

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 20-F**

( ) REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

( ) SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Date of event requiring this shell company report: \_\_\_\_\_

Commission file number 016353

**KOKOMO ENTERPRISES INC.**

(Exact name of Registrant as specified in its charter)

British Columbia, Canada

(Jurisdiction of Incorporation or organization)

Suite 1000, 1177 West Hastings Street, Vancouver, British Columbia, Canada V6E 2K3

(Address of principal executive offices)

Securities to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12 (g) of the Act:

Common Stock, Fully Paid and Non-Assessable Common Shares Without Par Value

(Title of Class)

Securities for which there is reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 16,575,278 as of December 31, 2011. No preferred shares issued and outstanding

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes [ ] No [X]

Note- Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days. Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]                      Accelerated filer [ ]                      Non-accelerated filer [X]

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP [ ]                      International Financial Reporting Standards as issued                      Other [ ]  
By the International Accounting Standards Board [ X ]

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 [ ]      Item 18 [ ]

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes [ ]      No [X]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ]      No [X]

**KOKOMO ENTERPRISES INC.**

**FORM 20-F ANNUAL REPORT 2011**

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## ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

## ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

## ITEM 3. KEY INFORMATION

### Item 3.A. Selected Financial Data

The selected financial data in Table I has been derived from the audited financial statements of Kokomo Enterprises Inc. (hereinafter referred to as the “Company” or the “Registrant” or “Kokomo”). The financial data under the tables 2007, 2008 and 2009 have been prepared in accordance with accounting principles generally accepted in Canada (“GAAP”) and the financial data under 2010 and 2011 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The information should be read in conjunction with the Registrant's financial statements and notes thereto included in Item 17 of this Annual Report.

All financial figures presented herein and throughout this Annual Report are expressed in Canadian dollars (Cdn\$) unless otherwise specified. On April 16, 2009, the Company's share capital was consolidated on the basis of twenty-five old for one-new common share. **All common shares and per share amounts included in this Annual Report on Form 20-F (2011) have been restated to give retroactive effect to the 25:1 share consolidation, which took effect on April 16, 2009 as described in Results of Operations in Item 4.(a) of this document..**

**TABLE I**

|  |    | <b>Year Ended<br/>December 31,<br/>2011</b> | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> | <b>Year Ended<br/>December<br/>31, 2008</b> | <b>Year Ended<br/>December 31,<br/>2007</b> |
|--|----|---|---|---|---|---|
| Operating Revenue                          | \$ | 0   | 0   | 0   | 0   | 0   |
| Interest Income                            | \$ | 0   | 27  | 270   | 605   | 822   |
| Net Income (loss)                          | \$ | (483,413)                                   | (451,400)                                   | (550,218)                                   | (1,511,761)                                 | (676,166)                                   |
| Basic net earnings/(loss) per common share | \$ | (0.03)                                      | (0.04)                                      | (0.15)                                      | (1.38)                                      | (0.73)                                      |
| Total Assets                               | \$ | 3,140                                       | 168,807                                     | 162,205                                     | 244,894                                     | 1,476,545                                   |
| Capital Stock                              | \$ | 24,117,881                                  | 23,866,681                                  | 23,492,381                                  | 23,006,115                                  | 23,004,615                                  |
| Number of common shares at year-end        |    | 16,575,278                                  | 13,963,278                                  | 8,420,278                                   | 1,094,945                                   | 1,092,945                                   |
| Long term-obligations                      | \$ | 0   | 0   | 0   | 0   | 0   |
| Cash dividends                             | \$ | 0   | 0   | 0   | 0   | 0   |

**Note: All common shares and per share amounts included in the above table have been restated to give retroactive effect to the 25:1 consolidation described in Information on the Company under Item 4. of this Annual Report.**

## Exchange Rates

|               | Monthly High (\$) <sup>(1)</sup> | Monthly Low (\$) <sup>(1)</sup> |
|---------------|----------------------------------|---------------------------------|
| December 2011 | 0.9905                           | 0.9619                          |

<sup>(1)</sup>The high and low exchange rates have been calculated using the rates of the Bank of Canada.

|                                     | For Year Ended<br>December 31,<br>2011 | For Year Ended<br>December 31,<br>2010 | For Year Ended<br>December 31,<br>2009 | For Year Ended<br>December 31,<br>2008 | For Year Ended<br>December 31,<br>2007 |
|-------------------------------------|--|--|--|--|--|
| Average rate<br>(\$) <sup>(2)</sup> | 1.0110                                 | 0.9706                                 | 0.8760                                 | 0.9381                                 | 0.9303                                 |
| High (\$) <sup>(3)</sup>            | 1.0607                                 | 1.0054                                 | 0.9470                                 | 1.0241                                 | 1.0852                                 |
| Low (\$) <sup>(3)</sup>             | 0.9480                                 | 0.9307                                 | 0.7916                                 | 0.7731                                 | 0.8435                                 |

<sup>(2)</sup>The average exchange rate for the period has been calculated using the yearly rate of the Bank of Canada.

<sup>(3)</sup>The high and low exchange rates in each period were determined from the yearly rate of the Bank of Canada.

All of the amounts in the Exchange rates tables above are stated in U.S. currency. Accordingly, at the closing on December 31, 2011, the U.S. \$1.00 was equal to Cdn \$1.0170.

## Item 3.D. Risk Factors

The Company, and the Securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

### 1). RISKS RELATED TO THE COMPANY'S BUSINESS

- **Regulations:** Kokomo's proposed mineral exploration programs, are subject to extensive federal, provincial and local laws and regulations governing such exploration, development and operation of mining activities as well as the protection of the environment, including laws and regulations relating to obtaining permits to mine, protection of air and water quality, hazardous waste management, mine reclamation and the protection of endangered or threatened species.

- **Exploration and Development:** The resource properties in which the Company has an interest are in the exploration stages only and do not have a known body of commercial ore. Exploration and development of natural resource properties involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities or grades to justify commercial operations or that the funds required for development can be obtained on a timely basis.

- **Operating Hazards and Risks:** Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damages to persons or property and possible environmental damages. Although the Company may obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the

Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

- **Fluctuating Metal Prices:** The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation or deflation, currency exchange rate fluctuations, interest rates fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the prices of metals, and therefore the economic viability of the Company's interest in exploration projects, cannot be accurately predicted.

- **Environmental Factors:** Should the Company decide to conduct any mineral exploration works then all phases of the Company's mineral exploration works shall be subject to environmental regulation in the various jurisdictions in which the Company operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

- **Competition:** The resource industry is intensely competitive in all of its respective phases, and the Company competes with many companies possessing much greater financial resources and technical facilities than the Company. As such, competition is adversely affecting the Company's ability to acquire suitable mineral exploration properties at reasonable prices.

- **Management:** The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

- **Dilution:** There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

- **Revenues and Dividends:** In the past, the Company used to generate some revenues and does not anticipate generating any revenues in the near future. Consequently, if the Company requires additional funds for the exploration and development of its interests in mineral properties or for operating capital purposes, or for acquiring interests in other mineral properties, the Company will have to seek equity or debt financing which may or may not be available. Furthermore, the Company has not paid any dividends in the past and does not expect to pay dividends in the future. In the event of generating any earnings, the Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

- **Requirement of New Capital:** As a company without any revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its assets. In the past, the Company has had to raise, by way of debt and equity financings, considerable funds to meet its capital needs. There is no assurance that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth.

- **U.S. Federal Income Tax Considerations:** The Company is classified as a Passive Foreign Investment Company ("PFIC") for U.S. Federal Income Tax purposes. Classification as a PFIC will create U.S. Tax consequences to a U.S. shareholder of the Company that are unique to the PFIC provisions and that are not encountered in other investments. Prospective investors are advised to consult their own tax advisors with respect to the tax consequences of an investment in the common shares of the Company.

- **Penny Stock:** The Company's securities are deemed to be *Penny Stocks* and are therefore subject to Penny Stock rules as defined in Rule 3a(51)(1) of the 1934 Exchange Act. The Penny Stock disclosure requirements may have the effect of reducing the level of trading activity of the Company's securities in the secondary market. Penny Stocks are low-priced shares of small companies not traded on a U.S.

national exchange or quoted on Nasdaq. The Company's securities are quoted for trading on the OTCQB tier of the OTC Markets Group ("OTCQB"). Penny Stocks, such as the Company's securities, can be very risky. Prices of Penny Stocks are often not available. Investors in Penny Stocks are often unable to sell stock back to the dealer that sold them the stock. Investors may lose all their investment in Penny Stocks. There is no guaranteed rate of return on Penny Stocks. Before an investor purchases any Penny Stock, U.S. Federal law requires a salesperson to tell the investor the "offer" and the "bid" on the Penny Stock, and the "compensation" the salesperson and the firm receive for the trade. The firm also must mail a confirmation of these prices to the investor after the trade. The Investor's Broker-dealer is required to obtain the investor's signature to show that the investor has received the statement titled "Important Information on Penny Stocks" before the investor first trades in a Penny Stock. This Statement is required by the U.S. Securities and Exchange Commission ("SEC") and contains important information on Penny Stocks. Furthermore, under penalty of Federal Law the Investor's brokerage firm must tell the investor at two different times - before the investor agrees to buy or sell a Penny Stock, and after the trade, by written confirmation the following: 1) the bid and offer price quotes for the Penny Stock, and the number of shares to which the quoted prices apply, 2) the brokerage firm's compensation for the trade, 3) the compensation received by the brokerage firm's salesperson for the trade. In addition, to these items listed above the investor's brokerage firm must send the investor monthly account statements and a written statement of the investor's financial situation and investment goals as required by the Securities Enforcement and Penny Stock Reform Act of 1990.

- **Disruption in Trading:** Trading in the common shares of the Company may be halted or suspended for certain reasons, including, but not limited to, the failure by the Company to submit documents to the Regulatory Authorities in the time periods required.

## **2). RISKS RELATED TO THE COMPANY'S INVESTMENTS**

On March 26, 2004, the Company entered into an Option Agreement (Exhibit 10.5 – Incorporated by reference) with an arm's length party (the "Arm's Length Party") in respect to certain mineral claims, which are situated in the Kamloops Mining Division in British Columbia (the "Extra High Property"). Pursuant to the terms of the Option Agreement as amended on March 8, 2005, the Company obtained the right to acquire a 100% undivided interest in the Extra High Property, subject to a 1.5% net smelter returns royalty (the "Arm's Length Royalty"), by making staged cash payments totaling \$150,000 and incurring exploration expenditures on the Extra High Property totaling \$500,000 over a period of three years. Upon the Company earning a 100% undivided interest in the Extra High Property, the Company obtained the right to purchase at any time 50% of the Arm's Length Royalty by paying to the Arm's Length Party the sum of \$500,000 leaving the Arm's Length Party with a 0.75% NSR royalty

On September 8, 2006, the Company entered into an Option Agreement with Colt Resources Inc. ("Colt"), a company formerly related by certain common officers and directors, whereby Colt obtained the right to acquire a 50% undivided interest, subject to the Arm's Length Royalty in the Extra High Property by incurring exploration expenditures of \$240,000 on the Extra High Property by no later than February 28, 2007 and by making cash payments to the Company totaling \$133,770 by no later than March 26, 2007. On October 31, 2006, the Company and Colt entered into an Amending Agreement whereby Colt was granted an extension period until June 26, 2007 to incur exploration expenditures on the Extra High Property and to make the cash payments to the Company. On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") (Exhibit 10.11.3 - Incorporated by reference) with Colt whereby Colt was granted the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making

a cash payment of \$250,000 to the Company thus acquiring from the Company a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt increased its undivided interest in the Extra High Property to 67% and has become the operator of the Extra High Property. In order to exercise the second tranche of the option, Colt was required to make a cash payment of \$250,000 to the Company on or before December 31, 2008. Colt did not exercise the second tranche of the option. Consequently, Colt now holds a 67% undivided interest in the Extra High Property and the Company now holds a 33% undivided interest in the Extra High Property. Pursuant to the Joint Venture which the Company and Colt have formed, each party shall henceforth contribute its proportionate share of property related expenditures. If any party fails to contribute its share of future property related expenditures, then its interest will be diluted on a straight-line basis. If any party's interest is diluted to less than 10%, then that party's interest in the Extra High Property will be converted into a 0.5% net smelter returns royalty.

Neither the Company nor the operator of the Extra High Property has incurred any meaningful exploration or evaluation expenditures in recent years with respect to the Extra High Property. Accordingly, the Company has recognized an impairment provision of \$151,339 (2010 - \$nil) to reduce the carrying amount to \$1. If there is an indication in the future that the impairment loss recognized no longer exists or has decreased, the recoverable amount will be estimated and the carrying value of the property will be increased to its recoverable amount.

#### **ITEM 4. INFORMATION ON THE COMPANY**

##### **Item 4.A. History and Development of the Company**

The legal and commercial name of the company is KOKOMO ENTERPRISES INC.

The Company was incorporated by memorandum under the Company Act of the Province of British Columbia, Canada on August 24, 1984 (Exhibit 3.1 – Incorporated by reference) and was registered extra-provincially in the Province of Ontario, Canada on October 19, 1984. On May 31, 1988, the Company adopted as the French form of its name "Ressources Armeno Inc.". On May 25, 1992, the name of the Company was changed to Ag Armeno Mines and Minerals Inc. in the English form, and "Les Mines et Mineraux Ag Armeno Inc." in the French form. On April 25, 2000, the name of the Company was changed from Ag Armeno Mines and Minerals Inc. in the English form, and "Les Mines et Mineraux Ag Armeno Inc.", in the French form, to Golden Nugget Exploration Inc. On May 2, 2002, the name of the Company was changed from Golden Nugget Exploration Inc. to Lucky 1 Enterprises Inc. On January 17, 2005, the name of the Company was changed from Lucky 1 Enterprises Inc. to Bronx Ventures Inc. and the Company adopted new Articles (Exhibit 3.2 - Incorporated by reference). On March 19, 2007, the Company changed its name to Zab Resources Inc. On April 16, 2009, the Company changed its name from Zab Resources Inc. to Kokomo Enterprises Inc.

On April 4, 1985, the Company's common shares were listed and posted for trading on the Vancouver Stock Exchange, on the Montreal Exchange on January 15, 1988 and, on the Nasdaq SmallCap Market on May 11, 1988. On July 12, 1991, the Company voluntarily de-listed its common shares from the Montreal Exchange, and, on October 3, 1994, the Company's shares were delisted from the Nasdaq SmallCap Market. Effective October 4, 1994, the Company's shares have been listed for trading on the OTC Bulletin Board and are now listed for trading on the OTCQB tier of the OTC Markets Group Inc ("OTCQB). Effective November 29, 1999 the Vancouver Stock Exchange became known as the Canadian Venture Exchange (hereinafter referred to as the "CDNX") as a result of the merger between the Vancouver Stock Exchange and the Alberta Stock Exchange. On July 5, 2001, the Company made a formal application to the CDNX requesting the voluntary delisting of the Company's common shares from trading on the CDNX, as a result of which, the common shares of the Company were delisted from trading on the CDNX effective at the close of trading on July 31, 2001.

On July 30, 1986, the Company's share capital split on the basis of one-old-for-two-new common shares.

On May 25, 1992, the Company's share capital was consolidated on the basis of ten-old-for-one-new common share. On April 25, 2000, the Company's share capital was consolidated on the basis of fifteen-old-for-one-new common share. On May 2, 2002, the Company's share capital was consolidated on the basis of five-old-for-one-new common share and its authorized share capital was subsequently increased to 200,000,000 common shares without par value. On January 17, 2005, the Company's share capital was consolidated on the basis of thirty-five-old-for-one-new common share and its authorized share capital was increased to an unlimited number of common and preferred shares without par value. On March 19, 2007, the Company subdivided its capital stock on a 1 (old) share for 50 (new) shares basis. As a result, the shares of Bronx Ventures Inc. were de-listed from trading and the shares of Zab Resources Inc. commenced trading on the OTC Bulletin Board and are now listed for trading on the OTCQB in the USA under the symbol "ZABRF" on March 22, 2007.

Effective November 28, 2007, the common shares of the Company have been listed for trading on the Canadian National Stock Exchange ("CNSX") (formerly known as the Canadian Trading and Quotation System (CNQ)) under the trading symbol "ZABK". On October 17, 2008, the Company's CNSX symbol was changed to "ZAB" pursuant to the CNSX adopting a three character symbol format.

On April 16, 2009, the Company's share capital was consolidated on the basis of 25 (old) shares for 1 (new) share basis. As a result, the shares of Zab were de-listed from trading and the shares of Kokomo commenced trading in Canada on the CNSX under the symbol "KKO", and in the U.S.A. the shares of Kokomo commenced trading on the OTC Bulletin Board and are now listed for trading on the OTCQB under the symbol "KKOEF". The Cusip number of the Company's common shares is 500323100.

The Company was previously registered extra-provincially under the *Corporations Registration Act* in the Province of Nova Scotia, Canada in order to participate in a tender for a Special License in respect to the exploration of salt and potash on certain claims. The Company participated in the tender, however, due to delays in being granted a Special License, the Company withdrew its participation from the tender and the Company decided not to renew its registration as an extra-provincially registered company under the *Corporations Regulations Act* in the Province of Nova Scotia, Canada.

Since its incorporation, the Company has been engaged primarily in the identification, acquisition, exploration and, if warranted, the development of natural resource properties and, for a brief period of time, the Company, through its formerly owned Ecuadorean subsidiary, Armenonic del Ecuador S.A. ("Armenonic") operated the San Bartolome lead/zinc/silver mine in Ecuador.

Kokomo is a junior mineral exploration company. The Company has a 33% undivided interest in the Extra High Property located in the Province of British Columbia, and the Company has a one-half percent (1/2%) gross receipts royalty interest in certain lithium mineral properties located in the Province of Ontario. The principal business of Kokomo is in mineral exploration. The Company's ability to pursue its stated primary business and to meet its obligations as they come due is dependent upon the ability of management to obtain the necessary financings either through private placements or by means of public offerings of the Company's securities or through the exercise of incentive stock options or warrants or through debt financings or through the sale of its assets.

Effective September 25, 2009, the Company's head office is located at: Suite 1000 – 1177 West Hastings Street, Vancouver, British Columbia, Canada V6E 2K3. The telephone number is (604) 681-1519 (ext 6106) and the telefax number is (604) 681-9428. The contact person is Bedo H. Kalpakian.

The Company's registered office and records office is located at: P.O. Box 10068, #1600 -609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3. The telefax number is (604) 669-3877.

The Registrar and Transfer Agent of the Company is Computershare Investor Services Inc, 510 Burrard Street, Vancouver, BC , Canada V6C 3B9. The telefax number is (604) 661-9407.

The Auditors of the Company are Smythe Ratcliffe, Chartered Accountants, 7<sup>th</sup> floor, Marine Building,

355 Burrard Street, Vancouver, British Columbia, Canada V6C 2G8. The telefax number is (604) 688-4675.

## **Item 4.B. Business Overview**

### **Summary**

Kokomo is a junior mineral exploration company. The Company has a 33% undivided interest in the Extra High Property located in the Province of British Columbia, and the Company has a one-half percent (1/2%) gross receipts royalty interest in certain lithium mineral properties located in the Province of Ontario. The principal business of Kokomo is in mineral exploration.

Kokomo is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents, including an AIF in its alternate form, on [www.Sedar.com](http://www.Sedar.com). The Company is a foreign private issuer in the United States of America and in this respect files, on EDGAR, its Annual Report on Form 20-F and other reports on Form 6K. The following link, <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000825171&owner=exclude&count=40> will give you direct access to the Company's filings.

Presently, Kokomo is seeking mineral prospects of merit to get involved in. It should be noted that there are no assurances that Kokomo shall be successful in its attempts of seeking mineral prospects of merit to get involved in.

### **Item 4. C. Organizational Structure**

Not Applicable.

### **Item 4.D. Property, Plants and Equipment**

#### **I. Extra High Property, Kamloops Mining Division, British Columbia, Canada**

On March 26, 2004, the Company entered into an Option Agreement (Exhibit 10.5 – Incorporated by reference) with an arm's length party (the "Arm's Length Party") in respect to certain mineral claims, which are situated in the Kamloops Mining Division in British Columbia (the "Extra High Property"). Pursuant to the terms of the Option Agreement as amended on March 8, 2005, the Company obtained the right to acquire a 100% undivided interest in the Extra High Property, subject to a 1.5% net smelter returns royalty (the "Arm's Length Royalty"), by making staged cash payments totalling \$150,000 and incurring exploration expenditures on the Extra High Property totalling \$500,000 over a period of three years. Upon the Company earning a 100% undivided interest in the Extra High Property, the Company obtained the right to purchase at any time 50% of the Arm's Length Royalty by paying to the Arm's Length Party the sum of \$500,000 leaving the Arm's Length Party with a 0.75% NSR royalty.

In the spring of 2004, the Company commissioned an independent review of the Extra High Mineral Property by Erik Ostenoe, P. Geo., who prepared a report, dated the 22<sup>nd</sup> day of April, 2004 titled "National Policy 43-101 Report, Extra High Mineral Property, Kamloops Mining Division, British Columbia". The report recommended exploration work programs be carried out on the Extra High Mineral Property in order to evaluate the mineral potential of the Extra High Mineral Property. This report has been filed on [www.Sedar.com](http://www.Sedar.com) by the Company.

