Pebble Creek Mining Ltd.

(An Exploration Stage Company)

Consolidated Financial Statements

(Unaudited)

Three and six months ended September 30, 2009

Pebble Creek Mining Ltd.

Consolidated Balance Sheets

September 30, 2009 and June 30, 2009

		September 30 2009 (Unaudited)		March 31 2009
ASSETS				
Current				
Cash and cash equivalents	**$**	**705,019**	$	61,827
Accounts receivable		**5,211**		3,051
Inventory		**1,295**		1,295
Prepaid expenses		**31,794**		37,382
		743,319		103,555
Long-term Security Deposits		**49,223**		99,740
Mineral Property Interests (Statement)		**5,427,204**		5,109,360
Other Capital Assets, net of amortization of $170,089 (March 31, 2009 - $152,375)		**155,606**		174,208
	$	**6,375,352**	$	5,486,863
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**265,099**	$	249,886
Payable to officers		**367,368**		196,290
		632,467		446,176
SHAREHOLDERS' EQUITY				
Share Capital (Note 4)				
Authorized				
Unlimited number of preferred shares without par value				
Unlimited number of common shares without par value				
Issued and fully paid		**7,813,154**		7,291,357
Contributed Surplus (Note 4)		**3,055,398**		2,345,440
Deficit		**(5,125,667)**		(4,596,110)
		5.742.885		5,040,687
	$	**6,375,352**	$	5,486,863

These financial statements should be read in conjunction with the most recent annual audited financial statements. The accompanying notes are an integral part of these financial statements.

APPROVED BY THE BOARD

"Andrew E. Nevin" Director

"Gyan C. Singhai" Director

Pebble Creek Mining Ltd.

Consolidated Statements of Loss and Deficit

Three and six months ended September 30, 2009 and 2008

EXPENSES		3 months ended September 30, 2009 (unaudited)		3 months ended September 30, 2008 (unaudited)		6 months ended September 30, 2009 (unaudited)		6 months ended September 30, 2008 (unaudited)
Amortization	$	**1,548**	$	1,703	$	**3,112**	$	2,944
Bank charges and interest		**364**		275		**865**		388
Corporate development		**9,249**		8,333		**9,283**		20,178
Foreign exchange		**(3,637)**		14,145		**(307)**		46,663
Insurance		**4,056**		3,789		**9,325**		9,267
Legal and audit		**42,227**		41,531		**53,049**		74,995
Management fees (Note 5)		**63,667**		66,860		**108,667**		132,260
Office		**1,277**		3,793		**6,634**		11,435
Rent		**1,950**		11,672		**11,608**		23,594
Salaries		**-**		14,252		**1,384**		34,936
Share-based compensation		**156,411**		353,373		**161,501**		357,739
Shareholder costs		**11,831**		48,154		**14,981**		72,366
Travel		**14,434**		12,148		**14,518**		12,848
Telephone		**1,958**		2,842		**5,709**		7,485
Write-down of mineral properties		**-**		893		**-**		35,995
		305,335		583,763		**400,329**		843093
Interest income		**-**		(2,117)		**(5)**		(8,631)
NET LOSS AND COMPREHENSIVE LOSS		**305,335**		581,646		**400,324**		834,462
DEFICIT, Beginning of Period		**4,820,332**		3,631,816		**4,596,110**		3,379,000
Modification of Warrant Terms (Note 4)		**-**		-		**129,233**		-
DEFICIT, End of Period	$	**5,125,667**	$	4,213,462	$	**5,125,667**	$	4,213,462
Loss Per Share – Basic and Fully Diluted	$	**(0.01)**	$	(0.02)	$	**(0.02)**	$	(0.03)
Weighted Average Number Of Shares Outstanding		**36,382,409**		29,171,219		**34,941,894**		29,171,219

These financial statements should be read in conjunction with the most recent annual audited financial statements. The accompanying notes are an integral part of these financial statements.

Pebble Creek Mining Ltd.

