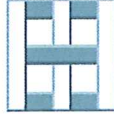


Weststar Resources Corp.

Financial Statements

For the years ended December 31, 2010 and 2009

in Canadian dollars



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Weststar Resources Corp.

We have audited the accompanying financial statements of Weststar Resources Corp. which comprise the balance sheets as at December 31, 2010 and 2009, and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended, and the related notes comprising 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 Canadian generally accepted accounting principles, 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. 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 our 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, we consider 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 Weststar Resources Corp. as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Weststar Resources Corp. to continue as a going concern.

Manning Elliott LLP

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

April 29, 2011

Weststar Resources Corp.
Balance Sheets
As at December 31
(in Canadian dollars)

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents (note 3)	\$ 276,196	\$ 216,135
HST and other receivables (note 9)	24,451	20,996
Prepaid expenses and deposits	9,112	10,229
	<u>309,759</u>	<u>247,360</u>
Resource properties (note 5) (schedule)	2,619,333	3,940,680
Equipment (note 6)	30,219	4,667
	<u>\$ 2,959,311</u>	<u>\$ 4,192,707</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 80,175	\$ 86,323
SHAREHOLDERS' EQUITY		
Share capital (note 7)	5,461,876	4,621,938
Subscriptions received	-	20,000
Contributed surplus (note 8)	2,885,863	2,396,093
Deficit	<u>(5,468,603)</u>	<u>(2,931,647)</u>
	<u>2,879,136</u>	<u>4,106,384</u>
	<u>\$ 2,959,311</u>	<u>\$ 4,192,707</u>

Nature of operations and ability to continue as a going concern (note 1)
 Commitments (notes 5 and 10)
 Subsequent events (note 14)

Approved on behalf of the Board:

"Mitch Adam"
 Director

"Casey Forward"
 Director

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

Weststar Resources Corp.
Statements of Operations, Comprehensive Loss and Deficit
For the years ended December 31
(in Canadian dollars)

	2010	2009
Expenses		
Amortization	\$ 5,696	\$ 1,828
Bank charges and interest	2,211	16,804
Consulting fees (notes 7 and 9)	128,388	588,443
General exploration costs	39,963	197,296
Management and director's fees (note 9)	140,000	120,000
Office and general	72,601	87,581
Professional fees (note 9)	152,475	170,521
Rent	57,008	22,935
Shareholder communications and promotion	31,519	324,758
Stock-based compensation (note 7)	27,909	201,900
Transfer agent and filing fees	36,846	56,983
Travel	6,288	68,744
Loss from operations before other items	(700,904)	(1,857,793)
Other items		
Interest income	15	59
Loss on disposal of resource properties (note 5)	(294,567)	-
Write-off resource properties (note 5)	(1,665,250)	-
	(1,959,802)	59
Loss before income taxes	(2,660,706)	(1,857,734)
Future income tax recovery	123,750	75,447
Net loss and comprehensive loss for the year	(2,536,956)	(1,782,287)
Deficit, beginning of year	(2,931,647)	(1,149,360)
Deficit, end of year	\$ (5,468,603)	\$ (2,931,647)
Loss per share, basic and diluted	\$ (0.35)	\$ (0.48)
Weighted average number of shares outstanding	7,261,556	3,702,753

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

Weststar Resources Corp.
Statements of Cash Flows
For the years ended December 31
(in Canadian dollars)

	2010	2009
Operating Activities		
Net loss for the year	\$ (2,536,956)	\$ (1,782,287)
Items not involving cash		
Amortization	5,696	1,828
Write-off resource properties	1,665,250	-
Loss on disposal of resource properties	294,567	-
Stock-based compensation	27,909	557,000
Future income tax recovery	(123,750)	(75,447)
	(667,284)	(1,298,906)
Changes in non-cash working capital		
HST receivable and other receivables	(3,455)	(7,889)
Prepaid expenses	1,117	(509)
Accounts payable and accrued liabilities	(6,148)	66,313
Net cash used in operating activities	(675,770)	(1,240,991)
Financing Activities		
Shares issued for cash, net of issuance costs	894,999	2,331,378
Share subscriptions	-	20,000
Net cash provided from financing activities	894,999	2,351,378
Investing Activities		
Acquisition of resource properties	(74,294)	(525,323)
Purchase of capital assets	(31,248)	-
Deferred exploration costs, net of recoveries	(53,626)	(721,619)
Net cash used in investing activities	(159,168)	(1,246,942)
Change in cash	60,061	(136,555)
Cash and cash equivalents at beginning of year	216,135	352,690
Cash and cash equivalents at end of year	\$ 276,196	\$ 216,135
Supplemental cash flow information		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash financing activities		
Shares issued for mineral properties	\$ 510,550	\$ 1,144,092
Shares issued in settlement of debt	\$ -	\$ 63,139