Commencing in May, 2005 and up to December, 2005, the Company conducted its exploration program on the Extra High Property. The exploration program consisted of soil sampling, geological mapping, trenching and diamond drilling. A total of 1,874.3 metres of NQ diamond drilling and 455 lineal metres of trenching were completed while 194 soil samples were collected over 4 areas on the Extra High Mineral Property. The exploration work program was conducted by, and was under the direct supervision of, J.W. Murton, P. Eng, a qualified person as defined by National Instrument 43-101. At the time, Mr. J.W. Murton was a director of

Kokomo. Mr. J. W. Murton has recommended a two phase exploration program on the Extra High Mineral Property due to the positive results obtained from the 2005 exploration program. Mr. J. W. Murton has prepared for Kokomo a Technical Report (NI 43-101) on the Extra High Property (2005 Exploration Program) dated February 28, 2006 which has been filed by the Company on [www.Sedar.com](http://www.Sedar.com), and on the Company's Corporate Website, [www.kokomoenterprises.ca](http://www.kokomoenterprises.ca). For further particulars about the Extra High Mineral Property and the 2005 Exploration Program, please visit either [www.sedar.com](http://www.sedar.com) or [www.kokomoenterprises.ca](http://www.kokomoenterprises.ca).

On September 8, 2006, the Company entered into an Option Agreement (Exhibit 10.11 – Incorporated by reference) with Colt Resources Inc. (“Colt”), a company formerly related by certain directors and officers, whereby Colt obtained the right to acquire a 50% undivided interest, subject to the Arm's Length Royalty, in the Extra High Property by incurring exploration expenditures of \$240,000 on the Extra High Property by no later than February 28, 2007 and by making cash payments to the Company totaling \$133,770 by no later than March 26, 2007.

On September 12, 2006, the Company and the Arm's Length Party amended the Option Agreement (Exhibit 10.5.1 – Incorporated by reference) by entering into an Amending Agreement whereby the Company was granted an extension period until June 26, 2007 to make the balance of cash payments to the Arm's Length Party and incur the remaining exploration expenditures on the Extra High Property.

On October 31, 2006, the Company and Colt entered into an Amending Agreement (Exhibit 10.11.2 – Incorporated by reference) whereby Colt was granted an extension period until June 26, 2007 to incur exploration expenditures on the Extra High Property and to make the cash payments to the Company.

On April 16, 2007, the Company and the Arm's Length Party amended the Option Agreement (Exhibit 10.5.2 – Incorporated by reference) by entering into an Amending Agreement whereby the Company was released of the requirement to incur the remaining exploration expenditures but instead was required to make a cash payment of \$60,000 (paid) to the Arm's Length Party.

On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property.

On June 26, 2007, the Company made its final payment to the Arm's Length Party thereby earning a 100% undivided interest in the Extra High Property subject only to the Arm's Length Royalty. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

During 2007, the Company and its joint venture partner Colt conducted a diamond drilling program on the Extra High Property. A total of 1,293.59 metres were drilled in 8 NQ diamond drill holes. The diamond drilling program was targeted at expanding the previously indicated mineralization in the K7 lens and was successful in revealing the potential for larger zones of lower grade mineralization lying adjacent to the massive sulphide mineralization indicated in earlier work. The diamond drilling program was conducted by and was under the direct supervision of J. W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. At the time, Mr. J. W. Murton was a director of the Company. For further particulars about the diamond drilling program please see the report on the 2007 Diamond Drilling Program dated February 28, 2008 that was prepared for the Company and Colt by J. W. Murton, P. Eng. which has been filed by the Company on its corporate website [www.kokomoenterprises.ca](http://www.kokomoenterprises.ca).

At December 31, 2007, the Company held a 66% interest in the Extra High Property.

On January 21, 2008, the Company entered into an Option Agreement (the “2008 Option Agreement”) (Exhibit 10.11.3 - Incorporated by reference) with Colt whereby Colt was granted the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High

Property. Pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of \$250,000 to the Company thus acquiring from the Company a 33% undivided interest in the Extra High Property. As a result of Colt exercising the first tranche of the option, Colt increased its undivided interest in the Extra High Property to 67% and has become the operator of the Extra High Property.

In order to exercise the second tranche of the option, Colt was required to make a cash payment of \$250,000 to the Company on or before December 31, 2008. Colt did not exercise the second tranche of the option. Consequently, Colt now holds a 67% undivided interest in the Extra High Property and the Company now holds a 33% undivided interest in the Extra High Property. Pursuant to the Joint Venture which the Company and Colt have formed, each party shall henceforth contribute its proportionate share of property related expenditures. If any party fails to contribute its share of future property related expenditures, then its interest will be diluted on a straight-line basis. If any party's interest is diluted to less than 10%, then that party's interest in the Extra High Property will be converted into a 0.5% net smelter returns royalty.

As at December 31, 2009, 2010 and 2011, the Company held a 33% undivided interest in the Extra High Property.

Neither the Company nor the operator of the Extra High Property has incurred any meaningful exploration or evaluation expenditures in recent years with respect to the Extra High Property. Accordingly, the Company has recognized an impairment provision of \$151,339 (2010 - \$nil) to reduce the carrying amount to \$1. If there is an indication in the future that the impairment loss recognized no longer exists or has decreased, the recoverable amount will be estimated and the carrying value of the property will be increased to its recoverable amount.

Investment in the Extra High Property consists of costs incurred as follows:

|   | 2011         | 2010   | 2009     | Cumulative to 2011 |
|---|--------------|--------|----------|--------------------|
| Acquisition (property option payments)          | \$ 0         | \$ 0   | \$ 0     | \$ 150,000         |
| Staking   | 0            | 0      | 0        | 3,639              |
| Assessment and miscellaneous                    | 0            | 0      | 0        | 10,311             |
| Geological, geochemical, trenching and drilling | 0            | 263    | 1,194    | 431,160            |
| Colt property option payments                   | 0            | 0      | 0        | (443,770)          |
| Impairment                                      | (151,339)    | 0      | 0        | (151,339)          |
|   | \$ (151,339) | \$ 263 | \$ 1,194 | \$ 1               |

As of the date of this Annual Report, the Company holds a 33% undivided interest in the Extra High Property.

### Legal Description of Property.

The British Columbia Government's Mineral Titles Branch has recently introduced a Mineral Titles Conversion Program whereby Mineral Property owners are being encouraged to convert their old tenure claims to new tenures. As a result, Kokomo has converted all of its old Extra High mineral property tenures to the following new Extra High mineral property tenures and which are more particularly described as follows:-

| TENURE NUMBER | NAME OF CLAIM | Property Size (in hectares) | CONVERSION DATE OR DATE | BC MAP # | EXPIRY DATE |
|---------------|---------------|-----------------------------|-------------------------|----------|-------------|
|---------------|---------------|-----------------------------|-------------------------|----------|-------------|

| STAKED |               |         |             |      |             |
|--------|---------------|---------|-------------|------|-------------|
| 509949 | Extra High    | 60.829  | 2005/MAR/31 | 082M | 2016/APR/02 |
| 509956 | Extra High    | 182.52  | 2005/MAR/31 | 082M | 2016/APR/02 |
| 509961 | Extra High    | 121.664 | 2005/MAR/31 | 082M | 2016/APR/02 |
| 509963 | Extra High    | 40.569  | 2005/MAR/31 | 082M | 2016/APR/02 |
| 509969 | Extra High    | 344.834 | 2005/MAR/31 | 082M | 2016/APR/02 |
| 510213 | Extra High    | 20.289  | 2005/APR/05 | 082M | 2016/APR/02 |
| 510214 | Extra High    | 40.557  | 2005/APR/05 | 082M | 2016/APR/02 |
| 510215 | Extra High    | 81.124  | 2005/APR/05 | 082M | 2016/APR/02 |
| 510306 | Extra High    | 60.857  | 2005/APR/05 | 082M | 2016/APR/02 |
| 509952 | Super High #1 | 60.824  | 2005/MAR/31 | 082M | 2016/MAR/31 |
| 520184 | Super High #2 | 20.275  | 2005/SEP/20 | 082M | 2016/SEP/20 |
| 520186 | Super High #3 | 40.544  | 2005/SEP/20 | 082M | 2016/SEP/20 |

The Extra High Property, consisting of a total area of approximately 1,074 hectares, is located on Samatosum Mountain, immediately south of the formerly producing Samatosum Mine, 60 km northeast of Kamloops, British Columbia.

## II. Ontario, Canada Lithium Properties (Mineral Leases)

These Mineral Leases were previously written off at the end of fiscal 2000. During the year ended December 31, 2008, the Company sold all of its Mineral Leases for gross proceeds of \$54,500. However, in the event that at a future date the Mineral Leases are placed into commercial production, then the Company is entitled to a 0.50% gross receipts royalty after six months from the date of commencement of commercial production.

## ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

### Item. 5.A. Results of Operations

The following table contains selected annual information for the two years ended December 31, 2011 and 2010 which are in accordance with IFRS and selected annual information for the year ended December 31, 2009 which are in accordance with Canadian GAAP:

|  |    | Year Ended<br>December 31,<br>2011 | Year Ended<br>December 31,<br>2010 | Year Ended<br>December 31,<br>2009 |
|--|----|------------------------------------|------------------------------------|------------------------------------|
| Revenue  | \$ | 0                                  | 0                                  | 0                                  |
| Interest income  |    | 0                                  | 27                                 | 270                                |
| Loss before other items                                    |    | (332,074)                          | (451,427)                          | (484,131)                          |
| Basic and diluted loss per common share before other items |    | (0.02)                             | (0.04)                             | (0.13)                             |
| Net income/(loss)  |    | (483,413)                          | (451,400)                          | (550,218)                          |
| Basic and diluted net earnings/(loss) per common share     |    | (0.03)                             | (0.04)                             | (0.15)                             |
| Total assets   |    | 3,140                              | 168,807                            | 162,205                            |
| Long term financial obligations                            |    | 0                                  | 0                                  | 0                                  |
| Cash dividends   |    | 0                                  | 0                                  | 0                                  |

**Note: All common shares and per share amounts included in the above table for the years ended December 31, 2011, 2010 and 2009 have been restated to give retroactive effect to the 25:1 consolidation described in Information on the Company under Item 4. of this Annual Report. Earnings (loss) per common share calculations in the above table are based on the weighted average number of shares outstanding as shown in the Annual Statements of Comprehensive Loss for the above mentioned periods.**

All financial figures presented herein are expressed in Canadian Dollars (CDN\$) unless otherwise specified.

For the year ended December 31, 2011:-

- The Company's operating expenses were \$332,074 as compared to \$451,427 during the corresponding period in 2010 and as compared to \$484,131 during the corresponding period in 2009. The reduction in Management fees contributed to the reduction in operating expenses during the year ended December 31, 2011.
- The Company realized a loss before other items of \$332,074 as compared to \$451,427 during the corresponding period in 2010 as compared to \$484,131 during the corresponding period in 2009.
- The Company recorded a net loss of \$483,413 as compared to a net loss of \$451,400 during the corresponding period in 2010 as compared to a net loss of \$550,218 during the corresponding period in 2009. The impairment of mineral property interests in the amount of \$151,339 contributed to the increase of the net loss during the year ended December 31, 2011.
- The basic and diluted loss per common share was \$0.03 as compared to a basic and diluted loss per share of \$0.04 during the corresponding period in 2010 and as compared to a basic and diluted loss per common share of \$0.15 during the corresponding period in 2009.
- The Company's total assets were \$3,140 as compared to \$168,807 during the corresponding period in 2010 and as compared to \$162,205 during the corresponding period in 2009.
- The Company had a working capital deficiency of \$188,850 as compared to a working capital deficiency of \$117,976 during the corresponding period of 2010 and as compared to a working capital deficiency of \$40,613 during the corresponding period in 2009.
- The Company's weighted average number of common shares outstanding was 15,527,451 as compared to 11,270,527 during the corresponding period in 2010 and as compared to 3,776,899 during the corresponding period in 2009.

The Company is presently not a party to any legal proceedings whatsoever.

During 2011, a total of 1,512,000 share purchase warrants were exercised at \$0.10 per share for total proceeds to the Company of \$151,200.

During 2011, a total of 3,697,000 share purchase warrants exercisable at \$0.10 per warrant share which were attached to certain units issued in 2009 expired unexercised. Subsequently, on March 11, 2012, a total of 440,000 share purchase warrants exercisable at \$0.10 per share expired unexercised and on April 16, 2012, a total of 550,000 share purchase warrants exercisable at \$0.10 per share expired unexercised .

On May 10, 2011, the Company closed the non-brokered private placement, which was announced on March 6, 2011. The Company issued a total of 100,000 units of the Company's securities at \$0.10 per unit for gross proceeds to the Company of \$10,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant to purchase an additional common share in the capital of the Company exercisable at the price of \$0.15 until May 10, 2013. The securities issued were subject to a hold period which expired on September 11, 2011.

On April 15, 2011, the Company closed the second and final tranche of the non-brokered private placement, which was announced on March 30, 2011, and issued 500,000 units of the Company at the price of \$0.10 per unit for total proceeds to the Company of \$50,000. Each unit consists of one common share and one share purchase warrant, exercisable to acquire one common share at the price of \$0.15 until April 15, 2013. The securities issued were subject to a hold period which expired on August 16, 2011.

On April 1, 2011, the Company closed the first tranche of the non-brokered private placement, which was announced on March 30, 2011, and issued 500,000 units of the Company at the price of \$0.10 per unit for total proceeds to the Company of \$50,000. Each unit consists of one common share and one share purchase warrant, exercisable to acquire one common share at the price of \$0.15 until April 1, 2013. The securities issued were subject to a hold period which expired on August 2, 2011.

During 2010, a total of 1,043,000 share purchase warrants were exercised at \$0.10 per share for total proceeds to the Company of \$104,300.

During 2010, the Company issued an aggregate of 4,500,000 Units of the securities of the Company to various investors at the price of \$0.06 per Unit for total proceeds to the Company of \$270,000 all of which was allocated to capital stock. Each Unit consists of one common share in the capital of the Company and one warrant to purchase an additional common share in the capital of the Company at \$0.10 per common share for a period of two years from closing date.

During 2009, the Company issued an aggregate of 7,325,333 units in the securities of the Company to various investors for total proceeds to the Company of \$518,150 of which \$486,267 was allocated to common shares and \$31,883 was allocated to warrants. Each Unit consisted of one common share in the capital of the Company and one warrant to purchase an additional common share in the capital of the Company. Of the 7,325,333 units sold, 5,242,000 share purchase warrants entitled the holders to purchase one common share at a price of \$0.10 for a period of two years from closing date, and the remaining 2,083,333 share purchase warrants entitle the holders to purchase one common share at a price of \$0.10 for a period of five years from closing date.

The Company finances its exploration programs through the issuance of flow-through common shares. Income tax deductions relating to these expenditures are claimable only by the investors. Proceeds from common shares issued pursuant to flow-through financings are credited to capital stock.

The Board of Directors of the Company resolved to adopt on April 12, 2004, the 2004 Stock Option Plan (Exhibit 10.7 - Incorporated by reference) which provides for the granting of incentive stock options to directors, officers, employees and consultants of the Company entitling them to purchase up to 20% of the issued and outstanding common shares of the Company as of the day of granting. Shareholders subsequently approved the 2004 Stock Option Plan at the Company's Annual General Meeting which was held on April 30, 2004. The 2004 Stock Option Plan replaces the Company's 2002 and 2003 Stock Option Plans (See Exhibit 10.1 - Incorporated by reference). The 2004 Stock Option Plan was re-approved by the Shareholders at the Company's Annual General Meeting held on June 16, 2011.

The material terms of the 2004 Stock Option Plan are outlined in the Company's Information Circular included with the 2011 Notice of Annual General Meeting (Exhibit 17 - Incorporated by reference) which has been filed on [Sedar](#).

At the Company's 2005 Special General Meeting held on January 10, 2005, the shareholders approved the deletion of the Pre-Existing Company Provisions in the notice of Articles of the Company and approved the alteration of the Company's Notice of Articles. The shareholders approved the increase of the Company's authorized capital to an unlimited number of Common and Preferred Shares, both without par value, approved the adoption of new articles in substitution for the old articles of the Company (Exhibit 3.2 - Incorporated by reference). In addition, the shareholders approved the consolidation of the issued and outstanding common shares of the Company on the basis of 35 common shares before consolidation to 1 common share after consolidation and approved changing the name of the Company to Bronx

Ventures Inc. All material terms are provided in greater detail in the Company's Notice of Special General Meeting and Information circular dated November 29, 2004 (Exhibit 20.4 – Incorporated by reference).

On April 16, 2009, the Company changed its name from Zab Resources Inc. to Kokomo Enterprises Inc. and its share capital was consolidated on the basis of 25 (old) shares for 1 (new) share basis (Exhibit 3.4 - Incorporated by reference). As a result, the shares of Kokomo commenced trading in Canada on the CNSX under the symbol "KKO", and in the U.S.A. the shares of Kokomo commenced trading on the OTC Bulletin Board and now listed under OTCQB tier of the OTC Markets Group under the symbol "KKOEF". The Cusip number of the Company's common shares is 500323100.

At the Annual General Meeting of the Company's shareholders which was held on June 16, 2011, the shareholders received the Audited Financial Statements for the year ended December 31, 2010 and 2009 and the Auditor's Report thereon; fixed the number of Directors for the ensuing year at four; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Gregory T. McFarlane and Fred Tejada as Directors of the Company; re-appointed the Company's Auditor, Smythe Ratcliffe, Chartered Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor and, re-approved the Company's 2004 Stock Option Plan.

On February 8, 2010, the Company entered into a binding letter of intent ("LOI") with an arm's length party to acquire a 75% right, title and interest in the surface rights of the Zaniza Iron Ore Property which covers an area of approximately 153 square kilometers and is located in the Municipality of Sola De Vega in the State of Oaxaca in Mexico (Exhibit 10.21 – Incorporated by reference). The parties to the LOI had agreed to enter into a Definitive Agreement by March 31, 2010. Subsequently, an Amending Agreement was entered into and was executed by the parties whereby the LOI was extended to August 31, 2010 ("The Deadline"). As the Company was unable to enter into a Definitive Agreement by the expiry of The Deadline, the Company decided not to proceed any further with this acquisition.

On May 6, 2011, the Company entered into a binding letter of intent ("LOI") with Arqueana de Minerios E Metais Ltda. ("Arqueana") and its shareholders ("Arqueana Group") in respect to Arqueana's mineral concessions and Arqueana's real estate ("Arqueana's Assets") (see **Exhibit 10.23\* - Attached**). Pursuant to the LOI, the parties agreed to enter into a Definitive Property Option Agreement within a period of 60 business days whereby the Company would have been granted the right to acquire up to a 75% right, title and interest in Arqueana's Assets by making staged cash payments totaling \$800,000, issuing a total number of 7,000,000 common shares of the Company and incurring property related expenditures totaling \$8,000,000 over a period of three years. Upon earning a 75% right, title and interest in Arqueana's Assets, the Company would have been obligated, subject to certain terms and conditions, to issue an additional 3,000,000 common shares of the Company and to make additional payments totaling \$1,000,000. In respect to the then contemplated transaction, the Company hired the services of Wardrop, A Tetra Tech company, to prepare a technical report in accordance with NI 43-101 for a due diligence review on Arqueana's Assets which was completed and had an effective date of August 12, 2011. During the months of August and September 2011, the Company attempted to renegotiate the terms and conditions of the LOI with the Arqueana Group. However, the Company's attempts to renegotiate the terms and conditions of the LOI with the Arqueana Group were unsuccessful, as a result of which, on October 4, 2011 the Company decided not to proceed any further with the Arqueana Group in respect to Arqueana's Assets, and the Company decided to abandon this project.

Costs incurred in respect to the Arqueana Property are as follows:

|   | 2011             |
|---|------------------|
| Due Diligence Report                    | \$ 37,492        |
| Advance payment as per Letter of Intent | 2,500            |
| Consulting                              | 9,002            |
| Travel                                  | 13,326           |
| Miscellaneous                           | 2,608            |
|   | <b>\$ 64,928</b> |

As at December 31, 2011, the Company has written-off the costs that it has incurred in respect to the Arqueana Property.

On June 1, 2011, the Company entered into an Investor Relations Agreement with an arm's length party in Germany (the "Arm's Length Party") (see **Exhibit 10.24\* - Attached**) for a period of four months for a cash consideration of US \$750 and the granting of 120,000 incentive stock options which are exercisable at the price of \$0.15 per common share which expire on June 1, 2012 (see **Exhibit 10.25\* - Attached**). In the event that the Arm's Length Party does not exercise its incentive stock options by the expiry date, then the Company is obligated to make a cash payment of US \$3,250 to the Arm's Length Party (see **Exhibit 10.26\* - Attached**).

### Summary of Quarterly Results

| For the Quarterly Periods ended:         |    | December 31, 2011 | September 30, 2011 | June 30, 2011 | March 31, 2011 |
|--|----|-------------------|--------------------|---------------|----------------|
| Total Revenues                           | \$ | 0                 | 0                  | 0             | 0              |
| Loss before other items                  |    | (145,825)         | (58,644)           | (76,440)      | (51,165)       |
| Loss per common share before other items |    | (0.01)            | (0.00)             | (0.00)        | (0.00)         |
| Earnings / (loss) for the period         |    | (297,164)         | (58,644)           | (76,440)      | (51,165)       |
| Basic earnings / (loss) per common share |    | (0.02)            | (0.00)             | (0.00)        | (0.00)         |

| For the Quarterly Periods ended:         |    | December 31, 2010 | September 30, 2010 | June 30, 2010 | March 31, 2010 |
|--|----|-------------------|--------------------|---------------|----------------|
| Total Revenues                           | \$ | 0                 | 0                  | 0             | 0              |
| Loss before other items                  |    | (99,552)          | (117,169)          | (125,537)     | (109,169)      |
| Loss per common share before other items |    | (0.01)            | (0.01)             | (0.01)        | (0.01)         |
| Earnings / (loss) for the period         |    | (99,544)          | (117,413)          | (125,274)     | (109,169)      |
| Basic earnings / (loss) per common share |    | (0.01)            | (0.01)             | (0.01)        | (0.01)         |

**Note:** Earnings (loss) per common share calculations in the above tables are based on the weighted average number of common shares outstanding for the periods and which **have been restated to give retroactive effect to the 25:1 consolidation described in the Information on the Company under Item 4. of this Annual Report.** All the figures covered by all the quarterly periods are prepared in accordance with IFRS.