Consolidated Statements of Cash Flows

Three and six months ended September 30, 2009 and 2008

	3 months ended September 30, 2009	3 months ended September 30, 2008	6 months ended September 30, 2009	6 months ended September 30, 2008
Cash Flows From (Used In) Operating Activities				
Interest income	**$ -**	$ 2,117	**$ 5**	$ 8,631
Cash paid for supplies and services	**(190,708)**	(138,819)	**(185,506)**	(285,648)
	(190,708)	(136,702)	**(185,501)**	(277,017)
Cash Flows From (Used In) Financing Activities				
Advances from directors	**12,156**	-	**12,156**	-
Shares issued, net of issue costs	**931,584**	-	**941,021**	-
	943,740	-	**953,177**	-
Cash Flows From (Used In) Investing Activities				
Long-term deposits	**1,250**	-	**50,517**	-
Mineral property interests				
Acquisiton costs	**-**	(4,471)	**-**	(35,275)
Exploration costs	**(78,698)**	(183,339)	**(175,888)**	(471,273)
Disposal (purchase) of other capital assets	**(268)**	(4,120)	**887**	(5,206)
	(77,716)	(191,930)	**(124,484)**	(511,754)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**675,318**	(328,632)	**643,192**	(788,771)
Effect of Exchange Rate Changes on Cash	**-**	(13,625)	**-**	(46,143)
CASH AND CASH EQUIVALENTS, Beginning of Period	**29,701**	573,536	**61,827**	1,066,193
CASH AND CASH EQUIVALENTS, End of Period	**$ 705,019**	$ 231,279	**$ 705,019**	$ 231,279
CASH AND CASH EQUIVALENTS COMPOSED OF:				
Cash	**$ 705,019**	$ 127,186	**$ 705,019**	$ 127,186
Short-term deposits	**-**	104,093	**-**	104,093
	$ 705,019	$ 231,279	**$ 705,019**	$ 231,279
Supplemental disclosure of non-cash transactions				
Share based compensation	**$ 156,411**	$ 353,373	**$ 161,501**	$ 357,739
Mineral property write down	**-**	893	**-**	35,995

These financial statements should be read in conjunction with the most recent annual audited financial statements. The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Mineral Property Expenditures