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

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated on October 27, 2004 in British Columbia. During the year ended December 31, 2006 the Company completed its initial public offering on the TSX Venture Exchange, and the Company's shares were listed for trading on September 22, 2006.

The Company is in the process of acquiring and exploring its resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for resource properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production.

The Company incurred a loss of \$2,536,956 (2009: \$1,782,287) for the year ended December 31, 2010, and had an accumulated deficit of \$5,468,603 at December 31, 2010 which has been funded primarily by the issuance of equity. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its resource properties when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its resource properties or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. A summary of the significant accounting policies are as follows:

Cash and equivalents

Cash and cash equivalents include cash on deposit and highly liquid short-term interest bearing guaranteed investment certificates that are readily convertible to known amounts of cash.

Equipment

Equipment is stated at cost less accumulated amortization. Amortization is provided for using the declining-balance method at the following rates per annum:

Computer equipment	55%
Furniture and fixtures	20%

Financial instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840, "Related Party Transactions".

Subsequent to their initial recognition, financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income; financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization; financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

The Company classifies its cash and cash equivalents as held-for-trading, its investments as available for sale, its other receivables as loans and receivables, and its accounts payable as other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES continued

Investments

The Company classifies investments in the shares of private companies that are non-quoted equity instruments whose fair value cannot be reliably measured as available-for-sale financial instruments. These investments are initially recorded at cost which is their fair value at the time of acquisition. Subsequently, these non-quoted investments are measured at cost.

Comprehensive loss

Comprehensive loss reflects net loss and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

Resource properties

The Company records its interests in resource properties at the lower of cost or estimated recoverable value. Where specific exploration programs are planned and budgeted by management, the cost of resource properties and related exploration expenditures are capitalized until the properties are placed into commercial production, sold, abandoned or determined by management to be impaired in value. These costs will be amortized over the estimated useful lives of the properties following the commencement of production or written off if the properties are sold or abandoned.

The costs include the cash or other consideration and the fair value of shares issued, if any, on the acquisition of mineral properties. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. For properties held jointly with other parties the Company only records its proportionate share of acquisition and exploration costs. The proceeds from options granted are deducted from the cost of the related property and any excess is deducted from other remaining capitalized property costs. The Company does not accrue estimated future costs of maintaining its mineral properties in good standing.

Capitalized costs as reported on the balance sheet represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the mineral interests. It is reasonably possible, based on existing knowledge that changes in future conditions could require a change in the recognized amounts. Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Properties may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements. Some foreign jurisdictions are subject to political instability and laws and regulations regarding title to mineral properties could change significantly in the near future.

Management evaluates each mineral interest on a reporting period basis or as events and circumstances warrant, and makes a determination based on exploration activity and results, estimated future cash flows and availability of funding as to which costs are capitalized or charged as impairment charges. Write-downs due to impairment in value are charged to operations.

Resource property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on results of exploration work, management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded.

General exploration costs not related to specific properties and general administrative expenses are charged to operations in the year in which they are incurred.

Impairment of long-lived assets

Canadian generally accepted accounting principles require long-lived assets and intangibles held and used by the Company to be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management determined that there has been no impairment of the Company's long-lived assets as at December 31, 2010.

2. SIGNIFICANT ACCOUNTING POLICIES continued

Asset retirement obligations

Asset retirement obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. An asset retirement obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding asset retirement cost recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value.

Government assistance

British Columbia mining exploration tax credits for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are accrued provided there is reasonable assurance that the credits will be realized.

