

**GENTOR RESOURCES, INC.**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009 AND 2008**

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**CONSOLIDATED BALANCE SHEETS**  
**(Stated in US dollars)**

<b>ASSETS</b>		
<b>As at</b>	September 30, 2009 (unaudited)	December 31, 2008
<b>Current assets</b>		
Cash	\$ 11,955	\$ 8,502
Prepaid, deposit and other receivables (note 4)	60,333	67,588
	\$ 72,288	\$ 76,090
<b>Mineral properties</b> (note 5)	-	169,000
<b>Capital assets</b> (note 6)	380,890	472,534
<b>Total assets</b>	\$ 453,178	\$ 717,624
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 840,190	\$ 992,229
Due to related parties (note 7)	978,578	796,374
Note payable (note 8)	322,972	211,441
Loan payable – current portion (note 9)	38,781	35,297
<b>Total current liabilities</b>	\$ 2,180,521	\$ 2,035,341
<b>Long term liabilities</b>		
Loan payable – long term portion (note 9)	83,265	110,203
<b>Total current liabilities</b>	\$ 2,263,786	\$ 2,145,544
<b>SHAREHOLDERS' DEFICIENCY</b>		
Authorized		
100,000,000 Common shares, \$0.0001 par value		
50,000,000 Preferred shares, \$0.0001 par value		
Issued and outstanding		
22,500,000 Common shares (December 31, 2008 – 22,500,000)(note 10)	2,250	2,250
Paid-in capital	3,972,750	3,972,750
Deficit accumulated during the exploration stage	(5,785,608)	(5,402,920)
Shareholders' deficiency	(1,810,608)	(1,427,920)
<b>Total liabilities and shareholders' deficiency</b>	\$ 453,178	\$ 717,624

See accompanying summary of accounting policies and notes to the consolidated financial statements

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
**(Stated in US dollars)**  
**(unaudited)**

	Three month period ended September 30,		Nine month period ended September 30,		Cumulative from inception on March 24, 2005 to September 30, 2009
	2009	2008	2009	2008	2009
<b>Expenses</b>					
Field camps expenses	\$ -	\$ 15,407	\$ 231	\$ 284,972	\$ 347,884
Surveying	-	750	1,035	14,532	50,700
Geochemistry	-	-	661	122,241	145,113
Geology	-	26,939	4,900	240,156	513,766
Drilling	-	(69,709)	900	1,805,821	2,779,677
Environmental testing	-	6,793	-	25,135	27,884
Mineral properties	25,000	-	75,000	100,000	438,045
Consulting fees – related parties	-	-	-	-	12,400
Consulting fees - others	-	-	-	1,150	6,759
Management fees	-	-	-	-	2,000
Professional fees	27,264	15,624	107,841	94,489	685,336
General and administrative expenses	41,129	53,227	113,456	282,482	583,278
Depreciation	31,495	25,606	88,792	75,102	205,306
	<b>(124,888)</b>	<b>(74,637)</b>	<b>(392,816)</b>	<b>(3,046,080)</b>	<b>(5,798,148)</b>
Gain on sale of asset	3,250	-	3,408	-	3,408
Rental income	-	-	6,300	-	6,300
Interest income	88	-	420	984	2,832
<b>Net loss</b>	<b>\$ (121,550)</b>	<b>\$ (74,637)</b>	<b>\$ (382,688)</b>	<b>\$ (3,045,096)</b>	<b>\$ (5,785,608)</b>
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.14)	-
Weighted average number of common shares	22,500,000	22,500,000	22,500,000	22,500,000	-

See accompanying summary of accounting policies and notes to the consolidated financial statements

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Stated in US dollars)**  
**(unaudited)**

