant impact on the Company’s financial statements.

Recent accounting pronouncements

International financial reporting standards

The Canadian Accounting Standards Board (“AcSB”) in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (“IFRS”) over an expected five-year transition period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combination, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning August 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

BLACKBIRD INVESTMENTS INC.
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4. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Unlimited preferred shares without par value			
Issued common shares			
Balance as at September 21, 2006	-	\$ -	\$ -
Capital stock issued	<u>100</u>	<u>1</u>	<u>-</u>
Balance as at July 31, 2007 and 2008	100	1	-
Cancellation of common shares	(100)	(1)	-
Capital stock issued	<u>10,000,000</u>	<u>500,000</u>	<u>-</u>
Balance as at April 30, 2009	10,000,000	\$ 500,000	\$ -

On September 21, 2006, the Company received \$1 from the issuance of 100 seed stock shares priced at \$0.01 per share. On September 21, 2008, the 100 shares were returned to treasury for \$1 and cancelled.

On September 30, 2008, the Company issued 10,000,000 common shares at a price of \$0.05 per share for proceeds of \$500,000, of which \$309,168 of share subscriptions were received as of July 31, 2008. These 10,000,000 common shares are subject to escrow restrictions and will be released in stages upon completion of the Company's Qualifying Transaction.

5. STOCK OPTIONS

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares. The options can be granted for a maximum of 5 years and vest as determined by the board of directors. The exercise price of each option may not be less than the fair market value of the common shares. At the closing of the IPO, the Company proposes to grant 1,250,000 stock options to directors and officers exercisable at a price of \$0.10 per share for a period of 5 years from the date of listing on the TSX-V.

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6. RELATED PARTY TRANSACTIONS

During the nine month period ended April 30, 2009, the Company entered into the following transactions with related parties:

- a) Incurred \$8,235 (2008 - \$Nil) in professional fees to a company controlled by a director of the Company.
- b) Incurred \$25,279 (2008 - \$Nil) in legal fees which have been recorded as deferred financing costs to a law firm of which one of the Company's directors is a partner.
- c) Incurred \$2,000 (2008 - \$Nil) in legal fees to a law firm of which one of the Company's directors is a partner.

Included in accounts payable and accrued liabilities, is \$19,063 (July 31, 2008 - \$2,500) owing to the above related parties.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2009	2008
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Significant non-cash financing or investing activities during the nine month period ended April 30, 2009 included:

- a) the accrual of \$13,578 of deferred financing costs in accounts payable.
- b) the allocation of \$309,168 subscriptions received in advance to capital stock.

There were no significant non-cash transactions during the nine month period ended April 30, 2009.

8. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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8. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2009, the Company had a cash balance of \$415,218 to settle current liabilities of \$31,331. The Company's financial liabilities typically have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

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

(a) Interest rate risk

The Company currently has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its bank.

(b) Foreign currency risk

The Company is not exposed to foreign currency risk. All monetary assets and liabilities are denominated in Canadian dollars.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the identification and evaluation of a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's Qualifying Transaction.

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

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10. SEGMENT INFORMATION

The Company conducts all of its business activities in Canada.

11. PROPOSED TRANSACTION

In July 2008, the Company signed an engagement letter with Gateway Securities Inc. (“Gateway”) to conduct an IPO. During the year ended July 31, 2008, the Company paid the Agent \$23,000 towards corporate finance fees, legal and due diligence fees which were recorded as deferred financing costs. In October 2008, the Company and Gateway agreed to cancel the engagement letter and Gateway refunded \$10,000 to the Company. In December 2008, the Company recognized an additional \$854 refund from Gateway.

In November 2008, the Company signed an engagement letter with Canaccord Capital Corporation (“Agent”) to conduct an IPO to raise a minimum of \$750,000 to a maximum of \$1,500,000 from the sale of a minimum of 7,500,000 to a maximum of 15,000,000 common shares priced at \$0.10 per share. On April 22, 2009 the Company signed an agency offering agreement with the aforementioned terms.

The Company will pay the Agent 8% of gross proceeds of the IPO and grant a minimum of 600,000 to a maximum of 1,200,000 agents warrants exercisable at \$0.10 per common share for a period of 24 months from the listing on the TSX-V. The Agent will also be paid a corporate finance fee of \$20,000 and will be reimbursed for its expenses. In December 2008, the Agent was paid \$10,000 towards the corporate finance fee and \$10,000 as an expense retainer.

The Company paid an additional \$21,541 and accrued \$13,578 for legal fees, registration and filing fees directly attributed to the prospectus and IPO. These costs have been allocated to deferred financing costs.