Stock-based compensation

The Company follows the CICA Handbook section 3870, Stock-based Compensation and Other Stock-based Payments, and accounts for all grants of options to employees, non-employees and directors in accordance with the fair value method for accounting for stock-based compensation as defined by accounting principles generally accepted in Canada. The fair value of stock-based compensation awards are calculated using the Black-Scholes option pricing model ("Black-Scholes"). Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

The Company has a stock-based compensation plan. See Note 6 for details with respect to the fair value determination, including assumptions.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and loss carry forwards. Future tax assets and liabilities are measured using the substantively enacted tax rates expected to apply when the asset is realized or liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized as income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Share issue costs

The Company follows the Emerging Issues Committee ("EIC") Abstracts 94, Accounting for Corporation Transaction Costs, to charge all costs incurred in relation to financing transactions to share capital when the related shares are issued. The transaction costs related to financing transactions that are not completed are expensed.

Flow-through shares

The Company follows the recommendations of the EIC -146 for all flow-through share transactions. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and share capital is reduced.

If the Company has sufficient unused tax loss carry forwards or other future income tax assets to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these items, a portion of such unrecognized future income tax assets is recorded as future income tax recovery up to the amount of the future income tax liability that would otherwise be recognized.

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES continued

Warrants

The Company bifurcates the fair value of the warrants included in units offered to subscribers in connection with financings using the Black-Scholes option pricing model and records the fair value in contributed surplus with an offsetting reduction in the value ascribed to the shares issued in the units. Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in contributed surplus.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the determination of impairment of resource property interests, the determination of fair value for investments and stock based transactions and future income tax valuation allowance. Where estimates have been used financial results as determined by actual events could differ from those estimates.

Recent Accounting Pronouncements

International financial reporting standards

Effective January 1, 2011, the Company will be required to adopt International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board for its interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, including the 2010 comparative information. The adoption of the IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. Management is currently assessing the impact of adopting IFRS and has not yet determined its effect on the Company's financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include guaranteed investment certificates ("GICs") with interest rate at 1% (2009 - 0.2%) per annum. At December 31, 2010, the fair value of the GICs was \$5,000 (2009 - \$5,000). The GICs are held as resource reclamation deposit and are restricted for other uses.

4. INVESTMENTS

During the year the Company acquired 500,000 common shares of Pacific Coal Corp., as described in Note 5(d). The shares have a nominal carrying value.

5. RESOURCE PROPERTIES (See Schedule of Resource Properties)

	2010	2009
Balance, beginning of year	\$ 3,940,680	\$ 1,534,646
Acquisition costs		
Cash	74,294	540,323
Shares	510,550	1,144,092
	<u>584,844</u>	<u>1,684,415</u>
Deferred exploration expenditures		
Geological surveys, mapping, consulting, reports and other	53,626	721,619
	4,579,150	3,940,680
Disposal	(294,567)	-
Write-offs	(1,665,250)	-
Balance, end of year	<u>\$ 2,619,333</u>	<u>\$ 3,940,680</u>

5. RESOURCE PROPERTIES continued

(a) Axe Project

Pursuant to an option agreement dated July 19, 2005, the Company acquired a 70% interest (originally 66% but amended by mutual consent) in the Axe claims comprised of 119 units situated in the Similkameen Mining District, Province of B.C. As consideration for the property, the Company paid \$5,000, issued 300,000 common shares at a fair value of \$243,500 and incurred exploration costs of \$500,000.

Pursuant to an agreement dated March 23, 2007, the Company acquired four additional claims. As consideration for the claims the Company paid \$15,000. The claims are subject to a 2% net smelter royalty and under the terms of the agreement the Company has the right to purchase the net smelter royalty in stages for up to \$3,000,000.

(b) 18 Meter Property

The Company entered into agreements dated June 19, 2008 and amended on December 30, 2008 to acquire 72 coal permit applications. The coal lease applications cover approximately 138,240 acres. The Company agreed to pay \$1,150,000 (\$200,000 paid) and issue 4,000,000 common shares (2,000,000 issued at a fair value of \$260,000) over a four year period. The Company also paid a finder's fee by issuing 400,000 common shares with a fair value of \$52,000.

During the year ended December 31, 2010, the Company decided not to pursue this property and wrote off the acquisition and exploration costs of \$931,349.

(c) Bache Peninsula Property

The Company entered into an agreement to acquire a 100% interest in six coal exploration License applications, located on the Bache Peninsula, Ellesmere Island, Nunavut Territory. The Company agreed to pay \$250,000 (\$40,000 paid) and issue 2,000,000 units (1,000,000 units issued at a fair value of \$90,000) over a three year period. Each unit issued consisted of one common share and one non-transferable share purchase warrant. Each warrant was exercisable into one additional common share for a period of two years from the date of issue at a price of \$0.25 per share in the first year and \$0.50 per share in the second year. The Company also paid a finder's fee by issuing 294,000 common shares with a fair value of \$29,400.