The diluted loss per share calculations are not reflected as the effect would have been anti-dilutive.

The Company's business is not of a seasonal nature.

The Company is presently not a party to any legal proceedings whatsoever.

## **Item 5.B. Liquidity and Capital Resources**

### **Liquidity and Capital Resources**

The Company has incurred significant operating losses over the past three fiscal years, has limited resources, and no sources of operating cash flow.

During 2012, the Company shall require at least \$350,000 so as to conduct its operations uninterruptedly. In order to meet this requirement, the Company intends to seek equity and/or debt financings through private placements and/or public offerings and/or loans. In the past, the Company has been successful in securing equity and debt financings in order to conduct its operations uninterruptedly. While the Company does not give any assurances whatsoever that in the future it will continue being successful in securing equity and/or debt financings in order to conduct its operations uninterruptedly, it is the Company's intention to pursue these methods for future funding of the Company.

Pursuant to the Option Agreement dated September 8, 2006, as amended (Exhibit 10.11 – Incorporated by reference), with Colt, the Company received \$193,770 as of December 31, 2007.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") (Exhibit 10.11.3 - Incorporated by reference) with Colt whereby Colt was granted the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of \$250,000 to the Company thus acquiring from the Company a 33% undivided interest in the Extra High Property. Colt did not exercise the second tranche of the option. As a result of exercising the first tranche of the option, Colt increased its undivided interest in the Extra High Property to 67% and has become the operator of the Extra High Property.

During 2011, a total of 1,512,000 share purchase warrants were exercised at \$0.10 per share for total proceeds to the Company of \$151,200.

During 2011, a total of 3,697,000 share purchase warrants exercisable at \$0.10 per warrant share which were attached to certain units issued in 2009 expired unexercised. Subsequently, on March 11, 2012, a total of 440,000 share purchase warrants exercisable at \$0.10 per share expired unexercised and on April 16, 2012, a total of 550,000 share purchase warrants exercisable at \$0.10 per share expired unexercised .

On May 10, 2011, the Company closed the non-brokered private placement, which was announced on March 6, 2011. The Company issued a total of 100,000 units of the Company's securities at \$0.10 per unit for gross proceeds to the Company of \$10,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant to purchase an additional common share in the capital of the Company exercisable at the price of \$0.15 until May 10, 2013. The securities issued were subject to a hold period which expired on September 11, 2011.

On April 15, 2011, the Company closed the second and final tranche of the non-brokered private placement, which was announced on March 30, 2011, and issued 500,000 units of the Company at the

price of \$0.10 per unit for total proceeds to the Company of \$50,000. Each unit consists of one common share and one share purchase warrant, exercisable to acquire one common share at the price of \$0.15 until April 15, 2013. The securities issued were subject to a hold period which expired on August 16, 2011.

On April 1, 2011, the Company closed the first tranche of the non-brokered private placement, which was announced on March 30, 2011, and issued 500,000 units of the Company at the price of \$0.10 per unit for total proceeds to the Company of \$50,000. Each unit consists of one common share and one share purchase warrant, exercisable to acquire one common share at the price of \$0.15 until April 1, 2013. The securities issued were subject to a hold period which expired on August 2, 2011.

During 2010, a total of 1,043,000 share purchase warrants were exercised at \$0.10 per share for total proceeds to the Company of \$104,300.

During 2010, the Company issued an aggregate of 4,500,000 Units of the securities of the Company to various investors at the price of \$0.06 per Unit for total proceeds to the Company of \$270,000 all of which was allocated to capital stock. Each Unit consists of one common share in the capital of the Company and one warrant to purchase an additional common share in the capital of the Company at \$0.10 per common share for a period of two years from closing date.

If any warrants are exercised in the future, then any funds received by the Company from the exercising of warrants shall be used for general working capital purposes. However, there are no assurances whatsoever that any warrants will be exercised before their expiry.

During 2009, the Company issued an aggregate of 7,325,333 units in the securities of the Company to various investors for total proceeds to the Company of \$518,150 of which \$486,267 was allocated to common shares and \$31,883 was allocated to warrants. Each Unit consisted of one common share in the capital of the Company and one warrant to purchase an additional common share in the capital of the Company. Of the 7,325,333 units sold, 5,242,000 share purchase warrants entitled the holders to purchase one common share at a price of \$0.10 for a period of two years from closing date, and the remaining 2,083,333 share purchase warrants entitle the holders to purchase one common share at a price of \$0.10 for a period of five years from closing date.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. As of the date of this Annual Report, the Company has expended on its Canadian mineral properties all funds received by the Company through the issuance of flow-through common shares.

During the twelve months period ended December 30, 2011, there were no stock options granted to Directors, Officers and Employees. On June 15, 2011, a total of 164,242 stock options granted to Directors, Officers, Employees and Consultants exercisable at \$1.25 per share expired unexercised.

On June 1, 2011, the Company entered into an Investor Relations Agreement with an arm's length party in Germany (the "Arm's Length Party") (see **Exhibit 10.24\* - Attached**) for a period of four months for a cash consideration of US \$750 and the granting of 120,000 incentive stock options which are exercisable at the price of \$0.15 per common share which expire on June 1, 2012 (see **Exhibit 10.25\* - Attached**). In the event that the Arm's Length Party does not exercise its incentive stock options by the expiry date, then the Company is obligated to make a cash payment of US \$3,250 to the Arm's Length Party (see **Exhibit 10.26\* - Attached**). However, there are no assurances whatsoever that any stock options will be exercised before their expiry. As at December 30, 2011, a total of 120,000 incentive stock options exercisable at \$0.15 per share are outstanding (December 31, 2010: \$164,242; December 2009: 178,242). As at December 31, 2011, there were no stock options that were exercised.

If any stock options are exercised in the future, then any funds received by the Company from the exercising of stock options shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised before their expiry.

As at December 31, 2011:-

- The Company's total number of issued and outstanding shares were 16,575,278 as compared to 13,963,278 for the corresponding period in 2010 and as compared to 8,420,278 for the corresponding period in 2009.
- The Company's total assets were \$3,140 as compared to \$168,807 for the corresponding period in 2010 and as compared to \$162,205 for the corresponding period in 2009.
- The Company's total liabilities were \$191,989 as compared to \$135,443 for the corresponding period in 2010 and as compared to \$51,741 for the corresponding period in 2009.
- The Company had \$924 in cash as compared to \$5,073 in cash for the year ended December 31, 2010 and as compared to \$5,158 in cash for the year ended December 31, 2009.
- HST receivable was \$848 as compared to \$12,394 for the year ended December 31, 2010 and as compared to \$4,910 for the year ended December 31, 2009.
- Mineral exploration tax credit receivable was \$nil as compared to \$nil for the year ended December 31, 2010 as compared to \$1,060 for the year ended December 31, 2009.
- Prepaid expenses in the amount of \$1,367 as compared to \$nil for the year ended December 31, 2010 and as compared to \$nil for the year ended December 31, 2009.

#### **Item 5.C. Research and development, patents and licences**

The Company does not have a research and development department nor does it have any patents or licenses.

#### **Item 5.D. Trend Information**

Commodity prices have recently improved, and should this trend continue then companies such as Kokomo will have difficulty in acquiring mineral properties of merit at reasonable prices.

#### **Item 5.E. Off balance sheet arrangements.**

The Company has no off balance sheet arrangements whatsoever and the Company's financial information including its balance sheet and statement of operations and deficit have been fairly represented in accordance with generally accepted accounting principles.

#### **Item 5.F. Tabular disclosure of contractual obligations**

The Company has no Short and Long Term Debt Obligations, Capital Lease Obligations, Purchase Lease Obligations, or Other Long Term Liabilities reflected on the Company's Balance Sheet.

In respect to information covered by Items 5.E. and 5.F., all financial information and statements have been fairly represented in accordance with Canadian generally accepted accounting principles.

#### **Item 5.G. Safe Harbour**

##### **Special Note regarding Forward-Looking Statements**

We make certain forward looking-statements in this Form 20-F within the meaning of Section 27A of the Securities Act 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended,

relating to our financial condition, profitability, liquidity, resources, business outlook, proposed acquisitions, market forces, corporate strategies, contractual commitments, capital requirements and other matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbour for forward-looking statements. To comply with the terms of the safe harbour, we note that a variety of factors could cause our actual results and experience to differ substantially from the anticipated results or other expectations expressed in our forward-looking statements. When words and expressions such as: “believes,” “expects,” “anticipates,” “estimates,” “plans,” “intends,” “objectives,” “goals,” “aims,” “projects,” “forecasts,” “possible,” “seeks,” “may,” “could,” “should,” “might,” “likely,” “enable” or similar words or expressions are used in this Form 20-F, as well as statements containing phrases such as “in our view,” “there can be no assurances,” “although no assurances can be given,” or “there is no way to anticipate with certainty,” forward-looking statements are being made. These forward-looking statements speak as of the date of this Form 20-F.

The forward-looking statements are not guarantees of future performance and involve risk and uncertainties. These risks and uncertainties may affect the operation, performance, development and results of our business and could cause future outcomes to differ materially from those set forth in our forward-looking statements. These statements are based on our current beliefs as to the outcome projected or implied in the forward-looking statements. Furthermore, some forward-looking statements are based upon assumptions of future events which may not prove to be accurate. The forward-looking statements involve risks and uncertainties including, but not limited to, the risks and uncertainties referred to in “Item 3.D. RISK FACTORS,” and elsewhere within the document and in other of our filings with the Securities and Exchange Commission.

New risk factors emerge from time to time and it is not possible for us to predict all such risk factors which can cause actual results to differ significantly from those forecast in any forward-looking statements. Given these risks and uncertainties, investors should not overly rely or attach undue weight to forward-looking statements as an indication of our actual future results.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

As of December 31, 2011, the name, municipality of residence and the principal occupation of the directors and officers of the Company are the following:

| Name and municipality of residence             | Position with the Registrant           | Date of Birth   | Principal occupation  | Term of Office with the Registrant |
|--|--|-----------------|---|------------------------------------|
| Bedo H. Kalpakian*<br>Richmond, B.C.<br>Canada | President,<br>CEO, CFO and<br>Director | May 14,<br>1946 | Vice President of the Registrant                                | 1984 to 1990                       |
|  |  |                 | President of Registrant   | 1991 to Present                    |
|  |  |                 | CEO & CFO of the Registrant                                     | 2004 to Present                    |
|  |  |                 | Chairman of Las Vegas From Home.com Entertainment Inc. (“LVFH”) | 1991 to Present                    |
|  |  |                 | CFO of LVFH   | 2004 to Present                    |
|  |  |                 | Director of NY85 Capital Inc.                                   | 2010 to Present                    |
|  |  |                 | Director of Active Growth Capital Inc.                          | Nov 2010 to July 2011              |
|  |  |                 | CFO & Chairman of Giyani Gold Corp.                             | November 2009 to June 2010         |
| CFO & Secretary of                             | July 2005 to                           |                 |   |                                    |

|   |                                |                       |   |   |
|---|--------------------------------|-----------------------|---|---|
|   |                                |                       | Touchdown Resources Inc.<br><br>President & CEO of First Lithium Resources Inc.<br><br>President & CEO of Colt Resources Inc.   | November 2009<br><br>2005 to 2009<br><br>2007 to 2008   |
| Jacob H. Kalpakian<br>Vancouver, B.C.<br>Canada | Vice President<br>and Director | October 18,<br>1968   | Vice President of Registrant;<br><br>President of LVFH<br>CEO of LVFH<br><br>CEO, CFO & Secretary of Big Mojo Capital Inc.<br><br>NY85 Capital Inc.<br><br>President of Active Growth Capital Inc. and Director<br><br>CEO & President of Giyani Gold Corp.<br><br>Vice President, CFO & Secretary of First Lithium Resources Inc.<br><br>President, CEO & CFO of Touchdown Capital Inc.<br><br>Vice President of Colt Resources Inc. | 1991 to Present<br><br>1991 to Present<br>2004 to Present<br><br>2011 to Present<br><br>2010 to Present<br><br>Nov 2010 to<br>June 2011<br>July 2011<br><br>November 2009 to<br>June 2010<br><br>July 2005 to<br>2009<br><br>2005 to 2009<br><br>2007 to 2008 |
| Gregory T. McFarlane*<br>Las Vegas, NV, USA     | Director                       | November<br>13, 1968  | Director of the Registrant and Las Vegas From Home.com Entertainment Inc.; Principal of McFarlane Media, LLC (2005)   | 1992 to Present   |
| Fred A.C. Tejada*<br>Surrey, B.C. Canada        | Director                       | August 1,<br>1958     | Director of the Registrant<br><br>President of Tirex Resources Inc.<br><br>Vice President Operations and Exploration of Tirex Resources<br><br>Vice President Exploration of Panoro Minerals Ltd.   | December 2009 to Present<br><br>October 2011 to Present<br><br>June 2011 to October 2011<br><br>July 2007 to June 2011  |
| Maria P. Arenas<br>Surrey, B.C. Canada          | Corporate Secretary            | September<br>29, 1969 | Corporate Secretary of the Registrant<br><br>Corporate Secretary of LVFH  | 2008 to Present<br><br>2008 to Present  |

\*Members of the Company's audit committee.

Jacob H. Kalpakian is the nephew of Bedo H. Kalpakian. All directors serve for a term of one year until the next annual general meeting or until the date of their resignation, whichever occurs first.

There are no arrangements or understandings whatsoever with major shareholders, customers, suppliers or others pursuant to which any person referred to above was selected as a director or member of senior management.

### **Item 6.B. Compensation**

Certain directors, officers and employees of the Company are covered under a group medical and dental insurance plan. Presently there exists no plan regarding directors' and officers' pension, retirement or other similar benefits. Furthermore, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

In the past, the Company hired the services of J.W. Murton & Associates to provide geological services. J.W. Murton & Associates is a private company owned by a former director of the Company. For the twelve month period ended December 31, 2011, J. W. Murton & Associates has provided geological services to the Company in the amount of \$nil (2010: \$198) (2009: \$4,317) plus GST/HST.

Pursuant to the Management Services Agreement with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros.") dated November 1, 2001 (Exhibit 10.4 - Incorporated by reference), as amended on August 18, 2003, July 31, 2005 (Exhibit 10.4.1 - Incorporated by reference) and November 10, 2010 (Exhibit 10.4.2 - Incorporated by reference). (the "Management Services Agreement"), the total amount for Management Fees was \$120,000 during the twelve months period ended December 31, 2011 (December 31, 2010: \$320,000; December 31, 2009: \$360,000). In February 2012, the Management Services Agreement was amended (**See Exhibit 10.4.3 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. for the services provided to the Company has been reduced from \$10,000 plus HST per month to \$5,000 plus HST per month effective as of March 1, 2012. Subsequently, the Management Services Agreement was further amended (**See Exhibit 10.4.4 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. has been further reduced from \$5,000 plus HST per month to \$2,500 plus HST per month as of April 1, 2012. The principals of Kalpakian Bros. are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors and officers of the Company. The Management Services Agreement is renewable on an annual basis, and either party may terminate the Management Services Agreement at anytime by giving three months notice to the other party.

Pursuant to indemnity agreements dated April 1, 1993, January 7, 2008 and December 18, 2009, between the Company and each of Bedo H. Kalpakian, Jacob H. Kalpakian, Gregory T. McFarlane, Maria P. Arenas and Fred A.C. Tejada (collectively "the directors and officers"), the Company agreed to indemnify and save the directors and officers, their heirs and personal representatives harmless from and against all costs, charges and expenses arising out of their association with the Registrant. These costs, charges and expenses include any amounts paid to settle an action or to satisfy a judgement brought or found against the directors and/or officers and any amounts paid to settle an administrative action or proceeding provided that the indemnified party has acted in good faith and in the best interests of the Company. The Company Act requires a Court Order to be obtained prior to the Company making payment under the indemnity agreements. To date, the Company has not made any payments under the indemnity agreements.

During the twelve months period ended December 31, 2011 and up to and including the date of this Annual Report there were no stock options granted to Directors, Officers and Employees. On June 15, 2011, a total of 164,242 stock options granted to Directors, Officers, Employees and Consultants exercisable at \$1.25 per share expired unexercised.

The Company has no long term incentive plans in place and, has not granted any stock appreciation rights.

## **Item 6.C. Board Practices**

### **6.C.1. Directors' Terms of service.**

All directors are elected annually by the Company's shareholders to serve for a term of one year until the next annual general meeting of the shareholders. All directors may be annually re-elected by the Company's shareholders at the annual general meeting of the shareholders for additional one year terms. Bedo H. Kalpakian has served as a director since 1984; Jacob H. Kalpakian has served as a director since 1991; Gregory T. McFarlane has served as a director since 1992 and Fred A.C. Tejada has served as a director since December 2009.

### **6.C.2. Details of Directors' Service Contracts.**

Pursuant to the Management Services Agreement with Kalpakian Bros. of B.C. ("Kalpakian Bros.") Ltd. dated November 1, 2001 (Exhibit 10.4 - Incorporated by reference), as amended on August 18, 2003, July 31, 2005 and November 1, 2010 (Exhibits 10.4.1 and 10.4.2 - Incorporated by reference) (the "Management Services Agreement"), the total amount for Management Fees was \$120,000 during the twelve months period ended December 31, 2011 (December 31, 2010: \$320,000; December 31, 2009: \$360,000). In February 2012, the Management Services Agreement was amended (**See Exhibit 10.4.3 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. for the services provided to the Company has been reduced from \$10,000 plus HST per month to \$5,000 plus HST per month effective as of March 1, 2012. Subsequently, the Management Services Agreement was further amended (**See Exhibit 10.4.4 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. has been further reduced from \$5,000 plus HST per month to \$2,500 plus HST per month as of April 1, 2012. The principals of Kalpakian Bros. are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors and officers of the Company. The Management Services Agreement is renewable on an annual basis, and either party may terminate the Management Services Agreement at anytime by giving three months notice to the other party.

### **6.C.3. Details relating to the Company's audit committee and remuneration committee.**

All directors are elected annually by the Company's shareholders to act as directors of the Company for a term of one year. The Company's audit committee is appointed on an annual basis by the Company's directors. Presently, the Company's audit committee consists of the following directors; Bedo H. Kalpakian, Gregory T. McFarlane and Fred A.C. Tejada. The majority of the members of the audit committee must be made up of directors who are not officers of the Company. The audit committee is also responsible to monitor compliance of the Company's Code of Ethics (see item 16.B).

Pursuant to Canadian National Policy (52-110) with respect to Audit Committee Disclosure, the charter of the Company's Audit Committee and other information required to be disclosed have been disclosed in the Company's Annual Information Circular with respect to the Company's Annual Shareholder's meeting which was held on June 16, 2011. The Information Circular (Exhibit 17 – Incorporated by reference) includes the Company's Audit Committee Disclosure under Form 52-110F2.

The Company does not have a remuneration committee or an executive committee largely due to its size.

## **Item 6.D. Employees**

The Company employs 2 individuals in Management.

The Company's employees are not represented by a union or other collective bargaining organization and the Company has not experienced any work stoppage by its employees. The Company believes that its employee relations are good.

## **Item 6.E. Share Ownership**

The number of common shares beneficially owned (directly and indirectly) by officers and directors of the Company as of **December 31, 2011** are as follows:

| Name of Director/Officer and Municipality      | Number of Issued Shares                                     | Percentage of the total Issued Share Capital* |
|--|---|---|
| Bedo H. Kalpakian<br>Richmond, BC, Canada      | 428,752 (directly)<br>5,400,133 (indirectly) <sup>(1)</sup> | 35%   |
| Jacob H. Kalpakian<br>Vancouver, BC, Canada    | 468,920 (directly)<br>5,471,133 (indirectly) <sup>(2)</sup> | 36%   |
| Gregory T. McFarlane<br>Las Vegas, Nevada, USA | 11,342 direct   | 0.07%   |
| Fred A.C. Tejada<br>Surrey, BC, Canada         | 0   | 0%  |
| Maria P. Arenas<br>Surrey, BC, Canada          | 51,500 direct   | 0.31%   |

Notes:\* Based on 16,575,278 issued and outstanding common shares as of December 31, 2011.

- (1) Of these common shares, 4,977,133 are held by Kalpakian Bros. of B.C. Ltd., 270,000 are held by BHK Management Inc. and 153,000 are held by a family member.
- (2) Of these common shares, 4,977,133 are held by Kalpakian Bros. of B.C. Ltd., 270,000 are held by 30 Rock Management Inc. and 224,000 are held by a family member.
- (3) Kalpakian Bros. of B.C. Ltd. is a private company controlled by and in which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders.
- (4) BHK Management Inc. is a private company controlled by Bedo H. Kalpakian.
- (5) 30 Rock Management Inc. is a private company controlled by Jacob H. Kalpakian.

The number of common shares beneficially owned (directly and indirectly) by officers and directors of the Company as of **December 31, 2010** are as follows:

| Name of Director/Officer and Municipality      | Number of Issued Shares                                     | Percentage of the total Issued Share Capital* |
|--|---|---|
| Bedo H. Kalpakian<br>Richmond, BC, Canada      | 428,752 (directly)<br>6,771,133 (indirectly) <sup>(1)</sup> | 51.56%  |
| Jacob H. Kalpakian<br>Vancouver, BC, Canada    | 468,920 (directly)<br>6,700,133 (indirectly) <sup>(2)</sup> | 51.34%  |
| Gregory T. McFarlane<br>Las Vegas, Nevada, USA | 11,342 direct   | 0.08%   |
| Fred A.C. Tejada<br>Surrey, BC, Canada         | 0   | 0%  |
| Maria P. Arenas<br>Surrey, BC, Canada          | 38,000 direct   | 0.27%   |

Notes:\* Based on 13,963,278 issued and outstanding common shares as of December 31, 2010.