	For the nine month period ended September 30, 2009	For the nine month period ended September 30, 2008	Cumulative from inception on March 24, 2005 to September 30, 2009
<b>CASH PROVIDED BY (APPLIED TO):</b>			
<b>Operating activities:</b>			
Adjustments required to reconcile net loss with net cash used in operating activities			
Net loss for the period	\$ (382,688)	\$ (3,045,096)	\$ (5,785,608)
Depreciation	88,792	75,102	205,306
Shares issued for mineral properties	-	-	100,000
Accrued interest included in the note payable	15,822	7,408	27,263
Gain on sale of asset	(3,408)	-	(3,408)
<b>Change in non cash working capital balance</b>			
Accounts payable	18,971	726,351	1,011,200
Prepaid and deposits	7,255	(49,078)	(50,333)
	<u>(255,256)</u>	<u>(2,285,313)</u>	<u>(4,495,580)</u>
<b>Financing activities</b>			
Loan payable repayment	(23,454)	-	(23,454)
Common shares issued	-	-	3,875,000
Due to Canco Holding	95,709	200,000	295,709
Due to related parties/ Advances	182,204	643,466	978,578
	<u>254,459</u>	<u>843,466</u>	<u>5,125,833</u>
<b>Investing activities</b>			
Purchase of capital assets	-	(249,703)	(443,548)
Mineral properties	-	-	(169,000)
Proceeds from sale of asset	4,250	-	4,250
Purchase of a certificate of deposit	-	(10,000)	(10,000)
	<u>4,250</u>	<u>(259,703)</u>	<u>(618,298)</u>
<b>Net increase (decrease) in cash</b>	<u>3,453</u>	<u>(1,701,550)</u>	<u>11,955</u>
Cash, beginning of the period	8,502	1,712,947	-
Cash, end of the period	<u>\$ 11,955</u>	<u>\$ 11,397</u>	<u>\$ 11,955</u>

See accompanying summary of accounting policies and notes to the consolidated financial statements

**GENTOR RESOURCES, INC.**

(An exploration stage Corporation)

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIENCY) EQUITY**

For the Nine Month Period Ended September 30, 2009

(Stated in US dollars)

(unaudited)

	Common shares		Preferred shares		Paid-in capital	Accumulated deficit	Total shareholders' equity (deficit)
	Shares	Amount	Shares	Amount			
Shares issued on March 24, 2005 at \$0.004 per share	12,500,000	\$ 1,250	-	-	\$ 48,750	\$ -	\$ 50,000
Net loss for the year	-	-	-	-	-	(97,637)	(97,637)
Balance at December 31, 2005	12,500,000	1,250	-	-	48,750	(97,637)	(47,637)
Shares issued on December 15, 2006 at \$0.20 per share	5,000,000	500	-	-	999,500	-	1,000,000
Net loss for the year	-	-	-	-	-	(233,900)	(233,900)
Balance at December 31, 2006	17,500,000	1,750	-	-	1,048,250	(331,537)	718,463
Shares issued on July 23, 2007 at \$0.20 per share	500,000	50	-	-	99,950	-	100,000
Shares issued on July 31, 2007 at \$0.20 per share	1,000,000	100	-	-	199,900	-	200,000
Shares issued on November 20, 2007 at \$0.25 per share	1,000,000	100	-	-	249,900	-	250,000
Shares issued on December 17, 2007 at \$1.00 per share	2,500,000	250	-	-	2,499,750	-	2,500,000
Financing cost of shares issued on December 17, 2007	-	-	-	-	(125,000)	-	(125,000)
Net loss for the year	-	-	-	-	-	(1,881,910)	(1,881,910)
Balance at December 31, 2007	22,500,000	2,250	-	-	3,972,750	(2,213,447)	1,761,553
Net loss for the period	-	-	-	-	-	(3,189,473)	(3,189,473)
Balance at December 31, 2008	22,500,000	2,250	-	-	3,972,750	(5,402,920)	(1,427,920)
Net loss for the period	-	-	-	-	-	(382,688)	(382,688)
Balance at September 30, 2009	22,500,000	\$ 2,250	-	-	\$ 3,972,750	\$ (5,785,608)	\$ (1,810,608)

See accompanying summary of accounting policies and notes to the consolidated financial statements

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

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**September 30, 2009**

1. ORGANIZATION AND GOING CONCERN

Gentor Resources, Inc. ("the Company") was incorporated on March 24, 2005 under the Florida Business Corporation Act. The Company is an exploration stage corporation formed for the purpose of prospecting and developing mineral properties.

The accompanying interim consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates, the realization of assets and satisfaction of liabilities in the normal course of business. As at September 30, 2009, the Company has a loss from operations of \$382,688 and accumulated deficit of \$5,785,608, which raises substantial doubt on the Company's ability to continue as a going concern. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditure, working capital and other cash requirements.

The Company's continued existence is dependent upon it emerging from the exploration stage, obtaining additional financing to continue operations, explore and develop the mining properties and the discovery, development and sale of ore reserves.