During the year ended December 31, 2010, the Company decided not to pursue this property and wrote off the acquisition and exploration costs of \$159,400.

(d) Ellesmere Island Property

On March 18, 2009 the Company entered into an agreement to acquire an 80% interest in 9 coal license applications and 7 pending licenses covering two areas of approximately 564,800 acres in total located on western Ellesmere Island, Nunavut Territory. The Company agreed to pay \$100,000 (\$75,000 paid) and issue 2,000,000 units (issued at a fair value of \$120,000) over a three year period. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant was exercisable into one additional common share for a period of one year from the date of issue at a price of \$0.35 per share. The Company also paid a finder's fee by issuing 176,920 common shares with a fair value of \$17,692.

During the year ended December 31, 2010, the Company disposed of the property together with the remaining outstanding commitment to Pacific Coal Corp. ("PCC") for 500,000 common shares of PCC. As PCC's shares are not traded in any recognized stock exchange and they do not have any significant assets, management recorded a nominal value for the PCC shares and recognized a loss on disposal of \$294,567.

(e) Golden Fox Claims

On July 7, 2009 and amended on December 22, 2010, relating to the work commitment described below, the Company entered into an agreement to acquire an undivided 100% interest in the "Golden Fox" Claims, located in the Yukon Territories, Canada. The Golden Fox Claims consist of 50 claim units totalling approximately 2,500 hectares.

The terms of the agreement are as follows:

- \$75,000 due on signing of the agreement; (paid)
- \$75,000 cash (\$50,000 paid) and the issuance of 2,500,000 common shares (issued at a fair value of \$225,000) of the Company;
- Issuance of 500,000 common shares of the Company in lieu of \$500,000 exploration expenditures work commitment originally to be incurred by September 1, 2010; (see note 14)
- The Vendor will retain a 3% Net Smelter Royalty, of which one-third (1%) can be purchased by the Company for \$1,000,000.

5. RESOURCE PROPERTIES continued

(f) McKinnon Group

McKinnon Claims

On July 20, 2009 the Company entered into an agreement to acquire a 100% interest in the McKinnon Property, located in Yukon Territory. The property consists of 66 pending quartz claims encompassing approximately 3,400 acres (1380 hectares).

The terms of the agreement are as follows:

- \$84,100 due on signing of the agreement; (paid)
- \$50,000 cash and 2,500,000 common shares of the Company; (paid and issued at a fair value of \$275,000)
- The Vendor will retain a 3% Net Smelter Royalty of which one-third (1%) can be purchased by the Company for \$1,000,000.

Morgan Property

On May 12, 2010, the Company entered into an option agreement to acquire a 100% interest in the Morgan Claim Group. The claims are north of the McKinnon claims in the Yukon.

The terms of the acquisitions are as follows.

- \$5,000 (paid) and 500,000 (issued at a fair value of \$15,000) common shares paid on exchange approval of the agre
- \$5,000 and 500,000 common shares on or before June 15, 2011;
- \$5,000 and 500,000 common shares on or before June 15, 2012.

The property is Subject to a 2% Net Smelter Return ("NSR"). The company has an option to acquire 1% of the NSR for \$1,000,000.

(g) Silver Creek and Simonette Properties

On August 17, 2009 the Company acquired two lithium brine projects, located in Alberta. The Silver Creek Property is located in Alberta, and encompasses approximately 22,500 acres while the Simonette Property is located about 60 km due west of Fox Creek, and encompasses about 45,500 acres.

In order to earn its interest the Company paid \$25,000 and issued 1,000,000 common shares at a fair value of \$95,000. The property is subject to a 2% Net Smelter Return of which one half (1%) may be purchased for \$2,000,000.

During the year ended December 31, 2010, the Company decided not to pursue these properties and wrote off the acquisition and exploration costs of \$120,457.

(h) Red Chris Properties

- Red Chris claims

On December 18, 2009 the Company entered into an acquisition agreement to purchase 27 mineral claims in the Liard Mining Division, British Columbia.