- (1) Of these common shares, 3,267,133 are held by Kalpakian Bros. of B.C. Ltd., 270,000 are held by BHK Management Inc. and 153,000 are held by a family member.
- (2) Of these common shares, 3,267,133 are held by Kalpakian Bros. of B.C. Ltd., 270,000 are held by 30 Rock Management Inc. and 224,000 are held by a family member.
- (3) Kalpakian Bros. of B.C. Ltd. is a private company controlled by and in which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders.
- (4) BHK Management Inc. is a private company controlled by Bedo H. Kalpakian.
- (5) 30 Rock Management Inc. is a private company controlled by Jacob H. Kalpakian.

The number of common shares beneficially owned (directly and indirectly) by officers and directors of the Company as of **December 31, 2009**, are as follows:

| Name of Director/Officer and Municipality | Number of Issued Shares                    | Percentage of the total Issued Share Capital* |
|---|--|---|
| Bedo H. Kalpakian<br>Richmond, BC, Canada | 428,752 direct<br>2,488,133 (indirect) (1) | 34.64%  |

|  |  |        |
|--|--|--------|
| Jacob H. Kalpakian<br>Vancouver, BC, Canada    | 468,920 direct<br>2,559,133 (indirect) (1) | 35.96% |
| Gregory T. McFarlane<br>Las Vegas, Nevada, USA | 11,342 direct                              | 1.03%  |
| J. Wayne Murton<br>Kelowna, BC, Canada         | 18,390 direct                              | 1.67%  |
| Maria P. Arenas<br>Surrey, BC, Canada          | 14,000 direct                              | 0.17%  |

Notes:\* Based on 8,420,278 issued and outstanding common shares as of December 31, 2009.

(1) Of these common shares, 2,065,133 are held by Kalpakian Bros. of B.C. Ltd., a private company of which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders with equal ownership, 270,000 are held by BHK Management Inc., a company controlled by Bedo H. Kalpakian and 153,000 are held by a family member of Bedo H. Kalpakian .

(2) Of these common shares, 2,065,133 are held by Kalpakian Bros. of B.C. Ltd., a private company of which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders with equal ownership, 270,000 are held by 30 Rock Management Inc., a company controlled by Jacob H. Kalpakian and 224,000 are held by the spouse of Jacob H. Kalpakian .

## **Item 6.E.2. Stock Options for Employees**

From time to time the Company grants Incentive Stock Options to its directors, officers, employees and consultants. The incentive stock options entitle the holders to acquire common shares of the Company from treasury. The incentive stock options are a means of rewarding future services provided to the Company and are not intended as a substitute for salaries or wages, or as a means of compensation for past services rendered.

At the Company's Annual General Meeting of shareholders held on April 30, 2004, the shareholders of the Company approved the Company's 2004 Stock Option Plan (Exhibit 10.7 - Incorporated by reference). Shareholders of the Company re-approved the 2004 Stock Option Plan at the Company's Annual General Meeting which took place on June 16, 2011 (Exhibit 17 - Incorporated by reference. Furthermore, the Shareholders of the Company will be asked to re-approve the 2004 Stock Option Plan at the Company's next Annual General Meeting which is scheduled to take place on June 20, 2012.

The Company's 2004 Stock Option Plan reserves for granting to directors, officers, employees and consultants up to 20% of the issued and outstanding common shares of the Company calculated from time to time on a rolling basis. The terms of the options are determined at the date of grant.

During the twelve months period ended December 31, 2011 and up to and including the date of this Annual Report there were no stock options granted to Directors, Officers and Employees. On June 15, 2011, a total of 164,242 stock options granted to Directors, Officers, Employees and Consultants exercisable at \$1.25 per share expired unexercised. Pursuant to an Investor Relations Agreement with an Arm's Length Party in Germany (see **Exhibit 10.24\* - Attached**) the Company has granted 120,000 incentive stock options which are exercisable at \$0.15 per common share and which expire on June 1, 2012 (see **Exhibit 10.25\* - Attached**).

## **ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

**7.A.1.** The Company is a publicly-owned corporation, the common shares of which are owned by Canadian residents, U.S. residents, and residents of other countries. The Company is neither directly nor indirectly owned nor controlled by any other corporation or any foreign government. All shares in the following tables have been re-stated to give retroactive effect to the Company's 25:1 share consolidation on April 16, 2009.

As at **December 31, 2011**, the following persons or corporations beneficially own, directly or indirectly, or exercise control over shares carrying more than 5% of the issued and outstanding shares of the Company:

| Name of Shareholder and Municipality                                 | Number of Issued Capital | Percentage of the Total Issued Share Capital* |
|--|--------------------------|---|
| Bedo H. Kalpakian, Richmond, BC and Jacob H. Kalpakian Vancouver, BC | 6,791,805 <sup>(1)</sup> | 41%   |

(1) Of these shares, 428,752 common shares are held by Bedo H. Kalpakian directly, 468,920 common shares are held by Jacob H. Kalpakian directly, 5,517,133 common shares are held by private companies which are controlled by and in which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders and 377,000 common shares are held by family members of Bedo H. Kalpakian and Jacob H. Kalpakian.

\* Based on **16,575,278** issued and outstanding common shares as of **December 31, 2011**.

As at **December 31, 2010**, the following persons or corporations beneficially own, directly or indirectly, or exercise control over shares carrying more than 5% of the issued and outstanding shares of the Company:

| Name of Shareholder and Municipality                                 | Number of Issued Capital | Percentage of the Total Issued Share Capital* |
|--|--------------------------|---|
| Bedo H. Kalpakian, Richmond, BC and Jacob H. Kalpakian Vancouver, BC | 8,091,805 <sup>(1)</sup> | 57.95%  |

(1) Of these shares, 428,752 common shares are held by Bedo H. Kalpakian directly, 468,920 common shares are held by Jacob H. Kalpakian directly, 6,817,133 common shares are held by private companies which are controlled by and in which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders and 377,000 common shares are held by family members of Bedo H. Kalpakian and Jacob H. Kalpakian.

\* Based on **13,963,278** issued and outstanding common shares as of **December 31, 2010**.

As at **December 31, 2009**, the following persons or corporations beneficially own, directly or indirectly, or exercise control over shares carrying more than 5% of the issued and outstanding shares of the Company:

| Name of Shareholder And Municipality                                  | Number of Issued Capital | Percentage of the Total Issued Share Capital* |
|---|--------------------------|---|
| Bedo H. Kalpakian, Richmond, BC and Jacob H. Kalpakian, Vancouver, BC | 3,879,805 <sup>(1)</sup> | 46.07%  |

(1) Of these common shares, 2,065,133 are held by Kalpakian Bros. of B.C. Ltd., a private company of which Bedo H. Kalpakian and Jacob H. Kalpakian are the principal shareholders with equal ownership, 270,000 are held by BHK Management Inc., a company controlled by Bedo H. Kalpakian, 270,000 are held by 30 Rock Management Inc., a company controlled by Jacob H. Kalpakian and 377,000 are held by family members of Bedo and Jacob Kalpakian .

\* Based on **8,420,278** , issued and outstanding common shares as of **December 31, 2009**.

**7.A.1.(c)** All shareholders of the Company have equal voting rights. Holders of common shares of the Company are entitled to one vote per share at all meetings of shareholders, to receive dividends as and when declared by the Directors, and to receive a pro-rata share of the assets of the Company available for distribution to common shareholders in the event of the liquidation, dissolution or winding up of the Company. There are no pre-emptive, conversion or surrender rights attached to the common shares of the Company.

**7.A.2.** As of December 31, 2011, the Company had 16,575,278 issued and outstanding common shares. The number of outstanding common shares of the Company held in the United States and the number of registered holders thereof were 297,664 outstanding common shares and 7 registered shareholders (which

include depository trusts which hold shares on behalf of non-registered shareholders).

**7.A.3.** To the best of the Company's knowledge the Company is not controlled directly or indirectly by another corporation or by any foreign government or by any natural or legal person severally or jointly other than as disclosed in 7.A.1. in this Annual Report.

**7.A.4.** To the best of the Company's knowledge, there are no known arrangements which may at a subsequent date result in a change of control of the Company.

### **Item 7.B. Related Party Transactions**

The Company shares office space with Las Vegas From Home.com Entertainment Inc. ("Las Vegas"), a company related by certain common officers and directors. Effective as of March 1, 2007, Las Vegas invoices the Company \$1,500 plus GST or HST per month for providing office space, telephone and photocopy services, office supplies, reception, accounting, secretarial and other miscellaneous services for as long as such services are required by the Company. As at December 31, 2011, Las Vegas charged the Company for its share of (i) office expense of \$14,400 (2010 - \$14,400; 2009 - \$14,400); (ii) rent of \$3,600 (2010 - \$3,600; 2009 - \$3,600) and iii) other expenses paid on behalf of the Company of \$11,092 (2010 - \$981; 2009 - \$1,247);

The Company charged Las Vegas for its share of other expenses paid on behalf of Las Vegas of \$2,686 (2010 - \$2,575; 2009 - \$2,575);

Las Vegas is related to the Company by virtue of the fact that Las Vegas's CEO and President, namely Jacob H. Kalpakian, is the Vice-President of the Company, and the Chairman and CFO of Las Vegas namely Bedo H. Kalpakian, is the CEO, CFO and President of the Company. Furthermore, Gregory T. McFarlane is a director of both the Company and Las Vegas.

Active Growth Capital Inc. ("Active Growth") was related to the Company by virtue of the fact that the Company's President, CEO and CFO namely Bedo H. Kalpakian, was a director of Active Growth from November 2010 up to July 2011, and the Company's Vice-President namely Jacob H. Kalpakian was the President and CEO of Active growth from November 2010 up to June 2011 and a director until July 2011. For the twelve months period ended December 31, 2011, Active Growth was charged by the Company for its share of certain expenses paid by the Company on behalf of Active Growth of \$3,506 (2010: \$Nil; 2009: \$Nil).

Giyani Gold Corp. (formerly 99 Capital Corporation) ("Giyani") was related to the Company by virtue of the fact that the Company's President, CEO and CFO namely Bedo H. Kalpakian, was the Chairman and CFO of Giyani from November 2009 up to June 2010, and the Company's Vice-President namely Jacob H. Kalpakian was the President and CEO of Giyani from November 2009 up to June 2010. For the twelve months period ended December 31, 2011, Giyani was charged by the Company for its share of certain expenses paid by the Company on behalf of Giyani of \$Nil (2010: \$3,175; 2009: \$Nil)

Touchdown Resources Inc. (formerly Touchdown Capital Inc.) ("Touchdown") was related to the Company by virtue of the fact that the Company's President, CEO & CFO, namely Bedo H. Kalpakian was a director of Touchdown until June 2010, and the Company's Vice-President namely Jacob H. Kalpakian was also a director of Touchdown until June 2010. For the twelve months period ended December 31, 2011, Touchdown was charged by the Company for its share of certain expenses paid by the Company on behalf of Touchdown of \$Nil (2010: \$Nil; 2009: \$2,275).

Pursuant to the Management Services Agreement with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros.") dated November 1, 2001 (Exhibit 10.4 - Incorporated by reference), as amended on August 18, 2003, July 31, 2005 and November 1, 2010 (Exhibits 10.4.1 and 10.4.2 - Incorporated by reference) (the "Management Services Agreement"), the total amount for Management Fees was \$120,000 during the twelve months period ended December 31, 2011 (December 31, 2010 - \$320,000; December 31, 2009:

\$360,000). In February 2012, the Management Services Agreement was amended (**See Exhibit 10.4.3 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. for the services provided to the Company has been reduced from \$10,000 plus HST per month to \$5,000 plus HST per month effective as of March 1, 2012. Subsequently, the Management Services Agreement was further amended (**See Exhibit 10.4.4 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. has been further reduced from \$5,000 plus HST per month to \$2,500 plus HST per month as of April 1, 2012. The principals of Kalpakian Bros. are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors and officers of the Company. The Management Services Agreement is renewable on an annual basis, and either party may terminate the Management Services Agreement at anytime by giving three months notice to the other party.

Previously, the Company hired the services of J.W. Murton & Associates to provide geological services. J.W. Murton & Associates is a private company owned by J.W. Murton, a former director of the Company. For the year ended December 31, 2011, J. W. Murton & Associates has provided geological services to the Company in the amount of \$Nil (December 31, 2010: \$198; December 31, 2009: \$4,317).

On September 8, 2006, the Company entered into an option agreement for the Extra High Property with Colt Resources Inc. (“Colt”); this agreement was subsequently amended on October 31, 2006 and June 14, 2007. The terms of the agreement were completed in full on June 26, 2007 (see Item 4.D – I).

On January 21, 2008, the Company entered into an option agreement for the Extra High Property with Colt (the “2008 Option Agreement”) (see Item 4.D – I). During 2008, pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of \$250,000 however Colt did not exercise the second tranche of the option.

Colt was previously related to the Company by virtue of the fact that Bedo H. Kalpakian was the President and CEO of Colt and is the President, CEO and CFO of the Company, and Jacob H. Kalpakian was the Vice President and Director of Colt and is the Vice President and Director of the Company. Furthermore, J. Wayne Murton was a former Director of the Company and was a director of Colt.

In connection with the 2010 non-brokered private placement (see Liquidity and Capital Resources of this Annual Report), a total of 3,250,000 Units in the capital of the Company were subscribed for by a company owned by two directors of the Company. As at December 31, 2010, a total of 1,010,000 share purchase warrants at \$0.10 per share were exercised by a company owned by two directors of the Company for total proceeds to the Company of \$101,000.

In connection with the 2009 non-brokered private placement (see Liquidity and Capital Resources of this Annual Report), an aggregate of 4,176,333 Units in the capital of the Company were subscribed for by the family of two directors of the Company. In addition, a total of 37,500 Units were subscribed for by an officer of the Company.

Pursuant to a Loan Agreement between the Company and First Lithium Resources Inc. (formerly Mountain Capital Inc.) (“MCI”), a company that was formerly related to the Company by two current directors and one former director of the Company, the Company borrowed \$30,000 from MCI (the “Loan”). The Loan together with interest, at a fixed rate of 10% per annum calculated annually and not in advance, was repaid to MCI on June 1, 2009 (see Exhibit- 10.20 – Incorporated by reference).

MCI was previously related to the Company by virtue of the fact that Bedo H. Kalpakian and Jacob H. Kalpakian were Directors and Officers of MCI, and J. Wayne Murton was a Director of the Company and is presently a Director of MCI.

The Company is or was related to the following companies by common management and/or directors and/or officers:

- Las Vegas From Home.com Entertainment Inc. (“Las Vegas”), a public company listed on the TSX

Venture Exchange, also quoted in the U.S.A. on the OTC Pink of the OTC Markets Group and on the Berlin & Frankfurt Stock Exchanges. Jacob H. Kalpakian, and Bedo H. Kalpakian are officers, directors and shareholders of Las Vegas and Gregory T. McFarlane is a director of Las Vegas;

- Kalpakian Bros. of B.C. Ltd., a private company incorporated under the laws of the Province of British Columbia, the principal shareholders of which are Jacob H. Kalpakian and Bedo H. Kalpakian, directors of the Company;
- BHK Management Inc., a private company incorporated under the laws of the Province of British Columbia, the principal shareholder of which is Bedo H. Kalpakian, a director of the Company;
- 30 Rock Management Inc., a private company incorporated under the laws of the Province of British Columbia, the principal shareholder of which is Jacob H. Kalpakian, a director of the Company;
- Colt Resources Inc. (“Colt”), is a public company listed on the TSX Venture Exchange in Canada and on the OTCQX of the OTC Markets Group in the U.S.A. Colt was formerly related to the Company by certain directors and officers as more particularly described in this Annual Report;
- J.W. Murton & Associates, a private company incorporated under the laws of the Province of British Columbia, the principal shareholder of which is J. Wayne Murton, a former director of the Company;
- First Lithium Resources Inc. (formerly Mountain Capital Inc. (“MCI”) is a public company listed on the TSX Venture Exchange. J. Wayne Murton is a director and shareholder of MCI. MCI was formerly related to the Company by certain directors and officers as more particularly described in this Annual Report;
- Touchdown Resources Inc. (formerly Touchdown Capital Inc.) (“Touchdown”) is a public company listed on the TSX Venture Exchange. Jacob H. Kalpakian and Bedo H. Kalpakian were former directors of Touchdown from July 2005 until June 2010;
- Giyani Gold Corp (formerly 99 Capital Corporation) (“Giyani”) is a public company listed on the TSX Venture Exchange. Jacob H. Kalpakian and Bedo H. Kalpakian were former officers and directors of Giyani from November 2009 until June 2010;
- Active Growth Capital Inc. (“Active Growth”) is a public company listed on the TSX Venture Exchange. Jacob H. Kalpakian was an officer of Active Growth from November 2010 until June 2011 and a director until July 2011, and Bedo H. Kalpakian was a director of Active Growth from November 2010 until July 2011;
- Big Mojo Capital Inc. (“Big Mojo”) is a public company listed on the TSX Venture Exchange. Jacob H. Kalpakian is a director since October 2010;
- NY85 Capital Inc. (“NY85”) is a public company listed on the TSX Venture Exchange. Both Jacob H. Kalpakian and Bedo H. Kalpakian are directors since October 2010.

As at December 31, 2011, the Company charged Colt for its share of certain expenses of \$nil (2010 - \$nil; 2009 - \$615).

As at December 31, 2011, Touchdown was charged by the Company for its share of: certain expenses paid on behalf of Touchdown of \$nil (2010 - \$nil; 2009 - \$2,275).

As at December 31, 2011, Giyani was charged by the Company for its share of certain expenses paid on behalf of Giyani of \$nil (2010 - \$3,175; 2009 - \$nil).

#### **Item 7.C. Interests of Experts and Counsel**

Not Applicable.

### **ITEM 8. FINANCIAL INFORMATION**

#### **Item 8.A. Financial Statements and Other Information**

The Company’s Audited Financial Statements for the year ended December 31, 2011, are included in Item 17 of this report.

#### **Item 8.A.7. Legal Proceedings**

The Company is presently not a party to any legal proceeding of any kind.

The Company's corporate legal counsels are: Anfield Sujir Kennedy & Durno, Barristers and Solicitors, (Attn: Michael Kennedy), located at #1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3. The telefax number is (604) 669-3877.

#### **Item 8.A.8. Dividends**

The Company has never paid and does not intend to pay any dividends in the future.

#### **Item 8. B. Significant Changes**

There have been no significant changes in the affairs of the Company since the year ended December 31, 2011.

### **ITEM 9. THE OFFER & LISTING**

#### **Item 9.A. (4) Listing Details**

On April 4, 1985, the Company's common shares were listed and posted for trading on the Vancouver Stock Exchange, on the Montreal Exchange on January 15, 1988 and, on the Nasdaq SmallCap Market on May 11, 1988. On July 12, 1991, the Company voluntarily de-listed its common shares from the Montreal Exchange, and, on October 3, 1994, the Company's shares were delisted from the Nasdaq SmallCap Market. Effective October 4, 1994, the Company's shares have been listed for trading on the OTC Bulletin Board, now on the OTCQB tier of the OTC Markets Group ("OTCQB"). Effective on November 29, 1999 the Vancouver Stock Exchange became known as the CDNX as a result of the merger between the Vancouver Stock Exchange and the Alberta Stock Exchange. On July 5, 2001, the Company made a formal application to the CDNX requesting the voluntary delisting of the Company's common shares from trading on the CDNX, as a result of which, the common shares of the Company were de-listed from trading on the CDNX effective at the close of trading on July 31, 2001. The trading symbol of the Company's common shares when they were listed on the CDNX was "GGG". During the period commencing from January, 2001, up to July 31, 2001, a total of 373,095 common shares of the Company traded on the CDNX at prices ranging from a high of \$0.40 to a low of \$0.22.

On July 30, 1986, the Company's share capital split on the basis of one-old-for-two-new common shares. On May 25, 1992, the Company's share capital was consolidated on the basis of ten-old-for-one-new common share. On April 25, 2000, the Company's share capital was consolidated on the basis of fifteen-old-for-one-new common share. On May 2, 2002, the Company's name was changed to Lucky 1 Enterprises Inc. and its share capital was consolidated on the basis of five-old-for-one-new common share and its authorized share capital was subsequently increased to 200,000,000 common shares without par value. On January 17, 2005, the Company's name was changed to Bronx Ventures Inc. and its share capital was consolidated on the basis of thirty-five-old-for-one-new-common share, and its authorized share capital was subsequently increased to an unlimited number of common and preferred shares without par value. Effective at the opening of business on January 24, 2005, the common shares of Lucky 1 Enterprises Inc. were de-listed, and the common shares of Bronx Ventures Inc. commenced trading on the OTC Bulletin Board and now listed on the OTCQB in the U.S.A. under the trading symbol "BRXVF". On March 19, 2007, the Company changed its name to Zab Resources Inc. and subdivided its stock on a one (1) old for 50 (new) shares basis. As a result, the shares of Bronx Ventures Inc. were de-listed from trading and the shares of Zab Resources Inc. commenced trading on the OTC Bulletin Board and now listed on the OTCQB in the USA under the symbol "ZABRF" on March 22, 2007.

Effective November 28, 2007, the common shares of the Company have been listed for trading on the Canadian National Stock Exchange ("CNSX") (formerly Canadian Trading and Quotation System (CNQ))

under the trading symbol “ZABK”. On October 17, 2008, the Company’s CNSX symbol was changed to “ZAB” pursuant to the CNSX adopting a three character symbol format.