Three and six months ended September 30, 2009 and 2008

		Askot		Gadarwara		Banda		Other		Total
Balance, March 31, 2008		4,175,679		-		56,104		31,965		4,263,748
Option proceeds		-		-		-		-		-
Acquisition costs										
Geological fees and travel expenses		22,063		-		-		2,538		24,601
Compliance costs		6,202		-		-		-		6,202
Exploration expenditures										
Geological fees and travel expenses		16,919		-		-		-		16,919
Assays		30,414		-		-		-		30,414
Drilling		-		35,102		-		-		35,102
Engineering equipment and supplies		5,395		-		-		-		5,395
Office		132,459		-		74		-		132,533
Professional fees		97		-		-		-		97
Salaries		29,026		-		-		-		29,026
Telephone		2,798		-		51		-		2,849
Travel and promotion		12,050		-		-		-		12,050
Miscellaneous		1,098		-		-		-		1,098
Underground rehabilitation and exploration		50,994		-		-		-		50,994
Property write down		-		(35,102)		-		-		(35,102)
Balance, June 30, 2008 (unaudited)		4,485,194		-		56,229		34,503		4,575,926
Option proceeds		-		-		-		-		-
Acquisition costs										
Geological fees and travel expenses		(1,505)		-		-		-		(1,505)
Compliance costs		5,975		-		-		-		5,975
Exploration expenditures				-		-		-		-
Geological fees and travel expenses		26,067		-		-		2,809		28,876
Assays		3,025		-		-		-		3,025
Drilling		-		-		-		-		-
Engineering equipment and supplies		113		-		-		-		113
Office		67,519		893		-		1,599		70,011
Professional fees		153		-		-		-		153
Salaries		33,397		-		-		-		33,397
Telephone		1,883		-		69		-		1,952
Travel and promotion		13,161		-		-		292		13,453
Miscellaneous		71		-		-		-		71
Underground rehabilitation and exploration		20,497		-		-		-		20,497
Property write down		-		(893)		-		-		(893)
Balance, September 30, 2008 (unaudited)		4,655,550		-		56,298		39,203		4,751,051
Balance, March 31, 2009		5,073,322		-		-		36,038		5,109,360
Option proceeds		-		-		-		-		-
Acquisition costs										
Geological fees and travel expenses		-		-		-		-		-
Compliance costs		-		-		-		-		-
Exploration expenditures										
Geological fees and travel expenses		39,000		-		-		-		39,000
Assays		-		-		-		-		-
Drilling		-		-		-		-		-
Engineering equipment and supplies		-		-		-		-		-
Office		83,436		-		-		-		83,436
Professional fees		-		-		-		-		-
Salaries		37,714		-		-		-		37,714
Telephone		1,215		-		-		-		1,215
Travel and promotion		2,947		-		-		-		2,947
Miscellaneous		6		-		-		-		6
Underground rehabilitation and exploration		16,646		-		-		-		16,646
Property write down		-		-		-		-		-
Balance, June 30, 2009 (unaudited)		5,254,286		-		-		36,038		5,290,324
Option proceeds		-		-		-		-		-
Acquisition costs		-		-		-		-		-
Geological fees and travel expenses		3,000		-		-		-		3,000
Compliance costs		128		-		-		-		128
Exploration expenditures		-		-		-		-		-
Geological fees and travel expenses		17,333		-		-		-		17,333
Assays		-		-		-		-		-
Drilling		-		-		-		-		-
Engineering equipment and supplies		-		-		-		-		-
Office		69,093		-		-		-		69,093
Professional fees		351		-		-		-		351
Salaries		32,272		-		-		-		32,272
Telephone		1,216		-		-		-		1,216
Travel and promotion		1,858		-		-		-		1,858
Miscellaneous		7		-		-		-		7
Underground rehabilitation and exploration		11,622		-		-		-		11,622
		-		-		-		-		-
Property write down		-		-		-		-		-
Balance, September 30, 2009 (unaudited)	$	5,391,166	$	-	$	-	$	36,038	$	5,427,204

These financial statements should be read in conjunction with the most recent annual audited financial statements. The accompanying notes are an integral part of these financial statements.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). However, they do not include all the information and disclosures required by Canadian GAAP for annual financial statements. They have been prepared using the same accounting policies and methods of application as the latest annual consolidated financial statements. In the opinion of management, all adjustments of a normal recurring nature necessary for a fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year.

The information contained in the interim financial statements should be read in conjunction with the Company's latest audited consolidated financial statements for the year ended March 31, 2009.

1. OPERATIONS AND GOING CONCERN

Pebble Creek Resources Ltd. ("PCR") was incorporated in the Province of British Columbia on April 29, 1993 and, to 1996, investigated opportunities in the energy sector under the name Pebble Creek Power Company Ltd. Since that time, PCR has investigated mining prospects in India for the purposes of the acquisition, exploration, development and mining of gold, copper, silver and other precious and base metals and diamonds.

PCR incorporated two subsidiary companies in India to acquire rights to the properties under Indian law (Note 3). One of the subsidiary companies, Adi Gold Mining Private Ltd ("Adi"), was incorporated in 1996 for the purposes of acquiring and holding the interests in the Askot Tenure and in the Gadarwara Tenure. The second subsidiary, Hirakund Diamond Exploration Private Ltd. ("Hirakund"), was incorporated in 2003 for the purpose of acquiring and holding the interest in the Banda Prospect.

PCR entered into an agreement with Broadcast Capital Corp. ("Broadcast") dated October 6, 2006 and amended on October 24, 2006, pursuant to which the shareholders of PCR acquired control of the Broadcast, a company listed for trading on the TSX Venture Exchange, through a "reverse take over" ("RTO"). PCR and Broadcast completed the plan of arrangement on December 15, 2006, following which Broadcast and PCR were amalgamated under the name Pebble Creek Mining Ltd. (the "Company").