The Company paid \$10,000, issued 1,000,000 common shares of the Company at a fair value of \$70,000 and paid a finder's fee by issuing 115,000 common shares with a fair value of \$8,050.

During the year ended December 31, 2010, the Company decided not to pursue this property and wrote off the acquisition and exploration costs of \$91,544.

- Billingsley claims

On January 7, 2010 the Company entered into an acquisition agreement to purchase 10 mineral claims in the Liard Mining Division, British Columbia.

The Company paid \$40,000, issued 2,000,000 common shares of the Company at a fair value of \$140,000 and paid a finder's fee by issuing 250,000 common shares with a fair value of \$17,500.

During the year ended December 31, 2010, the Company decided not to pursue this property and wrote off the acquisition costs of \$197,500.

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

5. RESOURCE PROPERTIES continued

(i) Rita Copper Property

On December 2, 2009 the Company entered into an acquisition agreement to purchase four mineral claims in the Similkameen Mining Division, British Columbia.

The Company paid \$15,000 and issued 2,500,000 common shares of the Company at a fair value of \$150,000 to acquire the claims.

During the year ended December 31, 2010, the Company decided not to pursue this property and wrote off the acquisition costs of \$165,000.

(j) Sifton Property

On July 6, 2010 the Company entered into an acquisition agreement to acquire a 100% interest in the Sifton Block of claims. The claims are north of Richardson Township, which is approximately fifty kilometres northwest of Fort Frances in western Ontario.

The terms of the agreement include cash payments of \$175,000 over a four year period and the issuance of 3,000,000 shares upon TSX Venture Exchange acceptance. The Company paid a finder's fee of \$4,500.

The terms of the agreement are as follows:

- \$25,000 payment on or before October 6, 2010 (paid);
- \$30,000 payment on or before July 6, 2011;
- \$35,000 payment on or before July 6, 2012;
- \$40,000 payment on or before July 6, 2013;
- \$45,000 payment on or before July 6, 2014;
- Issuance of 3,000,000 shares within 10 days of regulatory approval (issued at a fair value of \$90,000).

The Vendor will retain a 2% Net Smelter Royalty of which one-half (1%) can be purchased by the Company for \$1,000,000;

6. EQUIPMENT

	2010		2009	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 10,085	\$ 3,979	\$ 6,106	\$ 680
Office equipment	28,786	4,673	24,113	3,987
Total	\$ 38,871	\$ 8,652	\$ 30,219	\$ 4,667

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares of no par value

(b) Issued and outstanding	Shares	Amount
Balance December 31, 2008	28,238,690	\$ 2,258,693
Issued for cash		
Private placement - February 2009, net	4,015,001	273,910
Private placement - June 2009, net	7,700,000	462,720
Private placement - September 2009, net	1,725,000	53,479
Private placement - September 2009 flow through	5,000,000	219,472
Private placement - December 2009, net	7,300,000	152,324
Exercise of stock options	32,500	3,250
Exercise of warrants	260,000	39,000
Transfer from contributed surplus on exercise of options and warrants	-	21,056
Subscriptions received (see above)	-	6,250
Shares issued for property acquisition (Note 5b)	2,400,000	312,000
Shares issued for property acquisition (Note 5c)	1,294,000	119,400
Shares issued for property acquisition (Note 5d)	1,176,920	117,692
Shares issued for property acquisition (Note 5e)	2,500,000	225,000
Shares issued for property acquisition (Note 5f)	2,500,000	275,000
Shares issued for property acquisition (Note 5g)	1,000,000	95,000
Shares issued for debt	901,984	63,139
Reduction from renunciation of flow-through shares	-	(75,447)
Balance December 31, 2009	66,044,095	4,621,938
Issued for cash		
Private placement - February 2010 - net	6,200,000	154,714
Shares issued for property acquisition (Note 5d)	1,000,000	20,000
Shares issued for property acquisition (Note 5f)	500,000	15,000
Shares issued for property acquisition (Note 5h)	1,115,000	78,050
Shares issued for property acquisition (Note 5h)	2,250,000	157,500
Shares issued for property acquisition (Note 5i)	2,500,000	150,000
Shares issued for property acquisition (Note 5j)	3,000,000	90,000
	82,609,095	5,287,202
Share consolidation of 12:1 on September 28, 2010	(75,725,004)	-
Issued for cash		
Private placement - October 2010, net	3,625,000	298,424
Reduction from renunciation of flow-through shares	-	(123,750)
Balance December 31, 2010	10,509,091	\$ 5,461,876

For the year ended December 31, 2010

In October 2010, the Company pursuant to a non-brokered private placement issued 3,625,000 units for \$0.17 per unit ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.23 per share for a period of two years. The fair value of the share purchase warrants was \$273,375 and was included in contributed surplus. The Company paid finder's fees of \$37,485 and incurred legal fees of \$6,966.