These interim consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PRESENTATION

The accompanying interim consolidated financial statements of the Company for the nine month periods ended September 30, 2009 and 2008 are unaudited. However, in the opinion of the Company, all adjustments considered necessary for a fair presentation have been reflected therein. Certain financial information which is normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, but which is not required for interim reporting purposes, has been omitted. The accompanying interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Form 10-K for the fiscal year ended December 31, 2008. The results of operations for the period are not necessarily indicative of the results to be expected for the full year.

b) BASIS OF CONSOLIDATION

On June 28, 2007, the Company incorporated a wholly-owned subsidiary Gentor Idaho, an Idaho corporation. The Company's consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary.

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

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**September 30, 2009**

c) MINERAL PROPERTIES AND EXPLORATION COSTS

Exploration costs pertaining to mineral properties with no proven reserves are charged to operations as incurred. When it is determined that mineral properties can be economically developed as a result of establishing proven and probable reserves, cost incurred to develop such properties are capitalized. Such costs will be amortized using the unit of production method over the estimated life of the probable reserves.

d) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded as follows:

Vehicle	- Straight line over two years
Mining equipment	- Straight line over four years
Building	- Straight line over five years

e) FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair value of its financial instruments approximates their carrying values, unless otherwise noted.

*Fair Value Measures*

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measures ." ("SFAS No. 157"). This Statement defines fair value, establishes a framework for measuring fair value in GAAP, expands disclosures about fair value measurements and applies under other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 does not require any new fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The adoption of SFAS No. 157 did not have a material effect on the Company's results of operations, financial position or cash flows.

FASB Staff Position No. FAS-157-2 provided for a deferred implementation relating to non-financial assets and non-financial liabilities to January 1, 2009. This did not have an impact on the Company's financial statements.

Effective January 1, 2008, the Company implemented SFAS 157 for its financial assets and financial liabilities that are re-measured and reported at fair value at each reporting period.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values

**GENTOR RESOURCES, INC.**  
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**September 30, 2009**

determined by Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The following table presents, for each of the fair value hierarchy levels required under SFAS No. 157, the Company's financial assets that are measured at fair value on a recurring basis at September 30, 2009:

	September 30, 2009	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	\$ 11,955	\$ 11,955	—	—
Certificate of deposit	\$ 10,000	\$ 10,000		

### 3. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued Statement No. 168, The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162 (“FAS 168”). FAS 168 will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. Following this Statement, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates. The FASB will not consider Accounting Standards Updates as authoritative in their own right. Accounting Standards Updates will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification. FAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of this statement did not have a material impact on the consolidated financial statements.

On May 28, 2009, the FASB issued FAS 165, *Subsequent Events* (“FAS 165”). FAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. An entity must recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including estimates inherent in the process of preparing financial statements. However, an entity shall not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date but before the financial statements are issued or are available to be issued. It states that an entity should disclose the date through which

**GENTOR RESOURCES, INC.**  
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**September 30, 2009**

subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. This statement is effective for annual and interim periods ending after June 15, 2009. The adoption of this standard did not have a significant impact on the Company's financial statements.

On April 9, 2009, the FASB issued FASB Staff Position FAS 107-1, Interim Disclosures about Fair Value of Financial Instruments ("FSP 107-1"). FSP 107-1 amends FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. FSP 107-1 also amends Accounting Principles Board Opinion No. 28, Interim Financial Reporting, to require those disclosures summarized financial information at interim reporting periods. FSP 107-1 shall be effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. An entity may have to early adopt this FSP if certain requirements are met. This FSP does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, this FSP requires comparative disclosures only for periods ending after initial adoption.

The Company has adopted this standard and there was no material impact on the financial statements; however, there is additional disclosure required in Note 9. The fair value of other financial instruments approximates their carrying value.

4. **PREPAID AND DEPOSIT**

Prepaid, deposits and other receivables account includes a \$10,000 certificate of deposit issued on March 11, 2009 and assigned to the United States Bureau of Land Management as a reclamation bond for the installation of a bridge crossing the Patterson creek in the Company's Montana project. This certificate of deposit bears an interest rate of 1.75% per annum and will mature on March 11, 2010. The certificate of deposit will automatically roll over to maintain the bond in good standing.