On January 8, 2008 two directors of the Company incorporated a third subsidiary, Narsinghpur Gold Mining Private Ltd. ("NGM") under Indian law. The shares of NGM are held in trust for the Company by two directors. The Company expects to use NGM as a vehicle for certain future property acquisitions and joint ventures.

The Company is in the process of exploring its mineral properties and has not determined whether these properties contain economically recoverable reserves of ore. The Company has not earned any revenues from its mineral properties and is considered to be in the exploration stage.

These financial statements have been prepared on the basis that the Company is a going concern, which presumes that the company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has a net loss of $529,557 for the six months ended September 30, 2009 and working capital of $110,852 at September 30, 2009. The ability of the Company to continue as a going concern is dependent upon the continued support from its directors and its ability to continue to raise adequate additional financing. Management has completed a financing during the three monaths ended September 30, 2009 (Note 4) and is currently seeking additional equity financing and joint venture opportunities, the outcome of which cannot be predicted at this time. These financial statements do not reflect the adjustments or reclassifications which would be necessary if the Company were unable to continue operations.

2. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company measures its capital as its shareholders' equity when considering the management of capital.

The Company manages and adjusts its capital structure when changes to the risk characteristics of the underlying assets or changes in economic conditions occur. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire, dispose of or joint venture certain of its assets.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest any excess cash in liquid short-term interest-bearing instruments with short term maturities. When utilized, these instruments are selected with regard to the expected timing of expenditures for continuing operations.

The Company will have to raise additional capital resources to meet its planned future operations, administration and other overhead expenses. The future exploration and development of the Company's mineral properties in the near and long term will depend on the Company's ability to obtain additional funding through equity or debt financing or through the joint venture of projects. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. The Company believes it will be able to raise capital as required in the long term, but recognizes there will be risks involved that may be beyond its control.

3. MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain risks, which include currency risk, credit risk, interest rate risk, liquidity risk and market risk.

Currency Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of these fluctuations of foreign currency denominated monetary assets and liabilities. The Company currently operates in Canada and India. The Company manages its currency risk through the preparation of short and long term expenditure budgets in different currencies and converting Canadian dollars to Indian rupees whenever exchange rates are favourable.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short term investments are on deposit at major financial institutions. Accounts receivable consist primarily of goods and services tax refunds due from the Government of Canada. As such, the Company considers this risk to be minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed rate cash equivalent investments of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of these investments is limited as the Company only invests in highly liquid securities with short-term maturities.

3. MANAGEMENT OF FINANCIAL RISK (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure (Note 2).

Market risk

The Company is exposed to market risk related to the fluctuation in the market price of its investments. The Company minimizes this risk by only investing in highly liquid securities with short term maturities.

4. SHARE CAPITAL

Share Capital

Issued and allotted	Number of Common Shares		Amount
Balance, March 31, 2008	29,171,219	$	7,048,434
Issued for cash on private placement, net of share issue costs of $17,857	3,221,157		191,519
Issued for cash on private placement, net of share issue costs of $8,947 and $1,990 allocated to the issue of warrants	850,000		51,404
Balance, March 31, 2009	**33,242,376**		**7,291,357**
Issued for cash on private placement, net of share issue costs of $6,414 (cash) and $454 (issue of warrants)	**269,862**		**8,982**
Balance, June 30, 2009 (unaudited)	**33,512,238**		**7,300,339**
Issued for cash on private placement, net of share issue costs of $118,414 (cash) and $418,771 (issue of warrants)	**15,000,000**		**512,815**
Balance, September 30, 2009 (unaudited)	**48,512,238**	**$**	**7,813,154**

Of the issued and outstanding shares of the Company, 2,955,505 were held in escrow at September 30, 2009, to be released upon the approval of regulatory authorities in stages, ranging from 6 months to 6 years from the closing of the RTO (Note 1).