On September 28, 2010 the Company pursuant to a special resolution passed by its shareholders consolidated its share capital on a twelve old shares for one new share basis. The loss per share, weighted average number of shares outstanding, number of options and warrants outstanding in the financial statements have been adjusted to reflect the twelve to one consolidation.

In February 2010, the Company pursuant to a non-brokered private placement issued 6,200,000 units for \$0.06 per unit ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 per share for a period of two years. The fair value of the share purchase warrants was \$165,486 and was included in contributed surplus. The Company paid finder's fees of \$28,800 and issued 480,000 share purchase warrants at a fair value of \$23,000 exercisable into common shares at \$0.10 per share for a period of two years.

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

7. SHARE CAPITAL continued

(b) Issued and outstanding continued

For the year ended December 31, 2009:

In December 2009, the Company issued 901,984 common shares at a fair value of \$63,139 to settle a debt of \$63,139.

In December 2009, the Company pursuant to a non-brokered private placement issued 7,300,000 units for \$0.05 per unit ("Unit"). Each Unit consisted of one common share and one transferable share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 per share for a period of two years. The fair value of the share purchase warrants was \$158,776 and was included in contributed surplus. The Company paid finder's fees of \$28,000 and issued 560,000 share purchase warrants at a fair value of \$25,900 exercisable into common shares at \$0.10 per share for a period of two years.

In September 2009, the Company pursuant to a non-brokered private placement issued 1,725,000 units for \$0.10 per unit ("Unit"). Each Unit consisted of one common share and one transferable share purchase warrant, with each warrant exercisable into one common share at a price of \$0.15 per share for a period of two years. The fair value of the share purchase warrants was \$76,321 and was included in contributed surplus. The Company paid finder's fees of \$15,500, legal fees of \$15,000 and issued 155,000 share purchase warrants at a fair value of \$12,200 exercisable into common shares at \$0.15 per share for a period of two years.

In September 2009, the Company pursuant to a non-brokered flow through private placement issued 5,000,000 units for \$0.10 per unit ("Unit"). Each unit consisted of one flow-through common share and one transferable share purchase warrant, with each warrant exercisable into one common share at a price of \$0.15 per share for a period of two years. The fair value of the share purchase warrants was \$219,706 and was included in contributed surplus. The Company paid finder's fees of \$25,000, legal fees of \$11,722 and issued 500,000 share purchase warrants at a fair value of \$24,100 exercisable into common shares at \$0.10 per share for a period of two years.

In June 2009, the Company pursuant to a non-brokered private placement issued 7,700,000 units for \$0.10 per unit ("Unit"). Each Unit consisted of one common share and one transferable share purchase warrant, with each warrant exercisable into one common share at a price of \$0.15 per share for a period of two years. The fair value of the share purchase warrants was \$307,280 and was included in contributed surplus.

In February 2009, the Company pursuant to a non-brokered private placement issued 4,015,001 units for \$0.15 per unit ("Unit"). Each Unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitled the holder to purchase one common share of the Company at \$0.20 for a period of two years. The fair value of the share purchase warrants was \$267,990 and was included in contributed surplus. The Company paid cash finders' fees of \$31,650 and issued finder units of 48,000 Units with the same term as the private placement units at a fair value of \$6,700, and finder warrants of 163,000 share purchase warrants at a fair value of \$22,000 exercisable into common shares at a price of \$0.20 per share for a period of two years.

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

7. SHARE CAPITAL continued

(c) Stock options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 20% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis.