On April 16, 2009, the Company changed its name from Zab Resources Inc. (“Zab”) to Kokomo Enterprises Inc. (“Kokomo”) and the Company’s share capital was consolidated on the basis of 25 (old) shares of Zab for 1 (new) share of Kokomo. As a result, the shares of Zab were de-listed from trading and the shares of Kokomo commenced trading in Canada on the CNSX under the symbol “KKO”, and in the U.S.A. the shares of Kokomo commenced trading on the OTCQB under the symbol “KKOEF”. The Cusip number of the Company’s common shares is 500323100.

The following tables set forth the market price range and trading volumes of the common shares of the Company on the OTCQB and on the CNSX for the periods indicated.

**OTCQB – OTC Markets Group**

**Trading Range**

| <b>Five Most Recent Financial Years</b> | <b><u>U.S.\$ High</u></b> | <b><u>U.S.\$ Low</u></b> | <b><u>Volume</u></b> |
|---|---------------------------|--------------------------|----------------------|
| <b>2007</b>                             | 0.12                      | 0.03                     | 4,190,549            |
| <b>2008</b>                             | 0.045                     | 0.01                     | 4,084,248            |
| <b>2009</b>                             | 0.06                      | 0.06                     | 109,900              |
| <b>2010</b>                             | 0.20                      | 0.08                     | 124,000              |
| <b>2011</b>                             | 0.1412                    | 0.08                     | 23,326               |
| <b>Two Most Recent Financial Years</b>  |                           |                          |                      |
| Year 2010                               |                           |                          |                      |
| Jan 1 – Mar 31                          | n/a                       | n/a                      | 0                    |
| Apr 1 – Jun 30                          | n/a                       | n/a                      | 0                    |
| Jul 1 – Sept 30                         | 0.08                      | 0.08                     | 2,000                |
| Oct 1 – Dec 31                          | 0.20                      | 0.09                     | 122,000              |
| Year 2011                               |                           |                          |                      |
| Jan 1 – Mar 31                          | 0.08                      | 0.08                     | 8,000                |
| Apr 1 – Jun 30                          | 0.1412                    | 0.1209                   | 18,326               |
| Jul 1 – Sept 30                         | n/a                       | n/a                      | 0                    |
| Oct 1 – Dec 31                          | n/a                       | n/a                      | 0                    |

**CNSX**

**Canadian National Stock Exchange  
(formerly Canadian Trading & Quotation System)**

**Trading Range**

|   | <b><u>Cdn \$ High</u></b> | <b><u>Cdn \$ Low</u></b> | <b><u>Volume</u></b> |
|---|---------------------------|--------------------------|----------------------|
| <b>Five Most Recent Financial Years</b> |                           |                          |                      |
| <b>2007 (Nov 30 – Dec 31)</b>           | 0.015                     | 0.015                    | 0                    |
| <b>2008</b>                             | 0.06                      | 0.01                     | 5,442,000            |
| <b>2009</b>                             | 0.10                      | 0.01                     | 1,146,244            |
| <b>2010</b>                             | 0.20                      | 0.05                     | 1,207,514            |
| <b>2011</b>                             | 0.20                      | 0.04                     | 1,799,562            |
| <b>Two Most Recent Financial Years</b>  |                           |                          |                      |
| Year 2010                               |                           |                          |                      |
| Jan 1 – Mar 31                          | 0.23                      | 0.05                     | 25,010               |
| Apr 1 – Jun 30                          | 0.195                     | 0.075                    | 629,000              |
| Jul 1 – Sep 30                          | 0.11                      | 0.08                     | 194,004              |

|                |       |       |           |
|----------------|-------|-------|-----------|
| Oct 1 – Dec 31 | 0.20  | 0.10  | 359,500   |
| Year 2011      |       |       |           |
| Jan 1 – Mar 31 | 0.10  | 0.085 | 66,600    |
| Apr 1 – Jun 30 | 0.20  | 0.10  | 135,462   |
| Jul 1 – Sep 30 | 0.115 | 0.08  | 195,500   |
| Oct 1 – Dec 31 | 0.10  | 0.04  | 1,402,000 |

### **Item 9.C. Markets**

On April 4, 1985, the Company's common shares were listed and posted for trading on the Vancouver Stock Exchange, on the Montreal Exchange on January 15, 1988 and, on the Nasdaq SmallCap Market on May 11, 1988. On July 12, 1991, the Company voluntarily de-listed its common shares from the Montreal Exchange, and, on October 3, 1994, the Company's shares were de-listed from the Nasdaq SmallCap Market. Effective October 4, 1994, the Company's shares have been listed for trading on the OTC Bulletin Board now the OTCQB tier of the OTC Markets Group. The current trading symbol of the Company's common shares on the OTC Bulletin Board is "KKOEF". Effective on November 29, 1999 the Vancouver Stock Exchange became known as the CDNX as a result of the merger between the Vancouver Stock Exchange and the Alberta Stock Exchange. On July 5, 2001, the Company made a formal application to the CDNX requesting the voluntary delisting of the Company's common shares from trading on the CDNX, as a result of which, the common shares of the Company were de-listed from trading on the CDNX effective at the close of trading on July 31, 2001.

Effective November 28, 2007, the common shares of the Company were listed for trading on the Canadian National Stock Exchange ("CNSX") (formerly known as the Canadian Trading and Quotation System ("CNQ")) Canada under the trading symbol "ZABK". Effective on October 17, 2008, the Company's CNSX symbol was changed to "ZAB" pursuant to the CNSX adopting a three character symbol format.

On April 16, 2009, the Company changed its name from Zab Resources Inc. ("Zab") to Kokomo Enterprises Inc. ("Kokomo"), and the Company consolidated its capital stock on the basis of 25 (old) shares of Zab for 1 (new) share of Kokomo. As a result, the shares of Zab were de-listed from trading and the shares of Kokomo commenced trading in Canada on the CNSX under the symbol "KKO", and in the U.S.A. the shares of Kokomo commenced trading on the OTCQB under the symbol "KKOEF". The Cusip number of the Company's common shares is 500323100.

## **ITEM 10. ADDITIONAL INFORMATION**

### **Item 10. A. Share Capital**

Effective April 16, 2009, the Company's name was changed to Kokomo Enterprises Inc., its share capital was consolidated on the basis of 25 (old) shares of Zab for 1 (new) share of Kokomo.

The authorized share capital of the Company consists of an unlimited number of common and preferred shares without par value of which 16,575,278 common shares are issued and outstanding as of December 31, 2011. No preferred shares have been issued.

Holder of common shares of the Company are entitled to one vote per share at all meetings of shareholders of the Company, to receive dividends as and when declared by the Directors, and to receive a pro-rata share of the assets of the Company available for distribution to common shareholders in the event of the liquidation, dissolution or winding up of the Company. There are no pre-emptive, conversion or surrender rights attached to the common shares of the Company.

All shares have been issued pursuant to resolutions of the Board of Directors of the Company.

| <b>Outstanding Share Data as of December 31, 2011</b> | <b>No. of Common Shares</b>   | <b>No. of Preferred Shares</b> | <b>Exercise Price per Share</b>   | <b>Expiry Date</b>   |
|---|---|--------------------------------|---|--|
| <b>Issued and Outstanding as at December 31, 2011</b> | <b>16,575,278</b>   | <b>Nil</b>                     | <b>N/A</b>  | <b>N/A</b>   |
| <b>Warrants as at December 31, 2011</b>               | <b>440,000</b><br><b>550,000</b><br><b>500,000</b><br><b>2,000,000</b><br><b>500,000</b><br><b>500,000</b><br><b>100,000</b><br><b>2,000,000</b><br><b>83,333</b> | <b>Nil</b>                     | <b>Cdn \$0.10</b><br><b>Cdn \$0.10</b><br><b>Cdn \$0.10</b><br><b>Cdn \$0.10</b><br><b>Cdn \$0.15</b><br><b>Cdn \$0.15</b><br><b>Cdn \$0.15</b><br><b>Cdn \$0.10</b><br><b>Cdn \$0.10</b> | <b>Mar 11/2012</b><br><b>April 16, 2012</b><br><b>May 4, 2012</b><br><b>August 16, 2012</b><br><b>April 1, 2013</b><br><b>April 15, 2013</b><br><b>May 10, 2013</b><br><b>Dec 2/2014</b><br><b>Dec 22/2014</b> |
| <b>Stock Options as at December 31, 2011</b>          | <b>120,000</b>  | <b>Nil</b>                     | <b>Cdn \$0.15</b>   | <b>June 1, 2012</b>  |
| <b>Fully Diluted as at December 31, 2011</b>          | <b>23,368,611</b>   | <b>Nil</b>                     |   |  |

#### **Item 10.A.4. Warrants**

All warrants have been issued pursuant to resolutions of the Board of Directors of the Company.

The following summarizes the warrants that have been granted, exercised, cancelled or expired during the years ended December 31, 2011, 2010 and 2009:

|                            | <b>Number of Warrants</b> | <b>Weighted Average Exercise Price</b> |
|----------------------------|---------------------------|--|
| Balance, December 31, 2009 | 7,325,333                 | \$ 0.10                                |
| Issued                     | 4,500,000                 | \$ 0.10                                |
| Exercised                  | (1,043,000)               | \$ 0.10                                |
| Balance, December 31, 2010 | 10,782,333                | \$ 0.10                                |
| Issued                     | 1,100,000                 | \$0.15                                 |
| Expired                    | (3,697,000)               | \$0.10                                 |
| Exercised                  | (1,512,000)               | \$0.10                                 |
| Balance, December 31, 2011 | 6,673,333                 | \$0.11                                 |

#### **Item 10.A.5. Stock Options**

The Company's shareholders re-approved its 2004 Stock Option Plan whereby the Company may reserve for granting to directors, officers, employees and consultants up to 20% of the issued and outstanding common shares of the Company calculated from time to time on a rolling basis. The Company's 2004 Stock Option Plan has received the required re-approval of the Company's shareholders and of its Board

of Directors. From time to time, the Company grants stock options to its directors, employees and consultants on terms and conditions acceptable to the Regulatory Authorities. The stock options entitle the holders to acquire common shares of the Company from treasury (See Exhibit 10.7 – Incorporated by reference).

The following summarizes the employee and director stock options that have been granted, exercised, cancelled and expired during the years ended December 31, 2011, 2010 and 2009:

|                            | Number of<br>Options | Weighted<br>Average<br>Exercise<br>Price |
|----------------------------|----------------------|--|
| Balance, December 31, 2009 | 178,242              | \$ 1.25                                  |
| Cancelled                  | (14,000)             | \$ 1.25                                  |
| Balance, December 31, 2010 | 164,242              | \$ 1.25                                  |
| Expired                    | (164,242)            | \$ 1.25                                  |
| Issued                     | 120,000              | \$ 0.15                                  |
| Balance, December 31, 2011 | 120,000              | \$ 0.15                                  |

The weighted average remaining contractual life is 0.50 years.

At December 31, 2011 and 2010, all stock options outstanding were exercisable. All options vested immediately upon grant.

| Expiry Date   | Exercise<br>Price | Number of Options |         |
|---------------|-------------------|-------------------|---------|
|               |                   | 2011              | 2010    |
| June 15, 2011 | \$ 1.25           | 0                 | 164,242 |
| June 1, 2012  | \$ 0.15           | 120,000           | 0       |
|               |                   | 120,000           | 164,242 |

#### **Item 10. A.6. History of Share Capital**

There are no special voting rights attached to any of the Company's issued and outstanding shares. All shares which were issued from the Company's Treasury were issued for cash or in the case of Finder's Fees, for services rendered.

#### **CAPITAL STOCK**

Authorized: Unlimited number of Common and Preferred shares without par value, of which there are no preferred shares issued.

All common shares and per share amounts have been restated to give retroactive effect to the 25:1 share consolidation, which took effect on April 16, 2009.

|  | Capital Stock |               | Deficit         | Reserves  |            | Total Stockholders' Equity (Deficiency) |
|--|---------------|---------------|-----------------|-----------|------------|---|
|  | Common Shares | Amount        |                 | Warrants  | Options    |   |
| <b>Balance, January 1, 2010</b>          | 8,420,278     | \$ 23,492,381 | \$ (23,632,148) | \$ 31,884 | \$ 218,347 | \$ 110,464                              |
| Comprehensive loss for year              | 0             | 0             | (451,400)       | 0         | 0          | (451,400)                               |
| Private placement, net of issuance costs | 4,500,000     | 270,000       | 0               | 0         | 0          | 270,000                                 |
| Warrants exercised                       | 1,043,000     | 104,300       | 0               | 0         | 0          | 104,300                                 |
| Expiry of options                        | 0             | 0             | 17,150          | 0         | (17,150)   | 0                                       |
| <b>Balance, December 31, 2010</b>        | 13,963,278    | 23,866,681    | (24,066,398)    | 31,884    | 201,197    | 33,364                                  |
| Comprehensive loss for year              | 0             | 0             | (483,413)       | 0         | 0          | (483,413)                               |
| Private placement, net of issuance costs | 1,100,000     | 100,000       | 0               | 10,000    | 0          | 110,000                                 |
| Warrants exercised                       | 1,512,000     | 151,200       | 0               | 0         | 0          | 151,200                                 |
| Expiry of warrants                       | 0             | 0             | 31,050          | (31,050)  | 0          | 0                                       |
| Expiry of options                        | 0             | 0             | 201,197         | 0         | (201,197)  | 0                                       |
| <b>Balance, December 31, 2011</b>        | 16,575,278    | \$ 24,117,881 | \$ (24,317,564) | \$ 10,834 | \$ 0       | \$ (188,849)                            |

### **Item 10.B. Articles of Association**

The Company's shareholders considered and approved a special resolution to adopt new Articles for the Company at the Company's Special Meeting which was held on January 10, 2005, (Exhibit 3.2 - Incorporated by reference).

### **Item 10. C. Material Contracts**

On March 26, 2004, the Company entered into an Option Agreement (Exhibit 10.5 – Incorporated by reference) with an arm's length party (the "Arm's Length Party") in respect to certain mineral claims, which are situated in the Kamloops Mining Division in British Columbia (the "Extra High Property"). Pursuant to the terms of the Option Agreement as amended on March 8, 2005, the Company obtained the right to acquire a 100% undivided interest in the Extra High Property, subject to a 1.5% net smelter returns royalty (the "Arm's Length Royalty"), by making staged cash payments totalling \$150,000 and incurring exploration expenditures on the Extra High Property totalling \$500,000 over a period of three years. Upon the Company earning a 100% undivided interest in the Extra High Property, the Company obtained the right to purchase at any time 50% of the Arm's Length Royalty by paying to the Arm's Length Party the sum of \$500,000 leaving the Arm's Length Party with a 0.75% NSR royalty.

On September 8, 2006, the Company entered into an Option Agreement (Exhibit 10.11 – Incorporated by reference) with Colt Resources Inc. ("Colt") whereby Colt obtained the right to acquire a 50% undivided interest, subject to the Arm's Length Royalty, in the Extra High Property by incurring exploration expenditures of \$240,000 on the Extra High Property by no later than February 28, 2007 and by making cash payments to the Company totaling \$133,770 by no later than March 26, 2007. On September 12, 2006, the Company and the Arm's Length Party amended the Option Agreement (Exhibit 10.5.1 – Incorporated by reference) by entering into an Amending Agreement whereby the Company was granted an extension period until June 26, 2007 to make the balance of cash payments to the Arm's Length Party and incur the remaining exploration expenditures on the Extra High Property. On October 31, 2006, the Company and Colt entered into an Amending Agreement (Exhibit 10.11.2 – Incorporated by reference) whereby Colt was granted an extension period until June 26, 2007 to incur exploration expenditures on the Extra High Property and to make the cash payments to the Company. Upon Colt earning its 50% undivided interest in the Extra High Property, the Company and Colt would thereafter equally contribute to all future exploration costs. If any party would fail to contribute its share of future exploration costs,

then its respective interest would be diluted on a straight-line basis. If any party's interest would be diluted to less than a 10% interest, then that party's interest in the Extra High Property would be converted into a 0.5% NSR royalty. On April 16, 2007, the Company and the Arm's Length Party amended the Option Agreement (Exhibit 10.5.2 – Incorporated by reference) by entering into an Amending Agreement whereby the Company was released of the requirement to incur the remaining exploration expenditures but instead was required to make a cash payment of \$60,000 (paid) to the Arm's Length Party.

On June 14, 2007, the Company amended its Option Agreement with Colt whereby Colt would have the right to acquire a 34% interest in the Extra High Property by making cash payments to the Company totalling \$193,770 by no later than June 26, 2007. The Amending Agreement released Colt of the requirement to incur \$240,000 in exploration expenditures on the Extra High Property. On June 26, 2007, the Company made its final payment to the Arm's Length Party thereby earning a 100% undivided interest in the Extra High Property subject only to the Arm's Length Royalty. Colt made its final payment to the Company and earned its 34% interest in the Extra High Property, thus reducing the Company's interest to 66%.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") (see Exhibit 10.11.3 - Incorporated by reference) with Colt whereby Colt was granted the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of \$250,000 to the Company thus acquiring from the Company a 33% undivided interest in the Extra High Property. Colt did not exercise the second tranche of the option. As a result of exercising the first tranche of the option, Colt now holds a 67% undivided interest in the Extra High Property and has become the operator of the Extra High Property.

During the year ended December 31, 2008, the Company sold all of its Ontario Lithium Properties to an arm's length party for gross proceeds of \$54,500 consisting of \$50,000 cash payment and marketable securities of \$4,500 valued at the quoted market price at receipt (see Exhibit 10.12 – Incorporated by reference). Furthermore, the arm's length party is obligated to pay to the Company one-half percent (1/2%) gross receipts royalty after six months from the date of commencement of commercial production from the Ontario Lithium Properties. These properties were previously written-off at the end of fiscal year 2000.

Pursuant to the Management Services Agreement with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros.") dated November 1, 2001 (Exhibit 10.4 - Incorporated by reference), as amended on August 18, 2003, July 31, 2005 and November 1, 2010 (Exhibits 10.4.1 and 10.4.2 - Incorporated by reference) (the "Management Services Agreement"), the total amount for Management Fees was \$120,000 during the twelve months period ended December 31, 2011 (December 31, 2010 - \$320,000; December 31, 2009: \$360,000). In February 2012, the Management Services Agreement was amended (**See Exhibit 10.4.3 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. for the services provided to the Company has been reduced from \$10,000 plus HST per month to \$5,000 plus HST per month effective as of March 1, 2012. Subsequently, the Management Services Agreement was further amended (**See Exhibit 10.4.4 \* - Attached**) whereby the remuneration payable to Kalpakian Bros. has been further reduced from \$5,000 plus HST per month to \$2,500 plus HST per month as of April 1, 2012. The principals of Kalpakian Bros. are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors and officers of the Company. The Management Services Agreement is renewable on an annual basis, and either party may terminate the Management Services Agreement at anytime by giving three months notice to the other party.

Pursuant to an Investor Relations Agreement with an Arm's Length Party in Germany (**see Exhibit 10.24\* - Attached**) the Company has granted 120,000 incentive stock options which are exercisable at \$0.15 per common share and which expire on June 1, 2012 (**see Exhibit 10.25\* - Attached**).

#### **Item 10. D. Exchange Controls**

- (a) No governmental laws, decrees or regulations in the Province of British Columbia, Canada, restrict export or import of capital, including, but not limited to, foreign exchange controls, or affect the remittance of dividends, interest or other payments to non-resident holders of the Registrant's securities.
- (b) There are no limitations on the right of non-resident or foreign owners to hold or vote such securities imposed by foreign law or by the charter or other constituent document of the Registrant.

## **Item 10.E. Taxation**

### **General**

The following comments summarize the material Canadian and U.S. Federal Income Tax consequences for a shareholder of the Registrant who is a non-resident of Canada and who is a resident of the United States subject to taxation under the laws of the United States.

The following is based upon the current provisions of the Income Tax Act (Canada) (the "Tax Act") and regulations thereunder, the U.S. Internal Revenue Code of 1986 (the "Code") and regulations thereunder, the Canada-United States Income Tax Convention, 1980 (the "Convention"), the current administrative policies and practices published by Revenue Canada or by the U.S. Internal Revenue Service and all specific proposals to amend the Tax Act and regulations thereunder that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, and judicial decisions, all of which are subject to change. The following does not take into account the tax laws of the various provinces or territories of Canada or the tax laws of the various state and local jurisdictions of the United States or foreign jurisdictions.

The following is intended to be a general description of the Canadian and U.S. Federal income tax considerations material to a purchase of the common shares and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective holders. The following does not address consequences peculiar to any holder subject to special provision of Canadian or U.S. income tax law. Therefore, prospective holders are urged to consult their own tax advisors with respect to the tax consequences of an investment in the common shares of Kokomo Enterprises Inc.

## **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

### **Dividends on Common Stock**

Under the Tax Act, a non-resident of Canada is subject to withholding tax at the rate of 25% on dividends from a corporation resident in Canada. The Convention reduces this rate to 15% for a shareholder resident in the United States. Withholding tax is further reduced to 5% if the United States resident shareholder is a corporation that beneficially owns at least 10% of the voting stock of the corporation paying the dividend.

### **Exemptions from Withholding Tax**

The Convention provides exemption from Canadian income tax on dividends paid to religious, scientific, literary, educational or charitable organizations or to an organization constituted and operated exclusively to administer or provide benefits under one or more pension, retirement or employee benefit funds or plans. To qualify for exemption such organizations must be resident in the United States and be exempt from income tax under the laws of the United States.