4. SHARE CAPITAL (continued)

Contributed Surplus

Balance, March 31, 2008	$ 1,933,044
Allocated to warrants on the issue of shares for cash	1,990
Share-based compensation expense	410,406
Balance, March 31, 2009	**2,345,440**
Allocated to warrants on the issue of shares for cash	**454**
Share-based compensation expense	**5,089**
Modification of warrant terms	**129,233**
Balance, June 30, 2009 (unaudited)	**2,480,216**
Allocated to warrants on the issue of shares for cash	**418,771**
Share-based compensation expense	**85,057**
Modification of option terms	**71,354**
Balance, September 30, 2009 (unaudited)	**$ 3,055,398**

The Company terminated the previous stock option plan implemented on August 13, 2007 and approved a new rolling share purchase option plan which allows the Company to reserve up to 10% of the issued and outstanding shares of the Company for granting share purchase options.The new plan is similar to the previous plan with the exception that is has been updated for the revised TSX Venture policy 4.4 for Tier 2 issuers. The options granted vest immediately for directors, officers, employees and consultants. Options for investor relation firms vest over the course of one year. The plan has not been approved by the TSX Venture Exchange as of the date of these financial statements.

The Company has estimated the fair value of options and warrants using the Black-Scholes option pricing model. The following weighted-average assumptions were used:

	September 30, 2009	March 31, 2009
Average risk-free interest rate	**1.47%**	2.92%
Expected share price volatility	**63%**	111%
Expected average period until exercise	**2.43 years**	4.47 years
Expected dividend yield	**$nil**	$nil

4. SHARE CAPITAL (continued)

Options

The following share purchase option transactions occurred during the period:

	September 30, 2009 (6 months)			March 31, 2009 (12 months)		
	Number of Shares		**Weighted Average Exercise Price**	Number of Shares		Weighted Average Exercise Price
Balance, beginning of period	**3,010,000**	**$**	**0.36**	1,128,340	$	0.59
Granted	**2,355,000**		**0.12**	1,990,000		0.24
Exercised	**-**		**-**	-		-
Expired	**(515,000)**		**0.41**	(138,340)		0.69
Balance, end of period	**4,850,000**		**0.12**	3,010,000	$	0.36
Options exercisable, end of period	**3,890,000**		**0.12**	2,890,000	$	0.36

The contractual weighted average remaining life of the outstanding options at September 30, 2009 is 4.27 years (March 31, 2009 – 4.09 years).

The following share purchase options are outstanding at September 30, 2009:

	Number of Shares	Price Per Share	Expiry Date	Date Granted or Issued
Options	745,000[1]	$0.12	August 10, 2012	August 10, 2007
Options	25,000[1]	$0.12	January 18, 2013	January 18, 2008
Options	1,725,000[1]	$0.12	August 25, 2013	August 25, 2008
Options	2,355,000	$0.12	September 29, 2013	September 29 25, 2008
	4,850,000			

[1] A total of 2,495,000 outstanding options were re-priced from $0.60 and $0.24 to $0.12 per share on September 29, 2009. The company calculated the incremental fair value of the option re-pricing using the Black-Scholes option pricing model, assuming a risk-free interest rate of 2.02%, expected volatility of 57%, expected life of 3.59 years and a dividend yield of 0%. The increase in fair value of $71,354 due to the modifcation of these options has been recorded as a charge to share based compensation and a corresponding increase to contributed surplus.

4. SHARE CAPITAL (continued)

Warrants

Warrant transactions during the six months ended September 30, 2009 and warrants outstanding at September 30, 2009 are:

Number of Shares						
March 31, 2009	Granted	Exercised	Expired	September 30, 2009	Price Per Share	Expiry Date
78,300	-	-	78,300	-	$0.65	June 22, 2009
78,300	-	-	78,300	-	$1.00	June 22, 2009
2,635,000	-	-	-	2,635,000	$0.75	December 14, 2009
2,635,000	-	-	-	2,635,000	$1.50	December 14, 2009
425,000	-	-	-	425,000	$0.15	March 24, 2011
-	134,931	-	-	134,931	$0.15	April 9, 2011
1,575,000	-	-	-	1,575,000	$0.65	June 22 and July 13, 2011 [1,2]
1,575,000	-	-	-	1,575,000	$1.00	June 22 and July 13, 2011 [1,3]
-	1,415,045	-	-	1,415,045	$0.15	August 28, 2011
-	13,584,955	-	-	13,584,955	$0.15	September 22, 2011
9,001,600	15,134,031	-	156,600	23,979,931		