5. **MINERAL PROPERTIES**

**United States**

**Idaho Project**

On July 3, 2007, the Company acquired through its wholly-owned subsidiary, Gentor Idaho, fee simple title a 75 acre parcel of land located in Lemhi County, Idaho for a purchase price of \$169,000. The 75 Acre Parcel also includes 72 miner's inches of water rights. In addition, through a staking program, the Company also acquired 66 lode claims and 5 placer claims on federal lands ("the Staked Claims"). The Company is required to pay \$9,940 per annum (\$140 per Staked Claim) to the United States Department of the Interior, Bureau of Land Management in order to retain the Staked Claims. In June 2009, the 75 acre parcel was sold for \$169,000 to a vendor in exchange for a reduction in accounts payable that the Company owed this vendor. However, in connection with the sale of the 75 Acre Parcel to the Buyer, the Company was granted (1) a 10-day right of first refusal to purchase the 75 Acre Parcel in the event the Buyer received a bona-fide

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**September 30, 2009**

offer to sell said property and (2) an option to repurchase the 75 Acre Parcel for a purchase price of \$169,000 at any time on or before December 31, 2010.

Effective as of July 23, 2007, Bardswich LLC, an entity that is owned and controlled by Lloyd J. Bardswich, who is the president and CEO of the Company, and Gentor Idaho, a wholly owned subsidiary of the Company, entered into an assignment agreement whereby Bardswich LLC assigned all of its rights, title and interest in and to the Idaho Option Agreement to Gentor Idaho in exchange for \$40,000 in cash and 500,000 shares of the Company's common stock. The Idaho Option Agreement dated effective as of March 1, 2007 relates to a certain mineral lease agreement and an option to purchase twenty one (21) patented mining claims located over approximately 376 acres of real property and four other parcels of approximately 216 acres (collectively, the "Optioned Properties") in Lemhi County, Idaho. An initial payment of \$40,000 in cash was made by the Idaho claim owner upon execution of the Idaho Option Agreement and an additional payment of \$60,000 was made on the six-month anniversary date of signing the original Idaho Option Agreement. A payment of \$100,000 was made during the month of March 2008 with respect to the first anniversary date of the Idaho Option Agreement. Additional payments of (i) \$100,000 in cash is due on or before the second and third anniversary date of the Idaho Option Agreement, and (ii) \$200,000 in cash is due on or before the fourth anniversary date thereafter until the purchase price is paid or the Idaho Option Agreement is terminated or cancelled. However, on March 1, 2009, the second anniversary date of the Idaho Option Agreement, the Idaho Claim Owner agreed to accept four equal payments of \$25,000 on each March 1, May 1, July 1, and September 1, 2009 in lieu of the \$100,000 payment that was due in full on March 1, 2009. The \$25,000 payments that were due, respectively on March 1, 2009, May 1, 2009 and July 1, 2009 have been paid to the Idaho Claim Owner, but the \$25,000 payment that was due on September 1, 2009 has not yet been paid to the Idaho Claim Owner. In the event the Idaho Claim Owner notifies the Company in writing that the \$25,000 payment has not been paid, then the Company has 20 days to cure such breach, and if the Company cannot cure such breach within the foregoing 20 day period, then the Idaho Claim Owner can terminate the Idaho Option Agreement. Even though the Idaho Claim Owner has not yet provided the Company with a written notice of default, the Company intends to pay the \$25,000 payment as soon as possible. To the extent that the Company makes any advanced minimum royalty payments, the Company is entitled to receive a corresponding credit against any required net smelter return royalties that are otherwise required to be paid to the Idaho claim owner under the Idaho Option Agreement. The Idaho Option Agreement also grants the Company an option to purchase the Idaho claim owner's rights to the Optioned Properties, including but not limited to the IMA Mine, for a total purchase price of \$5,000,000, excluding therefrom the right of the Idaho claim owner to receive a three percent (3%) royalty on net revenue generated from the sale of any molybdenum, copper, lead and zinc recovered from the IMA Mine and five percent (5%) royalty on the net revenue generated from the sale of all other ores, minerals, or other products recovered from the Optioned Properties.

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

**September 30, 2009**

6. CAPITAL ASSETS

**September 30, 2009**

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value (Unaudited)</b>
<b>Vehicle</b>	\$ 29,790	\$ 27,103	\$ 2,687
<b>Mining equipment</b>	190,322	57,269	133,053
<b>Building</b>	358,241	113,091	245,150
	<b>\$ 578,353</b>	<b>\$ 197,463</b>	<b>\$ 380,890</b>

December 31, 2008

	<b>Cost and additions during the year</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Vehicle	\$ 37,790	\$ 23,660	\$ 14,130
Mining equipment	193,017	22,257	170,760
Building	358,241	70,597	287,644
	<b>\$ 589,048</b>	<b>\$ 116,514</b>	<b>\$ 472,534</b>

7. RELATED PARTY TRANSACTIONS

As at September 30, 2009 an amount of \$701,800 in the aggregate (December 31, 2008 - \$604,096) advanced to the Company for working capital purposes was due to a corporation wholly-owned by a significant shareholder of the Company who also serves as a director and as executive vice-president of the Company. As well \$194,969 (December 31, 2008 - \$192,278) was advanced by a Director and officer of the Company. An amount of \$2,134 was due to a Director for reimbursement of expenses. These advances are unsecured, non-interest bearing and repayable upon demand.