### **Dispositions of Common Stock**

The following comments apply only to a shareholder whose Common stock constitutes capital property to him for purposes of the Income Tax Act.

Common stock will generally constitute capital property unless the holder is a trader or dealer in securities or is engaged in a venture in the nature of trade in respect of Common Stock.

Common stock of a resident public corporation will constitute taxable Canadian property of a shareholder at a particular time if at any time in the preceding five (5) years, 25% or more of the issued shares of any class of the capital stock of the Registrant belonged to the non-resident shareholder, persons with whom the non-resident did not deal at arm's length, or to the non-resident shareholder and persons with whom the non-resident shareholder did not deal at arm's length.

Under the Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains from dispositions of taxable Canadian property and may deduct allowable capital losses from dispositions of taxable Canadian property. If the shares are considered taxable Canadian property, the vendor may be required to withhold tax pursuant to section 116 of the Tax Act.

Upon disposal of capital property the amount, if any, by which a taxpayer's proceeds of disposition exceed or are exceeded by the adjusted cost base of the capital property (including expenses of disposition) represent the capital gain (or loss) on disposition of the capital property. One half of the gain (the "taxable capital gain") is brought into income and taxed at normal rates. One half of the loss (the "allowable capital loss") can be deducted from taxable capital gains realized in the same year. Pursuant to the Federal Budget which was announced on February 28, 2000, the taxable capital gain and allowable capital loss inclusion rate was reduced from three-fourths to two-thirds for dispositions after February 27, 2000. On October 18, 2000, the Federal Budget further reduced the inclusion rate from two-thirds to one-half for dispositions after October 17, 2000. For dispositions of taxable Canadian property any excess of allowable capital losses over taxable capital gains becomes a "net capital loss" which can be carried to other years to reduce taxable capital gains from the disposition of such property.

The Convention gives protection to United States residents from Canadian tax on certain gains derived from the alienation of property. There is no protection for a gain on a disposition of shares the value of which is derived principally from real property in Canada. Protection under the Convention will be available as long as the Registrant remains a Canadian public corporation or its shares continue to be listed on a prescribed stock exchange.

Revenue Canada has indicated that it considers the protection of the Convention with respect to capital gains extend to a "deemed disposition" under the Tax Act, including the "deemed disposition" arising upon the death of a taxpayer.

### **U.S. FEDERAL INCOME TAX CONSIDERATIONS**

KOKOMO ENTERPRISES INC. ("Kokomo") is classified as a Passive Foreign Investment company (PFIC) for U.S. federal income tax purposes since the following conditions have applied for at least one taxable year since 1986:

- 1) 75% or more of its gross income has been passive;
- 2) The average percentage of its assets producing passive income is at least 50%.

The following is intended to be a general description of the U.S. Federal income tax considerations material to a purchase of the common shares and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective holders. **Prospective holders are urged to consult their own tax advisors with respect to the tax consequences of an investment in the common shares of Kokomo.**

Since Kokomo has satisfied the PFIC criteria for at least one taxable year since 1986, while a shareholder

holds shares in Kokomo, it remains a PFIC as to that shareholder even if it no longer meets the income or asset test. Classification as a PFIC will create U.S. tax consequences to a U.S. Shareholder that are unique to the PFIC provisions and that are not encountered in other investments.

Generally, a U.S. shareholder will realize ordinary income on the receipt of cash dividends or property distributions from an investment in the shares of a foreign corporation to the extent such dividends are paid out of the foreign company's current accumulated earnings and profits. To the extent of any withholding taxes, both individual and corporate investors must include such taxes in income and, in turn, claim a foreign tax credit. Certain corporate investors are also entitled to gross up the underlying foreign corporate income taxes and claim a foreign tax credit.

Thus, under the general rule, no U.S. federal income tax consequences occur until an actual dividend is paid. Although this general rule can apply in a PFIC investment, there are significant deviations from this general rule and many elections available to a U.S. shareholder that can alter the U.S. federal income tax consequences. Such consequences will be unique to each U.S. shareholder.

In the absence of any PFIC elections, a U.S. shareholder of a PFIC, will be taxed under the excess distribution method. Under this method, where a current year dividend exceeds 125% of the average of dividends during the preceding three taxable years, the excess must be allocated rateably to each day in the taxpayer's holding period.

The amount of the excess allocated to the current year and to years when the corporation was not a PFIC is included in the shareholder's gross income for the year of the distribution. The remainder of the excess is not included in gross income, but the U.S. shareholder must pay a deferred tax amount by allocating the remaining excess to all PFIC years, re-computing the tax for each PFIC year and computing and paying the resultant interest on the recomputed tax for each PFIC year. As indicated above, foreign tax credit relief is available for withholding taxes for both individual and corporate investors. Relief for underlying corporate tax is only available for certain corporate investors.

Under the excess distribution method, gain on the disposition of PFIC shares results in the same allocation process; gross income inclusion; tax re-computation; and interest charges as an excess distribution.

In lieu of the excess distribution method, a U.S. shareholder may elect to treat a PFIC as a Qualified Electing Fund ("QEF") and be taxed under the QEF method. If that election is made, the U.S. shareholder will be taxed currently on its pro-rata share of the earnings of the QEF. The current income inclusion eliminates the interest charge under the excess distribution method. Thus, unlike the excess distribution method that requires the receipt of cash from an actual dividend or sale, the QEF method invokes taxation without the receipt of cash.

Shareholders, who make a QEF election may, or may not, remain subject to tax under the excess distribution method. If the U.S. shareholder makes the QEF election for the foreign corporation's first tax year as a PFIC that is included in the shareholder's holding period, the excess distribution will not apply to the shareholder. Thus, this type of shareholder will include its pro-rata share of PFIC earnings as a dividend, claim the appropriate foreign tax credit, and not face any interest charge.

If the shareholder makes the QEF election at a later time, in the absence of any other PFIC election, current taxation under the QEF method will apply prospectively. However, the excess distribution method continues to apply prior to the effective date of the QEF election.

If the shareholder makes the QEF election at a later time, the shareholder has an additional option to make a purging election. If a purging election is made, the PFIC stock would be treated as if it were sold and the gain treated as an excess distribution requiring: a gross income inclusion; allocation to PFIC years in the shareholder's holding period, a tax re-computation for PFIC years in the shareholder's holding period; and an interest charge payment. As a result of the purging election, thereafter the excess distribution method would not apply to that shareholder.

Under the QEF method, the U.S. shareholder has another option. In lieu of paying the tax on its pro-rata share of PFIC earnings, the U.S. shareholder in a QEF on the last day of the QEF's tax year may elect to extend the time for payment of any of its undistributed PFIC earnings tax liability for the tax year. If the election is made, the election is treated as an extension of time to pay tax and, thus, the U.S. shareholder is liable for interest.

In lieu of any of the above-described methods, since Kokomo is regularly traded on a national securities exchange, U.S. shareholders may wish to make an election to mark to market.

A U.S. shareholder of a PFIC may make a mark to market election for marketable PFIC stock. If the election is made, the shareholder includes in income each year an amount equal to the excess, if any, of the fair market value of the PFIC stock as of the close of the tax year over the shareholder's adjusted basis in the stock. Decreases in market value are allowed as deductions, within certain prescribed limits.

Generally, under the mark to market election, the general PFIC rules under the excess distribution method and QEF method do not apply. However, if the mark to market election is made after a U.S. shareholder has maintained its investment, there are provisions that ensure that the interest charge on amounts attributable to periods before the election is not avoided.

**PERSONS CONSIDERING THE PURCHASE OF THE COMPANY'S COMMON SHARES SHOULD CONSULT THEIR TAX ADVISORS WITH REGARD TO THE APPLICATION OF CANADIAN, U.S. AND OTHER TAX LAWS TO THEIR PARTICULAR SITUATION.**

**Item 10. F. Dividends and Paying Agents.**

Not Applicable.

**Item 10. G. Statement by Experts**

Not Applicable.

**Item 10. H. Documents on Display.**

We have filed this 2011 Annual Report on Form 20-F with the Securities and Exchange Commission under the Securities Exchange Act of 1934. Statements made in this Annual Report as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to this Annual Report, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

We are subject to the informational requirements of the Securities Exchange Act and file reports and other information with the Securities and Exchange Commission. Reports and other information which we file with the Securities and Exchange Commission, including this Annual Report on Form 20-F, may be inspected at the public reference facilities of the Securities and Exchange Commission at: 450 Fifth Street N.W., Room 1024, Washington, D.C. 20549. Additionally, copies of this material may also be obtained from the Securities and Exchange Commission's Investor Site at <http://www.sec.gov>. The Commission's telephone number is 1-800-SEC-0330.

**Item 10. I Subsidiary Information**

Not Applicable.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

## **Financial Instruments**

The Company has classified its cash as held-for-trading; and accounts payable and accrued liabilities and due to related parties, as other financial liabilities.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments. The fair value of due to related parties cannot be reliably measured as there is no market for such instruments.

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

(a) Credit risk

Credit risk arises from the non-performance of counterparties of contractual financial obligations. The Company's concentration of credit risk and maximum exposure thereto is as follows relating to funds held in Canada:

|               | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|---------------|------------------------------|------------------------------|------------------------------|
| Bank accounts | \$ 924                       | \$ 5,073                     | \$ 5,158                     |

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At December 31, 2011, the Company had accounts payable excluding accrued liabilities of \$86,378 (2010 - \$54,230; 2009 - \$20,292), which are due within 30 days, and amounts payable to related parties of \$66,922 (December 31, 2010 - \$68,920; 2009 - \$10,049), which are due on demand.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to foreign currency risk.

(i) Interest rate risk

The Company's cash consists of cash held in bank accounts earning interest at variable interest rates. Fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2011. The Company is not exposed to significant interest rate risk.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

## **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not Applicable.

## **ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

The Company is not in default in the payment of principal, interest, sinking fund instalment or any other default with respect to any indebtedness of the Company.

## **ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

There have been no changes in the constituent instruments defining the rights of holders of common stock and no issuance of any other securities that has modified the rights of holders of common stock.

### **Use of Proceeds from Offering**

Not Applicable.

## **ITEM 15. CONTROLS AND PROCEDURES**

- a) **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES.** Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures [(as defined in Rules 13a-15(d) and 15d-15(e) under the Securities Exchange Act of 1934 (“Exchange Act”)] as of the end of the period covered by this Annual Report on Form 20-F. Based on such evaluation, he has concluded that as of such date, our disclosure controls and procedures are effective and designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms.
- b) **MANAGEMENT’S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING.** Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of our financial statements for external purposes in accordance with generally accepted accounting principles. Our Chief Executive Officer and Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, they used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2011, our internal control over financial reporting is effective based on those criteria. Notwithstanding the foregoing, all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This Annual Report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to the rules of the SEC that permit the Company to provide only management’s report in this Annual Report.

- c) **CHANGES IN INTERNAL CONTROLS.** There were no changes in our internal controls or in other factors that could affect these controls subsequent to the date of evaluation by our Chief Executive Officer and Chief Financial Officer.

## **ITEM 16. AUDIT COMMITTEE, CODE OF ETHICS, ACCOUNTANT FEES.**

### **16.A. Audit Committee Financial Expert**

The financial experience of Bedo H. Kalpakian, including his experience currently serving as Chief Financial Officer of one other public company and of the registrant, and his experience in actively supervising accountants, controllers and auditors determines that he is an audit committee financial expert within the meaning of the U.S. Sarbanes-Oxley Act of 2002. (See Item 6.C.3. in this Annual Report for further details on the Audit Committee.)

### **16.B. Code of Ethics**

On May 31, 2004, the Company's Board of Directors adopted a Code of Ethics (the "Code") for the Company's Chief Executive Officer and Chief Financial Officer and its principal accounting officer or controller, or persons performing similar function (the "Senior Financial Officers") to deter wrongdoing and promote honest and ethical conduct in the practice of financial management, full, fair, accurate, timely and understandable disclosure; and compliance with all applicable laws and regulations. These Senior Financial Officers are expected to abide by this Code as well as by all of the Company's other applicable business policies, standards and guidelines. (Exhibit 14.1 –Incorporated by reference)

The Code of Ethics can be accessed electronically at <http://www.kokomoenterprises.ca>.

### **Item 16.C. Auditor's Fees & Services**

- (a) Audit Fees: The aggregate fees billed for each of the last three fiscal years by the Company's Auditors were (2011: \$30,000) (2010: \$33,660) and (2009: \$33,400).
- (b) Audit – Related Fees were (2011: \$9,000) (2010: \$1,000) and (2009: \$3,400) which are included in the amounts disclosed in item (a) above.
- (c) Tax Fees: Tax fees were (2011: \$2,000) (2010: \$2,000) and (2009: \$1,500) which are included in the amounts disclosed in item (a) above.
- (d) All other Fees were (2011: \$Nil) (2010: \$660) and (2009: \$Nil) which are included in the amounts disclosed in item (a) above .

Further details with respect to the Audit Committee's Charter is included in the Company's Information Circular dated May 12, 2011 (see Exhibit 17 – Incorporated by reference).

The Audit Committee's pre-approval policies and procedures: The Audit Committee has adopted procedures to pre-approve audit services and all non-audit related services to be rendered by the Company's external auditors. The Chairman of the Audit Committee has been delegated authority to pre-approve audit services up to a maximum cost of \$30,000 and individual assignments up to a maximum cost of \$5,000. All other assignments must be pre-approved by the Audit Committee. All amounts which exceed the authorized amounts require further approval from the Audit Committee.

## **ITEM 17. FINANCIAL STATEMENTS**

The Company's Audited Financial Statements for the year ended December 31, 2011 and 2010, together

with the report of the auditors, Smythe Ratcliffe, Chartered Accountants, are filed as part of this Annual Report. The Company's financial statements are stated in Canadian dollars (Cdn \$).

A) Index to Financial Statements

i) Financial Statements

|  |                    |
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| -Management's Responsibility for Financial Reporting   | <b>Page 50</b>     |
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| -Balance Sheets as at December 31, 2011 and December 31, 2010 and<br>January 1, 2010                       | <b>Page 52</b>     |
| -Statements of Comprehensive Loss for<br>the years ended December 31, 2011 and 2010                        | <b>Page 53</b>     |
| -Statements of Changes in Stockholders' Equity (Deficiency) for<br>the years ended December 31, 2011, 2010 | <b>Page 54</b>     |
| -Statements of Cash Flows for the years ended December 31, 2011 and<br>2010                                | <b>Page 55</b>     |
| -Notes to the Financial Statements   | <b>Pages 56-77</b> |

## ITEM 18. FINANCIAL STATEMENTS

The Company's financial statements which are required to be filed hereunder are listed in Item 17 and are specifically incorporated herein by this reference. The Company's financial statements are stated in Canadian dollars (Cdn \$) and are prepared in accordance with the International Financial Reporting Standards as issued By the International Accounting Standards Board.

## ITEM 19. LIST OF EXHIBITS

- 3.1 Certificate of Incorporation and Memorandum and Articles (Incorporated by reference – Previously filed on Registration Statement on Form 20-F, May 1988)
- 3.2 New Articles (Incorporated by reference) –Static Copy of British Columbia Business Corporations Act (BCBCA). Previously filed on Form 20-F 2004 (SEC Accession No. 0000945234-05-000483) <http://www.sec.gov/Archives/edgar/data/825171/000094523405000483/o17223exv3w2.htm>
- 3.4 Certificate of Name Change to Kokomo Enterprises Inc.  
SEC Accession No. 0001137171-09-000478  
<http://www.sec.gov/Archives/edgar/data/825171/000113717109000478/ex0304.htm>
- 10.1 2003 Stock Option Plan (Incorporated by reference previously filed on Form 20-F/A, June 2003)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717103000199/form20f2002bcl.htm>
- 10.4 Management Services Agreement, (Incorporated by reference - previously filed on Form 20-F, 2001 as amended on August 14, 2003 and July 1, 2005)  
<http://www.sec.gov/Archives/edgar/data/825171/99999999702037711/999999997-02-037711.txt>
- 10.4.1 Addendum to the Management Services Agreement dated July 31, 2005 – Previously filed on Form 20F 2005)  
(US Sec Accession No. 0001137171-06-001515)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717106001515/ex1041.htm>
- 10.4.2 Addendum to the Management Services Agreement dated November 1, 2010.  
SEC Accession No. 0001137171-11-000333  
<http://www.sec.gov/Archives/edgar/data/825171/000113717111000333/ex1042.htm>
- 10.4.3\* Addendum to the Management Services Agreement dated February 16, 2012.**
- 10.4.4\* Addendum to the Management Services Agreement dated March 28, 2012.**
- 10.5 Property Option Agreement – Previously filed on Form 20-F 2003. (SEC Accession No. 0001137171-04-000850) <http://www.sec.gov/Archives/edgar/data/825171/000113717104000850/option.htm>
- 10.5.1 Amendment to the Property Option Agreement dated September 12, 2006 –  
(SEC Accession No.0001137171-07-000906)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717107000906/ex1005a.htm>
- 10.5.2 Amendment to the Property Option Agreement dated April 17, 2007 –  
(SEC Accession No. 0001137171-07-000906)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717107000906/ex1005b.htm>
- 10.7 2004 Stock Option Plan - Previously filed on Form 20-F 2003. (SEC Accession No. 0001137171-04-000850)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717104000850/ex93.htm>  
<http://www.sec.gov/Archives/edgar/data/825171/000113717104000850/debtsettlement2.htm>
- 10.9.1 Debt Settlement Agreements dated July 12, 2007 – (SEC Accession No. 0001137171-08-000659)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717108000659/ex100901.htm>
- 10.11 Property Option Agreement with Colt Capital Corp. dated September 8, 2006 –  
(SEC Accession No. 0001137171-07-000906)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717107000906/ex1011.htm>
- 10.11.1 First Amendment dated September 22, 2006 to the Property Option Agreement  
(SEC Accession No. 0001137171-07-000906)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717107000906/ex1011a.htm>
- 10.11.2 Second Amendment dated October 31, 2006 to the Property Option Agreement  
(SEC Accession No. 0001137171-07-000906)

- <http://www.sec.gov/Archives/edgar/data/825171/000113717107000906/ex1011b.htm>
- 10.11.3 Option Agreement with Colt Resources Inc. dated January 21, 2008 – (SEC Accession No. 0001137171-08-000659)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717108000659/ex101103.htm>
- 10.12 Property Purchase Agreement with James Bay Midarctic Developments Inc. dated July 31, 2008 – (SEC Accession No. 0001137171-09-000478)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717109000478/ex1012.htm>
- 10.20 Loan Agreement with Mountain Capital Inc. (now known as First Lithium Resources Inc.) (SEC Accession No. 0001137171-09-000478)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717109000478/ex1020.htm>
- 10.22 Amending Agreement dated June 22, 2010 between the Company and MMYC. (Incorporated by reference- SEC Accession No. 0001137171-10-000418)
- 10.23\* Letter of Intent dated May 6, 2011 between the Company and Arqueana de Minerios E Metais Ltda.**
- 10.24\* Investor Service Agreement with Ceiba Network UG dated June 1, 2011**
- 10.25\* Option Agreement with Ceiba Network UG dated June 1, 2011**
- 10.26\* Side Letter with Ceiba Network UG dated June 2, 2011**
- 11.1\* Statement explaining in reasonable detail how earnings/loss per share is calculated**
- 14.1 Code of Ethics - Previously filed on Form 20-F 2003. (SEC Accession No. 0001137171-04-000850) <http://www.sec.gov/Archives/edgar/data/825171/000113717104000850/ex96.htm>
17. Notice of Annual General Meeting 2011 and Management Proxy Materials. (SEC Accession No. 0001137171-11-000333 )  
<http://www.sec.gov/Archives/edgar/data/825171/000113717111000333/ex17.htm>
18. Notice of Annual General Meeting, 2010 and Management Proxy Materials (Incorporated by reference- SEC Accession No. 0001137171-10-000418)
19. Notice of Annual General Meeting, 2009 and Management Proxy Materials (Incorporated by reference – previously filed on Form 6K for the month of May, 2009 (SEC Accession No. 0001137171-09-000424)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717109000424/ex992.htm>
20. Notice of Annual General Meeting, 2008 and Management Proxy Materials (Incorporated by reference – previously filed on Form 6K June 16, 2008 (SEC Accession No. 0001137171-08-000573)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717108000573/ex992.htm>
- 20.1 Notice of Annual General Meeting, 2007 and Management Proxy Materials (Incorporated by reference – previously filed on Form 6K May 31, 2007 (Accession Number 0001137171-07-000842)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717107000842/0001137171-07-000842-index.htm>
- 20.4 Notice of Special General Meeting, 2005 and Management Proxy Materials (Incorporated by reference - previously filed on Form 6-K December 3, 2004)  
<http://www.sec.gov/Archives/edgar/data/825171/000113717104001556/ex2.htm>
- 31.1\* Sarbanes Oxley Act Section 302, Certified by**  
**Bedo H. Kalpakian, President, C.E.O. & C.F.O. (Attached)** Page 82
- 32.1\* Sarbanes Oxley Act Section 906, Certified by**  
**Bedo H. Kalpakian, C.E.O & C.F.O. (Attached)** Page 83
- 99. \* Financial Exhibits: – (unaudited)**
- 99.1\* Schedules I - Marketable Securities - Other Investments** Page 78



**KOKOMO ENTERPRISES INC.**  
**(An Exploration Stage Company)**

**Financial Statements**  
**December 31, 2011 and 2010**  
**(Expressed in Canadian Dollars)**

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## MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Kokomo Enterprises Inc. are the responsibility of the Company’s management. The financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal control to ensure that the Company’s assets are protected from loss or improper use, transactions are authorized and properly recorded, and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control through an audit committee, which is comprised primarily of non-management directors. The audit committee reviews the results of the audit and the annual financial statements prior to their submission to the Board of Directors for approval.

The financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants and their report outlines the scope of their examination and gives their opinion on the audited financial statements.

*“Bedo Kalpakian” (signed)*

.....  
Bedo Kalpakian, President

Vancouver, British Columbia  
April 23, 2012

**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF KOKOMO ENTERPRISES INC.  
(An Exploration Stage Company)**

We have audited the accompanying financial statements of Kokomo Enterprises Inc., which comprise the balance sheets as at December 31, 2011, December 31, 2010 and January 1, 2010, and the statements of comprehensive loss, changes in stockholders' equity (deficiency) and cash flows for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kokomo Enterprises Inc. as at December 31, 2011, December 31, 2010 and January 1, 2010, and their operations and cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards, as issued by International Accounting Standards Board.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to note 2 in the financial statements, which indicates that the Company incurred a net loss of \$483,413 during the year ended December 31, 2011 and, as of that date, the Company's current liabilities exceeded its current assets by \$188,850. These conditions, along with other matters set forth in note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

*"Smythe Ratcliffe LLP" (signed)*

Chartered Accountants  
Vancouver, British Columbia  
April 23, 2012

**KOKOMO ENTERPRISES INC.**  
**(An Exploration Stage Company)**  
**Balance Sheets**  
**(Expressed in Canadian Dollars)**

|  | December 31,<br>2011 | December 31,<br>2010 | January 1,<br>2010 |
|--|----------------------|----------------------|--------------------|
|  |                      | (note 14)            | (note 14)          |
| <b>Assets</b>  |                      |                      |                    |
| <b>Current</b>   |                      |                      |                    |
| Cash   | \$ 924               | \$ 5,073             | \$ 5,158           |
| HST receivable   | 848                  | 12,394               | 4,910              |
| Mineral exploration tax credit receivable                      | 0                    | 0                    | 1,060              |
| Prepaid expenses   | 1,367                | 0                    | 0                  |
| <b>Total Current Assets</b>                                    | 3,139                | 17,467               | 11,128             |
| <b>Mineral Property Interests</b> (note 6)                     | 1                    | 151,340              | 151,077            |
| <b>Total Assets</b>  | \$ 3,140             | \$ 168,807           | \$ 162,205         |
| <b>Liabilities and Stockholders' Equity (Deficiency)</b>       |                      |                      |                    |
| <b>Current</b>   |                      |                      |                    |
| Accounts payable and accrued liabilities (note 10)             | \$ 125,067           | \$ 66,523            | \$ 41,692          |
| Due to related parties (note 8)                                | 66,922               | 68,920               | 10,049             |
| <b>Total Current Liabilities</b>                               | 191,989              | 135,443              | 51,741             |
| <b>Stockholders' Equity (Deficiency)</b>                       |                      |                      |                    |
| Capital Stock (note 7)   | 24,117,881           | 23,866,681           | 23,492,381         |
| Reserves   | 10,834               | 233,081              | 250,231            |
| Deficit  | (24,317,564)         | (24,066,398)         | (23,632,148)       |
| <b>Total Stockholders' Equity (Deficiency)</b>                 | (188,849)            | 33,364               | 110,464            |
| <b>Total Liabilities and Stockholders' Equity (Deficiency)</b> | \$ 3,140             | \$ 168,807           | \$ 162,205         |

On behalf of the Board:

"Bedo H. Kalpakian" (signed)

..... Director  
 Bedo H. Kalpakian

"Gregory T. McFarlane" (signed)

..... Director  
 Gregory T. McFarlane

**KOKOMO ENTERPRISES INC.**  
**(An Exploration Stage Company)**  
**Statements of Comprehensive Loss**  
**Years Ended December 31**  
**(Expressed in Canadian Dollars)**

|   | <b>2011</b>         | <b>2010</b>         |
|---|---------------------|---------------------|
| <b>Expenses</b>   |                     |                     |
| Management fees (note 8)                                    | \$ 120,000          | \$ 320,000          |
| Mineral property evaluation costs                           | 64,928              | 0                   |
| Legal, accounting and audit                                 | 62,179              | 45,919              |
| Salaries and benefits                                       | 38,129              | 41,460              |
| Office and miscellaneous (note 8)                           | 29,697              | 29,311              |
| Regulatory and transfer fees                                | 8,701               | 7,678               |
| Rent (note 8)   | 3,600               | 3,600               |
| Telephone, travel, meals and entertainment                  | 3,294               | 1,943               |
| Finance, interest and foreign exchange                      | 962                 | 942                 |
| Shareholder communication                                   | 584                 | 574                 |
| <b>Loss Before Other Items</b>                              | <b>(332,074)</b>    | <b>(451,427)</b>    |
| <b>Other Items</b>  |                     |                     |
| Interest income   | 0                   | 27                  |
| Impairment of mineral property interests (note 6)           | (151,339)           | 0                   |
|   | <b>(151,339)</b>    | <b>27</b>           |
| <b>Net Loss and Comprehensive Loss for Year</b>             | <b>\$ (483,413)</b> | <b>\$ (451,400)</b> |
| <b>Basic and Diluted Loss Per Common Share (Note 7(e))</b>  | <b>\$ (0.03)</b>    | <b>\$ (0.04)</b>    |
| <b>Weighted Average Number of Common Shares Outstanding</b> | <b>15,527,451</b>   | <b>11,270,527</b>   |

**KOKOMO ENTERPRISES INC.**  
**(An Exploration Stage Company)**  
**Statements of Changes in Stockholders' Equity (Deficiency)**  
**Years Ended December 31**  
**(Expressed in Canadian Dollars)**

|   | Capital Stock    |               |                 | Reserves  |            | Total<br>Stockholders'<br>Equity<br>(Deficiency) |
|---|------------------|---------------|-----------------|-----------|------------|--|
|   | Common<br>Shares | Amount        | Deficit         | Warrants  | Options    |  |
| <b>Balance, January 1, 2010</b> (note 14)   | 8,420,278        | \$ 23,492,381 | \$ (23,632,148) | \$ 31,884 | \$ 218,347 | \$ 110,464                                       |
| Net loss for year                           | 0                | 0             | (451,400)       | 0         | 0          | (451,400)  |
| Private placement, net of issuance costs    | 4,500,000        | 270,000       | 0               | 0         | 0          | 270,000  |
| Warrants exercised                          | 1,043,000        | 104,300       | 0               | 0         | 0          | 104,300  |
| Expiry of options                           | 0                | 0             | 17,150          | 0         | (17,150)   | 0  |
| <b>Balance, December 31, 2010</b> (note 14) | 13,963,278       | 23,866,681    | (24,066,398)    | 31,884    | 201,197    | 33,364   |
| Net loss for year                           | 0                | 0             | (483,413)       | 0         | 0          | (483,413)  |
| Private placement, net of issuance costs    | 1,100,000        | 100,000       | 0               | 10,000    | 0          | 110,000  |
| Warrants exercised                          | 1,512,000        | 151,200       | 0               | 0         | 0          | 151,200  |
| Expiry of warrants                          | 0                | 0             | 31,050          | (31,050)  | 0          | 0  |
| Expiry of options                           | 0                | 0             | 201,197         | 0         | (201,197)  | 0  |
| <b>Balance, December 31, 2011</b>           | 16,575,278       | \$ 24,117,881 | \$ (24,317,564) | \$ 10,834 | \$ 0       | \$ (188,849)                                     |

**KOKOMO ENTERPRISES INC.**  
**(An Exploration Stage Company)**  
**Statements of Cash Flows**  
**Years Ended December 31**  
**(Expressed in Canadian Dollars)**

|  | <b>2011</b>      | <b>2010</b>      |
|--|------------------|------------------|
| <b>Operating Activities</b>                  |                  |                  |
| Net loss                                     | \$ (483,413)     | \$ (451,400)     |
| Items not involving cash                     |                  |                  |
| Write-off of mineral property interests      | 151,339          | 0                |
| Share-based payment                          | 3,250            | 0                |
|  | (328,824)        | (451,400)        |
| Changes in non-cash working capital (note 9) | 63,475           | 76,218           |
| <b>Cash Used in Operating Activities</b>     | <b>(265,349)</b> | <b>(375,182)</b> |
| <b>Financing Activity</b>                    |                  |                  |
| Issue of common shares and warrants          | 261,200          | 374,300          |
| <b>Investing Activities</b>                  |                  |                  |
| Proceeds from mineral tax credit             | 0                | 1,060            |
| Expenditures on mineral property interest    | 0                | (263)            |
| <b>Cash Provided By Investing Activities</b> | <b>0</b>         | <b>797</b>       |
| <b>Net Outflow of Cash</b>                   | <b>(4,149)</b>   | <b>(85)</b>      |
| <b>Cash, Beginning of Year</b>               | <b>5,073</b>     | <b>5,158</b>     |
| <b>Cash, End of Year</b>                     | <b>\$ 924</b>    | <b>\$ 5,073</b>  |

Supplemental Information (note 9)

**KOKOMO ENTERPRISES INC.**  
**(An Exploration Stage Company)**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(Expressed in Canadian Dollars)**

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**1. NATURE OF BUSINESS**

The Company was incorporated on August 24, 1984 in British Columbia, Canada. The principal business of the Company is the acquisition, exploration and, if warranted, the development of natural resource properties.

The common shares of the Company trade on the CNSX under the symbol "KKO", and in the USA, the Company's common shares trade on the OTCQB under the trading symbol "KKOEF". The Cusip number of the Company's common shares is 500323100. The Company's head office is located at 1000 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3. The Company's transfer agent is Computershare Investor Services Inc. located at 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

**2. GOING CONCERN**

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred significant operating losses over the past two fiscal years (2011 - \$483,413; 2010 - \$451,400), has a deficit of \$24,317,564 (December 31, 2010 - \$24,066,398; January 1, 2010 - \$23,632,148), a working capital deficiency of \$188,850 (December 31, 2010 - \$117,976; January 1, 2010 - \$40,613), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage and, accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

**3. BASIS OF PRESENTATION**

(a) Statement of compliance

These statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale ("AFS") and fair value through profit or loss ("FVTPL"), which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### 3. BASIS OF PRESENTATION (Continued)

#### (a) Statement of compliance (continued)

These financial statements are the Company's first IFRS annual financial statements. Previously, the Company prepared its financial statements in accordance with pre-changeover generally accepted accounting principles ("GAAP"). The impact of the transition from Canadian GAAP to IFRS is explained in note 14. IFRS 1 *First-Time Adoption of International Financial Reporting Standards* has been applied.

The significant accounting policies set out in note 4 have been applied consistently to all periods presented and in the preparation of the opening balance sheet at January 1, 2010 (note 14) for purposes of transition to IFRS. The Company's functional and reporting currency is the Canadian dollar.

#### (b) Approval of the financial statements

The financial statements of Kokomo Enterprises Inc. for the year ended December 31, 2011 was approved and authorized for issue by the Board of Directors on April 23, 2012.

#### (c) New accounting pronouncements

All of the new and revised standards described below may be early-adopted.

##### *IFRS 9 Financial Instruments (2009)*

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in the profit or loss.

The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is only applicable if it is optionally adopted for annual periods beginning before January 1, 2015. For annual periods beginning on or after January 1, 2015, the Company must adopt IFRS 9 (2010).

##### *IFRS 9 Financial Instruments (2010)*

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

### 3. BASIS OF PRESENTATION (Continued)

#### (c) New accounting pronouncements (continued)

##### *IFRS 9 Financial Instruments (2010) (continued)*

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at FVTPL; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

This standard applies to annual periods beginning on or after January 1, 2015 and supersedes IFRS 9 (2009). However, for annual reporting periods beginning before January 1, 2015, an entity may early-adopt IFRS 9 (2009) instead of applying this standard.

##### *IFRS 13 Fair Value Measurement*

This IFRS standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a "fair value hierarchy" based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g., whether it is recognized in the financial statements or merely disclosed) and the level in which it is classified.

This standard is applicable to annual reporting periods beginning on or after January 1, 2013.

##### *Amendments to IFRS 7 Financial Instruments: Disclosures*

This standard makes amendments resulting from the IASB's comprehensive review of off balance sheet activities.

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

This standard applies to annual periods beginning on or after July 1, 2011.

### 3. BASIS OF PRESENTATION (Continued)

#### (d) Use of estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates and assumptions relate to the review of carrying values and determination of impairment of non-current assets, valuation of share-based payments, recoverability of deferred tax assets, provision for reclamation costs among others. Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the financial statements as appropriate.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Financial instruments

##### i) Financial assets

The Company classifies its financial assets in the following categories: financial assets at FVTPL, loans and receivables, held-to-maturity and AFS. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

##### Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

##### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at period-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

##### Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments (continued)

i) Financial assets (continued)

Available-for-sale

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity.

ii) Financial liabilities

The Company classifies its financial liabilities as FVTPL or other financial liabilities.

Fair value through profit or loss

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost using the effective interest rate method. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date.

Derivative financial liabilities

Derivatives, including separated embedded derivatives are classified as held-for-trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments.

iii) Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (continued)

iv) Fair value hierarchy

IFRS 7 *Financial Instruments: Disclosures* requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Inputs for assets or liabilities that are not based on observable market data.

(b) Exploration and evaluation assets

i) Exploration and evaluation expenditures

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and classified as a component of mineral properties. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable to general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

ii) Impairment

Exploration and evaluation assets are assessed for impairment by management when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral properties is dependent on successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (b) Exploration and evaluation assets (continued)

##### iii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. To date the Company does not have any decommissioning liabilities.

##### (c) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (d) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

##### (e) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

##### (f) Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value is transferred to capital stock. For those warrants that expire, the recorded value is transferred to deficit.

#### 4. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(g) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in the determination of net income (loss) for the year.

(h) Operating segment

The Company has only one operating segment, the exploration and development of mineral property interests in Canada.

#### 5. **FINANCIAL INSTRUMENTS**

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as a financial asset at FVTPL; and accounts payable and due to related parties, as other financial liabilities, which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash. All of the Company's cash is held in a major Canadian financial institution and, accordingly, the Company views credit risk and concentration of credit risk as minimal.

(b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**5. FINANCIAL INSTRUMENTS (Continued)**

(b) Liquidity risk (continued)

The contractual financial liabilities of the Company as of December 31, 2011 equal \$191,989 (December 31, 2010 - \$135,443; January 1, 2010 - \$51,741). All of the liabilities presented as accounts payable and due to related parties are due within 90 days of December 31, 2011.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk

The Company is not exposed to any significant currency risk.

ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates and, therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

**6. MINERAL PROPERTY INTERESTS**

|   | Extra High<br>Property | Total      |
|---|------------------------|------------|
| <b>Balance, January 1, 2010</b>                 | \$ 151,077             | \$ 151,077 |
| Geological, geochemical, trenching and drilling | 263                    | 263        |
| <b>Balance, December 31, 2010</b>               | 151,340                | 151,340    |
| Impairment of mineral property interests        | (151,339)              | (151,339)  |
| <b>Balance, December 31, 2011</b>               | \$ 1                   | \$ 1       |

There have been no disposals of mineral properties over the last two years and no amortization has been taken on any capitalized exploration and evaluation expenditures over the past two years.

(a) Extra High Property

As at January 1, 2008, the Company held a 66% interest in the Extra High Property, with the remaining 34% interest being held by Colt Resources Inc. ("Colt"), a company that was formerly related by certain common directors and officers. The property is subject to a 1.5% net smelter returns royalty ("NSR"), 50% of which, or 0.75%, can be purchased at any time by paying \$500,000 to the NSR holder.

**6. MINERAL PROPERTY INTERESTS (Continued)**

(a) Extra High Property (continued)

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Colt whereby Colt was granted the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the property. Colt has exercised the first tranche of the option by making a cash payment of \$250,000 to the Company. As a result, Colt's interest in the Extra High Property increased to 67% and Colt has become the operator of the property.

In order to exercise the second tranche of the option, Colt was required to make a cash payment of \$250,000 on or before December 31, 2008. Colt did not exercise the second tranche of the option. Colt now holds a 67% undivided interest in the Extra High Property and the Company now holds the remaining 33% undivided interest in the Extra High Property. Pursuant to the joint venture, which the Company and Colt have formed, each party shall henceforth contribute its proportionate share of property related expenditures. If any party fails to contribute its share of future property related expenditures, then its interest will be diluted on a straight-line basis. If any party's interest is diluted to less than 10%, then that party's interest in the Extra High Property will be converted to a 0.5% NSR.

Neither the Company nor the operator of the property has incurred any meaningful exploration or evaluation expenditures in recent years with respect to the Extra High Property. Accordingly, the Company has recognized an impairment provision of \$151,339 (2010 - \$nil) to reduce the carrying amount to \$1. If there is an indication in the future that the impairment loss recognized no longer exists or has decreased, the recoverable amount will be estimated and the carrying value of the property will be increased to its recoverable amount.

Investment in the Extra High Property consists of costs incurred as follows:

|  | 2011         | 2010   | Cumulative to<br>2011 |
|--|--------------|--------|-----------------------|
| Acquisition (property option payments)                                       | \$ 0         | \$ 0   | \$ 150,000            |
| Staking  | 0            | 0      | 3,639                 |
| Assessment and miscellaneous Geological, geochemical, trenching and drilling | 0            | 263    | 431,160               |
| Colt property option payments  | 0            | 0      | (443,770)             |
| Impairment   | (151,339)    | 0      | (151,339)             |
|  | \$ (151,339) | \$ 263 | \$ 1                  |

(b) Ontario Lithium Properties (Mineral Leases)

During the year ended December 31, 2008, the Company sold all of its mineral leases for gross proceeds of \$54,500. These mineral leases were previously written off at the end of fiscal 2000. However, in the event that at a future date the mineral leases are placed into commercial production, then the Company is entitled to a 0.50% gross receipts royalty after six months from the date of commencement of commercial production.

## 6. MINERAL PROPERTY INTERESTS (Continued)

### (c) Realization

The Company's investment in and expenditures on the mineral property interest comprise substantially all of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interest is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

### (d) Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

## 7. CAPITAL STOCK

### (a) Authorized

Unlimited number of common and preferred shares without par value of which there are no preferred shares issued.

### (b) Issued

During 2011, the Company entered into two Non-Brokered Private Placement Financing Agreements and issued an aggregate of 1,100,000 units for total proceeds of \$110,000 of which \$100,000 was allocated to shares and \$10,000 was allocated to warrants. Each unit consists of one common share and one non-transferable share purchase warrant. The share purchase warrants entitle the holders to purchase one common share at a price of \$0.15 for a period of two years from the closing date. The proceeds were allocated between shares and warrants using the residual value method.

During 2011, a total of 1,512,000 share purchase warrants were exercised at \$0.10 per share for total proceeds to the Company of \$151,200.

7. **CAPITAL STOCK** (Continued)

(b) Issued (continued)

During 2010, the Company entered into a Non-Brokered Private Placement Financing Agreement and issued an aggregate of 4,500,000 units for total proceeds of \$270,000 of which \$270,000 was allocated to shares and \$nil was allocated to warrants. Each unit consists of one common share and one non-transferable share purchase warrant. The share purchase warrants entitle the holders to purchase one common share at a price of \$0.10 for a period of two years from the closing date. The proceeds were allocated between shares and warrants using the residual value method.

During 2010, a total of 1,043,000 share purchase warrants were exercised at \$0.10 per share for total proceeds to the Company of \$104,300.

(c) Warrants

|                            | Number of Warrants | Weighted Average Exercise Price |
|----------------------------|--------------------|---------------------------------|
| Balance, January 1, 2010   | 7,325,333          | \$ 0.10                         |
| Issued                     | 4,500,000          | \$ 0.10                         |
| Exercised                  | (1,043,000)        | \$ 0.10                         |
| Balance, December 31, 2010 | 10,782,333         | \$ 0.10                         |
| Issued                     | 1,100,000          | \$ 0.15                         |
| Exercised                  | (1,512,000)        | \$ 0.10                         |
| Expired                    | (3,697,000)        | \$ 0.10                         |
| Balance, December 31, 2011 | 6,673,333          | \$ 0.11                         |

At December 31, 2011 and 2010, the following warrants were outstanding and exercisable.

| Expiry Date       | Exercise Price | Number of Warrants |            |
|-------------------|----------------|--------------------|------------|
|                   |                | 2011               | 2010       |
| July 3, 2011      | \$ 0.10        | 0                  | 3,967,000  |
| July 29, 2011     | \$ 0.10        | 0                  | 1,140,000  |
| September 3, 2011 | \$ 0.10        | 0                  | 102,000    |
| March 11, 2012    | \$ 0.10        | 440,000            | 440,000    |
| April 16, 2012    | \$ 0.10        | 550,000            | 550,000    |
| May 4, 2012       | \$ 0.10        | 500,000            | 500,000    |
| August 16, 2012   | \$ 0.10        | 2,000,000          | 2,000,000  |
| April 1, 2013     | \$ 0.15        | 500,000            | 0          |
| April 15, 2013    | \$ 0.15        | 500,000            | 0          |
| May 10, 2013      | \$ 0.15        | 100,000            | 0          |
| December 2, 2014  | \$ 0.10        | 2,000,000          | 2,000,000  |
| December 22, 2014 | \$ 0.10        | 83,333             | 83,333     |
|                   | \$ 0.11        | 6,673,333          | 10,782,333 |

7. **CAPITAL STOCK** (Continued)

(d) Stock options

The Company's 2004 Stock Option Plan provides that the Board of Directors of the Company may grant to directors, officers, employees and consultants of the Company options to acquire up to 20% of the issued and outstanding common shares of the Company calculated from time to time on a rolling basis. The terms of the options are determined at the date of grant.

|                            | Number of<br>Options | Weighted<br>Average<br>Exercise Price |
|----------------------------|----------------------|---------------------------------------|
| Balance, January 1, 2010   | 178,242              | \$ 1.25                               |
| Cancelled                  | (14,000)             | \$ 1.25                               |
| Balance December 31, 2010  | 164,242              | \$ 1.25                               |
| Expired                    | (164,242)            | \$ 1.25                               |
| Granted                    | 120,000              | \$ 0.15                               |
| Balance, December 31, 2011 | 120,000              | \$ 0.15                               |

The weighted average remaining contractual life for options outstanding at December 31, 2011 is 0.5 (2010 - 0.5) years.