[1] During the six months ended September 30, 2009 the Company received approval from the TSX to modify the original terms of these warrants and extend their expiry dates by two years. All remaining terms and conditions of the warrants remain unchanged. The Company has calculated the incremental fair value of the warrant extension using the Black-Scholes option pricing model and assuming a risk-free interest rate of 1.35%, expected volatility of 181%, an expected life of 2 years and a dividend yield of 0%. The resulting increase in fair value of $129,233 has been recorded as a charge to deficit and a corresponding increase to contributed surplus.

[2] If the closing trading price is $1.50 per share or higher for any 20 consecutive trading days, the Company may elect to accelerate the term to expire within 30 days of notice to the holders.

[3] If the closing trading price is $1.00 per share or higher for any 20 consecutive trading days, the Company may elect to accelerate the term to expire within 30 days of notice to the holders.

5. RELATED PARTY TRANSACTIONS

The Company paid fees of $49,730 for the six months ended September 30, 2009 (September 30, 2008 - $26,535) for legal expenses and share issue costs to a legal firm in which one of the partners is an officer of the Company. As at September 30, 2009 accounts payable included $ Nil payable to this legal firm (March 31, 2009 - $22,257).

The Company also paid management, accounting and consulting fees of $108,667, included in general and administrative expenses, and geological and engineering fees of $59,333, included in mineral property acquisition and exploration costs, to officers during the six months ended September 30, 2009 (September 30, 2008 - $132,260 and $30,740, respectively).

These transactions have been measured at the exchange amounts agreed to by the parties.

6. SEGMENTED INFORMATION

The Company's worldwide operations are all conducted in one industry segment, the exploration and development of mineral property interests.

The Company's assets by geographic segment are:

	September 30, 2009 (unaudited)		March 31, 2009	
	Canada	**India**	Canada	India
Cash and cash equivalents	**$ 677,590**	**$ 27,429**	$ 19,089	$ 42,738
Mineral property interests	**-**	**5,427,204**	-	5,109,360
Other capital assets	**28,887**	**126,719**	32,404	141,804
Accounts receivable, inventory, prepaid expenses, and long-term deposits	**23,098**	**64,425**	12,670	128,797
	$ 729,575	**$ 5,645,777**	$ 64,163	$ 5,422,699

7. PREMISES LEASES

The Company has relocated to a new office in Vancouver, Canada which has a monthly rental of $650 and a 60 day notice of termination. The Company was in the process of terminating its old lease in Vancouver at September 30, 2009 and had accrued a termination penalty of $13,292. The old lease agreement was terminated after September 30, 2009 for this amount.

The Company has also entered into leases in New Delhi, India, for office premises and staff accommodation, expiring in August 2010 and May 2011, which require estimated minimum annual rental payments of $194,000.

8. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

In 2006, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ratified a strategic plan that will result in Canadian GAAP, as used by public companies, evolving and being converged with International Financial Reporting Standards ("IFRS") over a transitional period currently expected to be completed by 2011. The International Accounting Standards Board also has projects currently under way which should result in new pronouncements which will be included in the convergence process.

The Company is conducting a detailed assessment of the requirements of the transition to IFRS, with the intention of identifying the timing of the implementation of the transition, major differences in accounting policies and selecting the policies which are appropriate for the Company, identifying the appropriate disclosure in financial statements prepared under IFRS and developing an implementation plan.

9. CONTINGENCY

In April 2008 the government-owned Uttar Pradesh State Mineral Development Corporation (UPSMDC) reopened a question the Company had thought closed for many years. UPSMDC resurrected a defunct Memorandum of Understanding (MOU) signed by the Company and UPSMDC in 1997, long before the state of Uttarakhand was formed from part of Uttar Pradesh on November 9, 2000.

The Company believes the claim is without merit; however after several exchanges with the claimant the Company has made an offer that will satisfy the claimant's objectives and have minimal impact on the Company's interest and the Company is awaiting UPSMDC's response.