During the nine month period ended September 30, 2009, an amount of \$3,000 in the aggregate (September 30, 2008 - \$104,750 paid to three directors), was paid to one director of the Company for services rendered to the Company during the period. This amount is included in the Company's consolidated statements of operations and deficits under geology and drilling expenses.

In June 2009, an amount of \$79,675 was advanced by two Directors of the Company and used to repay accounts payable owed by the Company.

**GENTOR RESOURCES, INC.**  
**(An exploration stage Corporation)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

**September 30, 2009**

8. NOTE PAYABLE

On April 9, 2009, the Company entered into a promissory note payable (the "Note") in the amount of \$106,209. The Note bears simple interest at a rate of 8% per annum and is unsecured and due on demand. This Note is in addition to that certain note ("the Previous Note") that the Company entered into on April 14, 2008, in the amount of \$200,000. This Note also bears interest at a rate of 8% per annum and is unsecured and due on demand. During the third quarter of 2009, \$10,500 was repaid to the lender.

9. LOAN PAYABLE

On December 12, 2008, the Corporation entered into a financing agreement for the purchase of a bulldozer in the amount of \$145,500. The loan bears an interest rate of 1.99% and has a term of 48 months with monthly principle and interest payments of \$3,156. The current portion, which is payable within 1 year, is \$ 38,781. As of September 30, 2009, the loan payable repayments for each of the years ending December 31 are as follows:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Loan payment	\$11,843	\$36,006	\$36,729	\$37,468	\$122,046

The estimated fair value of the loan is approximately \$116,000 and it is calculated using the borrowing rates for loans with similar terms and maturities.

10. SHARE CAPITAL

On September 1, 2009 (the "Effective Date"), the Company filed an amendment to the Existing Articles with the Secretary of State of the State of Florida to increase the authorized share capital of the Company to 50,000,000 preferred shares and 100,000,000 common shares with a par value of \$0.0001 per share. Prior to the Effective Date, the authorized share capital of the Company consisted of 12,500,000 preferred shares and 37,500,000 common shares with a par value of \$0.0001 per share. Each common share entitles the holder to one vote and no holder of the common shares shall be entitled to any right of cumulative voting. Preferred shares may be issued in series with distinctive serial designations.

As at September 30, 2009, the Company had outstanding 22,500,000 (December 31, 2008 – 22,500,000) common shares and no preferred shares.

11. INCOME TAXES

For income tax purposes the Company had approximately \$382,000 of net operating losses for the nine month period ended September 30, 2009, which can be used to offset future taxable income. During year ended December 31, 2008, the Company incurred net losses and, therefore, had no tax liability. The net deferred tax asset generated by the loss carryforward has been fully reserved. The net operating loss carryforward is approximately \$5,785,000 at September 30, 2009. No income tax benefit has been recorded in the accompanying interim consolidated financial statements since the recoverability of such assets is not more likely than not to be realized through known future revenue sources.

**GENTOR RESOURCES, INC.**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

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**September 30, 2009**

12. CONTINGENT LIABILITY

FAS No. 5, "Accounting for Contingencies" requires loss contingencies to be accrued and expensed if they are probably and can be reasonably estimated.

In September of 2007, the Company entered into an Assignment & Novation Agreement ("the Nunavut Assignment Agreement") with CVRD Inco Limited ("CVRD") and Joe Antoshkiw ("Antoshkiw"). In October of 2008, the Company cancelled the Nunavut Assignment Agreement.

During the first quarter of 2009, the Company received a letter from counsel to Antoshkiw, the owner of the Nunavut Project. The letter alleged a claim against the Company and CVRD in connection with the Nunavut Assignment Agreement and proposed a monetary settlement in the amount of \$50,000 in return for a release of the claims by Antoshkiw against the Company and CVRD. The claim has been withdrawn and no further action has been taken against the Company.

13. SUBSEQUENT EVENTS

The Company assessed events occurring subsequent to September 30, 2009 through November 30, 2009 for potential recognition and disclosure in the consolidated financial statements. No events have occurred that would require adjustment to or disclosure in the consolidated financial statements which were issued on November 30, 2009.