At December 31, 2011 and 2010, all stock options outstanding were exercisable. All options vested immediately upon grant.

In 2011, the Company granted 120,000 stock options with an exercise price of \$0.15 per share, which are exercisable up to June 1, 2012. In respect to the stock option grant is a cash settlement option, which allows the option holder to receive \$3,250 if the stock options are not exercised by the expiry date. The fair value of the options granted in the current year has been calculated based on the cash settlement value of \$3,250 and has been included in mineral property evaluation costs. The balance has been reflected at year-end as an accrual and is included in accounts payable and accrued liabilities.

At December 31, 2011 and 2010, the following options were outstanding and exercisable:

| Expiry Date   | Exercise<br>Price | Number of Options |         |
|---------------|-------------------|-------------------|---------|
|               |                   | 2011              | 2010    |
| June 15, 2011 | \$ 1.25           | 0                 | 164,242 |
| June 1, 2012  | \$ 0.15           | 120,000           | 0       |
|               |                   | 120,000           | 164,242 |

**7. CAPITAL STOCK (Continued)**

(e) Loss per share

The calculation of loss per share is based on the following data:

|   | <b>2011</b> |    | <b>2010</b> |
|---|-------------|----|-------------|
| Loss attributable to common shareholders      | \$ 483,413  | \$ | 451,400     |
| Weighted average number of shares outstanding | 15,527,451  |    | 11,270,527  |
| Basic and diluted loss per share              | \$ 0.03     | \$ | 0.04        |

The diluted loss per share does not include the effect of share purchase options or warrants as they are anti-dilutive.

**8. RELATED PARTY TRANSACTIONS**

The amounts due to related parties are unsecured, payable on demand and consist of the following:

|  | <b>2011</b> |    | <b>2010</b> |
|--|-------------|----|-------------|
| Payable to key management personnel                        | \$ 8,522    | \$ | 26,793      |
| Payable to entities controlled by key management personnel | 58,400      |    | 42,127      |
|  | \$ 66,922   | \$ | 68,920      |

|   | <b>2011</b> |    | <b>2010</b> |
|---|-------------|----|-------------|
| Rent charged by an entity controlled by key management personnel                      | \$ 3,600    | \$ | 3,600       |
| Office and other expenses charged by an entity controlled by key management personnel | 25,492      |    | 15,381      |
|   | \$ 29,092   | \$ | 18,981      |

Key management and personnel compensation is as follows:

|                              | <b>2011</b> |    | <b>2010</b> |
|------------------------------|-------------|----|-------------|
| Short-term employee benefits | \$ 135,340  | \$ | 336,617     |

**9. CHANGES IN NON-CASH WORKING CAPITAL**

|  | <b>2011</b>      | <b>2010</b>      |
|--|------------------|------------------|
| HST receivable   | \$ 11,546        | \$ (7,484)       |
| Prepaid expenses   | (1,367)          | 0                |
| Accounts payable and accrued liabilities                                 | 55,294           | 24,831           |
| Due to related parties   | (1,998)          | 58,871           |
|  | <b>\$ 63,475</b> | <b>\$ 76,218</b> |
| <b>Supplemental information</b>  |                  |                  |
| Non-cash item  |                  |                  |
| Share-based payment included in accounts payable and accrued liabilities | \$ 3,250         | \$ 0             |
| Interest paid  | \$ 0             | \$ 0             |
| Income taxes paid  | \$ 0             | \$ 0             |

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                     | <b>December 31, 2011</b> | <b>December 31, 2010</b> | <b>January 1, 2010</b> |
|---------------------|--------------------------|--------------------------|------------------------|
| Trade payables      | \$ 86,378                | \$ 54,230                | \$ 20,292              |
| Accrued liabilities | 38,689                   | 12,293                   | 21,400                 |
|                     | <b>\$ 125,067</b>        | <b>\$ 66,523</b>         | <b>\$ 41,692</b>       |

**11. INCOME TAXES**

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26.5% (2010 - 28.5%) to income before income taxes. The reasons for the differences are as follows:

|  | <b>2011</b>  | <b>2010</b>  |
|--|--------------|--------------|
| Loss before income taxes                     | \$ (483,413) | \$ (451,400) |
| Statutory income tax rate                    | 26.5%        | 28.5%        |
| Expected income tax benefit                  | \$ (128,104) | \$ (128,649) |
| Items not deductible for income tax purposes | (937)        | (873)        |
| Change in timing differences                 | 29,314       | 766          |
| Effect of change in tax rate                 | 5,034        | 15,906       |
| Unrecognized benefit of deferred tax assets  | 94,693       | 112,850      |
| Deferred income tax expense (recovery)       | <b>\$ 0</b>  | <b>\$ 0</b>  |

Effective January 1, 2011, the Canadian federal corporate tax rate decreased from 18.0% to 16.5% and the British Columbia provincial tax decreased from 10.5% to 10.0%. The overall reduction in tax rates has resulted in a decrease in the Company's statutory tax rate from 28.5% to 26.5%.

## 11. INCOME TAXES (Continued)

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

|   | 2011         | 2010         |
|---|--------------|--------------|
| Excess of unused exploration expenditures for Canadian tax purposes over carrying value of mineral property interests | \$ 2,656,167 | \$ 2,504,828 |
| Excess of undepreciated capital cost over carrying value of fixed assets  | 650,381      | 650,381      |
| Share issuance costs  | 0            | 3,677        |
| Non-refundable mining investment tax credits  | 29,700       | 29,700       |
| Non-capital losses carried forward  | 2,143,561    | 1,912,451    |
| Capital losses carried forward  | 1,987,298    | 1,987,298    |
| Unrecognized deductible temporary differences   | \$ 7,467,107 | \$ 7,088,335 |

The Company's unrecognized unused non-capital tax losses have the following expiry dates:

|      |              |
|------|--------------|
| 2027 | \$ 561,000   |
| 2028 | 306,000      |
| 2029 | 487,000      |
| 2030 | 454,000      |
| 2031 | 335,000      |
|      | \$ 2,143,000 |

The Company has available approximate net capital losses of \$994,000 that may be carried forward indefinitely. The Company has available resource-related deductions of approximately \$2,656,000 that may be carried forward indefinitely.

## 12. COMMITMENT

The Company has a management services agreement (the "Management Services Agreement") with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros."), a private company owned by two directors of the Company. The remuneration for the services provided was \$10,000 plus HST per month. The Management Services Agreement was renewed on November 1, 2011, which is renewable on an annual basis, and either party may terminate the Management Services Agreement at any time by giving three months' notice to the other party (see note 15(a)).

### 13. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of stockholders' equity (deficiency).

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and, if warranted, the development of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance that the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year ended December 31, 2011. The Company is not subject to externally imposed capital requirements.

### 14. TRANSITION TO IFRS

An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

#### *IFRS 1 First-time Adoption of International Financial Reporting Standards*

IFRS 1 generally requires that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as at the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle.

The Company has elected under IFRS 1 to not apply IFRS 2 *Share-based Payment* to options that vested before the date of transition to IFRS.

#### *Adjustments on transition to IFRS*

IFRS has many similarities to Canadian GAAP as it is based on a similar conceptual framework. However, there are important differences with regard to recognition, measurement and disclosure. While adoption of IFRS did not change the Company's actual cash flows or statement of comprehensive loss, it resulted in changes to the Company's balance sheet and statement of stockholders' equity (deficiency) as set out below.

#### (a) Share-based payments

On transition to IFRS, the Company changed its accounting policy for the treatment of share-based payments whereby amounts recorded in options reserves for unexercised stock options are transferred to deficit upon their expiration. Previously, the Company's Canadian GAAP policy was to leave such amounts in option reserves.

The impact on the balance sheets due to the change in accounting policy is as follows:

|  | December 31,<br>2010 | January 1,<br>2010 |
|--|----------------------|--------------------|
| <b>Decrease in Value of Reserves - Options</b> | \$ (231,000)         | \$ (213,850)       |
| <b>Increase to Deficit</b>                     | \$ 231,000           | \$ 213,850         |

**14. TRANSITION TO IFRS (Continued)**

(b) Warrants

The Company has changed its accounting policy for the treatment of unit offerings to the residual value method. Under the residual value method common shares are recorded at fair value at the date the units are priced. Any proceeds exceeding the fair value of the common shares are then allocated to the share purchase warrants. Previously, the Company's Canadian GAAP policy was to allocate proceeds based on the relative fair value method.

The impact on the balance sheets due to the change in accounting policy is as follows:

|  | <b>December 31,<br/>2010</b> | <b>January 1,<br/>2010</b> |
|--|------------------------------|----------------------------|
| <b>Decrease in Value of Reserve - Warrants</b> | \$ (219,055)                 | \$ (150,410)               |
| <b>Increase in Value of Capital Stock</b>      | \$ 219,055                   | \$ 150,410                 |

(c) Reconciliation to previously reported financial statements.

A reconciliation of the above noted changes is included in the following balance sheets and statement of comprehensive loss for the dates noted below. The effects of the transition from GAAP to IFRS on the cash flow are immaterial. Therefore, a reconciliation of cash flows has not been presented.

- Transitional Balance Sheet reconciliation – January 1, 2010
- Balance Sheet reconciliation – December 31, 2010
- Statement of Comprehensive Loss Reconciliation – December 31, 2010.

14. **TRANSITION TO IFRS** (Continued)

The January 1, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

|   | <b>Canadian<br/>GAAP</b> | <b>Effect of<br/>transition to<br/>IFRS</b> | <b>IFRS</b>       |
|---|--------------------------|---|-------------------|
| <b>Assets</b>   |                          |   |                   |
| <b>Current</b>  |                          |   |                   |
| Cash  | \$ 5,158                 | \$ 0  | \$ 5,158          |
| HST receivable  | 4,910                    | 0   | 4,910             |
| Mineral exploration tax credit<br>receivable          | 1,060                    | 0   | 1,060             |
|   | 11,128                   | 0   | 11,128            |
| <b>Mineral Property Interests</b>                     | <b>151,077</b>           | <b>0</b>                                    | <b>151,077</b>    |
| <b>Total Assets</b>                                   | <b>\$ 162,205</b>        | <b>\$ 0</b>                                 | <b>\$ 162,205</b> |
| <b>Liabilities</b>                                    |                          |   |                   |
| <b>Current</b>  |                          |   |                   |
| Accounts payable and accrued<br>liabilities           | \$ 41,692                | \$ 0  | \$ 41,692         |
| Due to related parties                                | 10,049                   | 0   | 10,049            |
|   | 51,741                   | 0   | 51,741            |
| <b>Stockholders' Equity</b>                           |                          |   |                   |
| <b>Capital Stock</b> (note 14(b))                     | 23,341,971               | 150,410                                     | 23,492,381        |
| <b>Reserves - Warrants</b> (note 14(b))               | 182,294                  | (150,410)                                   | 31,884            |
| <b>Reserves - Options</b> (note 14(a))                | 432,197                  | (213,850)                                   | 218,347           |
| <b>Deficit</b> (note 14(a))                           | (23,845,998)             | 213,850                                     | (23,632,148)      |
|   | 110,464                  | 0   | 110,464           |
| <b>Total Liabilities and Stockholders'<br/>Equity</b> | <b>\$ 162,205</b>        | <b>\$ 0</b>                                 | <b>\$ 162,205</b> |

14. **TRANSITION TO IFRS (Continued)**

The December 31, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

|   | <b>Canadian<br/>GAAP</b> | <b>Effect of<br/>Transition to<br/>IFRS</b> | <b>IFRS</b>  |
|---|--------------------------|---|--------------|
| <b>Assets</b>                                     |                          |   |              |
| <b>Current</b>                                    |                          |   |              |
| Cash  | \$ 5,073                 | \$ 0  | \$ 5,073     |
| HST receivable                                    | 12,394                   | 0   | 12,394       |
|   | 17,467                   | 0   | 17,467       |
| <b>Mineral Property Interests</b>                 | 151,340                  | 0   | 151,340      |
| <b>Total Assets</b>                               | \$ 168,807               | \$ 0  | \$ 168,807   |
| <b>Liabilities</b>                                |                          |   |              |
| Accounts payable and accrued liabilities          | \$ 66,523                | \$ 0  | \$ 66,523    |
| Due to related parties                            | 68,920                   | 0   | 68,920       |
|   | 135,443                  | 0   | 135,443      |
| <b>Stockholders' Equity</b>                       |                          |   |              |
| <b>Capital Stock</b> (note 14(b))                 | 23,647,626               | 219,055                                     | 23,866,681   |
| <b>Reserves - Warrants</b> (note 14(b))           | 250,939                  | (219,055)                                   | 31,884       |
| <b>Reserves - Options</b> (note 14(a))            | 432,197                  | (231,000)                                   | 201,197      |
| <b>Deficit</b> (note 14(a))                       | (24,297,398)             | 231,000                                     | (24,066,398) |
|   | 33,364                   | 0   | 33,364       |
| <b>Total Liabilities and Stockholders' Equity</b> | \$ 168,807               | \$ 0  | \$ 168,807   |

**14. TRANSITION TO IFRS (Continued)**

The Canadian GAAP Statement of comprehensive loss for the year ended December 31, 2010 has been reconciled to IFRS as follows:

|   | <b>Canadian<br/>GAAP</b> | <b>Effect of<br/>Transition to<br/>IFRS</b> | <b>IFRS</b>         |
|---|--------------------------|---|---------------------|
| <b>Expenses</b>                                     |                          |   |                     |
| Management fees                                     | \$ 320,000               | \$ 0  | \$ 320,000          |
| Legal, accounting and audit                         | 45,919                   | 0   | 45,919              |
| Salaries and benefits                               | 41,460                   | 0   | 41,460              |
| Office and miscellaneous                            | 29,311                   | 0   | 29,311              |
| Regulatory and transfer fees                        | 7,678                    | 0   | 7,678               |
| Rent  | 3,600                    | 0   | 3,600               |
| Telephone, travel, meals and<br>entertainment       | 1,943                    | 0   | 1,943               |
| Finance, interest and foreign<br>exchange           | 942                      | 0   | 942                 |
| Shareholder communication                           | 574                      | 0   | 574                 |
| <b>Loss Before Other Item</b>                       | <b>(451,427)</b>         | <b>0</b>                                    | <b>(451,427)</b>    |
| <b>Other Item</b>                                   |                          |   |                     |
| Interest income                                     | 27                       | 0   | 27                  |
| <b>Net Loss and Comprehensive<br/>Loss for Year</b> | <b>\$ (451,400)</b>      | <b>\$ 0</b>                                 | <b>\$ (451,400)</b> |

**15. SUBSEQUENT EVENTS**

- (a) In February 2012, the Management Services Agreement was amended whereby the remuneration payable to Kalpakian Bros. for the services provided to the Company shall be reduced to \$5,000 plus HST per month effective as of March 1, 2012. Subsequently, the Management Services Agreement was further amended whereby the remuneration payable to Kalpakian Bros. shall be reduced to \$2,500 plus HST per month as of April 1, 2012.
- (b) In March 2012, a total of 440,000 share purchase warrants exercisable at \$0.10 per share expired unexercised.
- (c) In April 2012, a total of 550,000 share purchase warrants exercisable at \$0.10 per share expired unexercised.

**Exhibit 99.1\***

**KOKOMO ENTERPRISES INC.**

**MARKETABLE SECURITIES - OTHER INVESTMENTS**

**Schedule I**

December 31, 2011

| Name of Issuer and Title of Issuer | Number of Shares/Principal Amount of Bonds | Costs | Market Value | Amount at Which The Portfolio is Carried in the Books |
|------------------------------------|--|-------|--------------|---|
|                                    |  |       |              |   |
| Nil                                | Nil  | Nil   | Nil          | Nil   |

KOKOMO ENTERPRISES INC.

AMOUNTS RECEIVABLE/(PAYABLE) FROM RELATED PARTIES AND UNDERWRITERS  
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES

Schedule II

| Name of Debtor                                 |    | Balance<br>Beginning of<br>Period | Additions | (Collected)/<br>Paid | Amount<br>Written off | Balance<br>End of Period<br>Receivable<br>(Payable) |
|--|----|-----------------------------------|-----------|----------------------|-----------------------|---|
| <b>2011</b>                                    | \$ |                                   |           |                      |                       |   |
| Las Vegas From Home. com<br>Entertainment Inc. |    | (22,127)                          | (31,252)  | 44,979               | 0                     | (8,400)   |
| Jacob H. Kalpakian                             |    | (26,792)                          | (37,893)  | 56,163               | 0                     | (8,522)   |
|  |    |                                   |           |                      |                       |   |
| <b>2010</b>                                    | \$ |                                   |           |                      |                       |   |
| Las Vegas From Home. com<br>Entertainment Inc. |    | (1,616)                           | (20,511)  | 0                    | 0                     | (22,127)  |
| J. Wayne Murton (geological<br>services)       |    | 0                                 | (277)     | 277                  | 0                     | 0   |
| Colt Resources Inc.                            |    | 615                               | 0         | (615)                | 0                     | 0   |
| Bedo H. Kalpakian                              |    | (3,035)                           | (15)      | 3,050                | 0                     | 0   |
| Jacob H. Kalpakian                             |    | (6,013)                           | (49,400)  | 28,621               | 0                     | (26,792)  |
|  |    |                                   |           |                      |                       |   |
| <b>2009</b>                                    | \$ |                                   |           |                      |                       |   |
| Las Vegas From Home. com<br>Entertainment Inc. |    | (1,575)                           | (1,616)   | 1,575                | 0                     | (1,616)   |
| J. Wayne Murton (geological<br>services)       |    | (29,647)                          | 0         | 29,647               | 0                     | 0   |
| Colt Resources Inc.                            |    | (205)                             | 615       | 205                  | 0                     | 615   |
| Bedo H. Kalpakian                              |    | 0                                 | (3,035)   | 0                    | 0                     | (3,035)   |
| Jacob H. Kalpakian                             |    | 0                                 | (6,013)   | 0                    | 0                     | (6,013)   |
|  |    |                                   |           |                      |                       |   |

**Exhibit 99.3\***

**KOKOMO ENTERPRISES INC.**

**PROPERTY, PLANT AND EQUIPMENT AND  
ACCUMULATED AMORTIZATION (DEPRECIATION AND DEPLETION) THEREOF**

**Schedules III and IV**

|                             | Balance<br>Beginning of<br>Period | Additions | Disposals and<br>Retirements | Other Charges | Balance,<br>End of Period |
|-----------------------------|-----------------------------------|-----------|------------------------------|---------------|---------------------------|
| <u>2011</u>                 |                                   |           |                              |               |                           |
| Property, plant & equipment |                                   |           |                              |               |                           |
| Machinery & equipment       | 0                                 | 0         | 0                            | 0             | 0                         |
| Accumulated amortization    |                                   |           |                              |               |                           |
| Machinery and equipment     | 0                                 | 0         | 0                            | 0             | 0                         |
|                             |                                   |           |                              |               |                           |
| <u>2010</u>                 |                                   |           |                              |               |                           |
| Property, plant & equipment |                                   |           |                              |               |                           |
| Machinery & equipment       | 0                                 | 0         | 0                            | 0             | 0                         |
| Accumulated amortization    |                                   |           |                              |               |                           |
| Machinery and equipment     | 0                                 | 0         | 0                            | 0             | 0                         |
|                             |                                   |           |                              |               |                           |
| <u>2009</u>                 |                                   |           |                              |               |                           |
| Property, plant & equipment |                                   |           |                              |               |                           |
| Machinery & equipment       | 0                                 | 0         | 0                            | 0             | 0                         |
| Accumulated amortization    |                                   |           |                              |               |                           |
| Machinery and equipment     | 0                                 | 0         | 0                            | 0             | 0                         |

**Exhibit 11.1**

**Explanation of how earnings/loss per (weighted average) share is calculated**

Earnings and Loss per share are calculated by dividing the net loss or profit by the total weighted average number of common shares outstanding. The weighted average number of common shares outstanding is obtained as follows:-

Whenever the Company issues shares from its treasury during a specific reporting period, the number of common shares issued is pro-rated over the remaining months of the year, and such number is added to the December 31<sup>st</sup> closing balance of the previous year.

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO  
Rule 13a-14(b) and Section 1350 of Chapter 63  
of Title 18 of the United States Code (18 U.S.C. 1350).**

I, Bedo H. Kalpakian, certify that:

1. I have reviewed this Annual Report on Form 20-F (2011) of Kokomo Enterprises Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. I act as both the Company's certifying officers and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the Annual Report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. I act as both the Company's certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: **April 30, 2012**

*"Bedo H. Kalpakian"*

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Bedo H. Kalpakian,  
Chief Executive Officer and  
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Kokomo Enterprises Inc., (the "Company") on Form 20F for the period ended December 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bedo H. Kalpakian, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signed this 30<sup>th</sup> day of April, 2012

**Kokomo Enterprises Inc.**

*"Bedo H. Kalpakian"*

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Bedo H. Kalpakian,  
Chief Executive Officer and  
Chief Financial Officer

**SIGNATURE PAGE**

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 20-F (2011) and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

KOKOMO ENTERPRISES INC.

*“Bedo H. Kalpakian”*

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Bedo H. Kalpakian  
Chief Executive Officer and  
Chief Financial Officer

**Dated this 30<sup>th</sup> day of April, 2012.**