(i) The changes in stock options (post consolidation, see note 7b) were as follows:

	2010	Weighted Average Exercise Price	2009	Weighted Average Exercise Price
Balance, beginning of year	514,167	\$ 1.56	215,833	\$ 2.28
Activities during the year				
Options granted	-	-	316,667	1.68
Exercised	-	-	(2,708)	1.20
Cancelled	(353,747)	1.60	(15,625)	2.16
Balance, end of year	160,420	\$ 1.60	514,167	\$ 1.56

During the year ended December 31, 2009, the Company granted 316,667 post-consolidated options to directors and officers and consultants. 158,333 of these options vested 25% on the date of grant, and 12.5% every quarter thereafter. The Company recorded stock-based compensation of \$201,900 for options granted to directors and officers of the Company, and consultants fees of \$355,100 for options granted to consultants. The following weighted average assumptions were used under the Black Scholes option pricing model. For the year ended December 31, 2010, stock-based compensation of \$27,909 was recorded as a result of vesting of options granted in previous periods.

Risk free interest rate	1.37%
Expected dividend yield	0%
Expected stock price volatility	184%
Expected life of options	2 years

The weighted average grant date and vesting date fair value of the options granted in 2009 was \$0.02 (2009 - \$0.12).

(ii) The following table summarizes information about stock options outstanding at December 31, 2010:

Exercise price	Number outstanding	Number exercisable	Weighted average remaining contractual life (years)
\$ 1.20	33,334	33,334	0.6
\$ 1.56	12,500	12,500	0.6
\$ 1.68	81,252	81,252	1.3
\$ 1.80	33,334	33,334	2.1
	160,420	160,420	1.3

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

7. SHARE CAPITAL continued

(d) Warrants

(i) The changes in warrants (post-consolidation, see note 7b) were as follows:

	2010	Weighted Average Exercise	2009	Weighted Average Exercise
Balance at beginning of year	2,755,083	\$ 2.28	346,250	\$ 2.52
Warrants issued	556,667	1.20	696,667 (i)	1.20
Warrants issued	-	-	1,219,000 (ii)	1.80
Warrants issued	83,333	4.20	348,167	2.40
Warrants issued	3,625,000	0.23	83,333	3.00
Warrants issued	-	-	83,333	4.20
Warrants exercised	-	-	(21,667)	1.56
Warrants expired	(1,132,920)	2.29	-	-
Balance at end of year	5,887,163	\$ 0.82	2,755,083	\$ 2.28

(i) Includes 41,667 agent compensation units with exercise price at \$1.20 per unit expiring September 11, 2011. Each unit consisted of one common share and one share purchase warrant exercisable to purchase one additional common share at a price of \$1.80 per share expiring two years from the date of issue.

(ii) Includes 4,000 agent compensation units with exercise price at \$1.80 per unit expiring February 10, 2011. Each unit consisted of one common share and one non-transferable share purchase warrant exercisable to purchase one additional common shares at a price of \$2.40 per share expiring two years from the date of issue.

(ii) A summary of warrants (post-consolidation, see note 7b) outstanding at December 31, 2010 is:

	Number of warrants	Exercise price	Expiry date
	3,625,000	\$ 0.23	October 27, 2012
	41,667	\$ 1.20	September 11, 2011
	655,000	\$ 1.20	December 15, 2011
	556,667	\$ 1.20	February 10, 2012
	4,000	\$ 1.80	February 10, 2011
	156,665	\$ 1.80	September 4, 2011
	416,666	\$ 1.80	September 11, 2011
	348,165	\$ 2.40	February 10, 2011
	83,333	\$ 4.20	August 30, 2011
	5,887,163		

8. CONTRIBUTED SURPLUS

	2010	2009
Balance, beginning of year	\$ 2,396,093	\$ 739,176
Options granted (note 7)	27,909	557,000
Warrants and units issued	461,861	1,120,973
Options and warrants exercised	-	(21,056)
Balance, end of year	\$ 2,885,863	\$ 2,396,093

During the year ended December 31, 2010, the Company issued 4,141,667 (2009 - 2,145,000) post-consolidation private placement share purchase warrants. The Company issued 40,000 (2009 - 73,167 agent warrants) post-consolidation finder's warrants and 45,667 post-consolidation agent units in 2009 in relation to these private placements. The Company recorded the company recorded fair value of \$438,861 (2009 - \$1,030,073) in total for the share purchase warrants and share issue costs of \$23,000 (2009 - \$90,900) for the fair value of finder's and agent warrants, using the Black-Scholes pricing model with the following weighted average assumptions:

	2010	2009
Risk-free interest rate (%)	1.25%	1.07%
Expected dividend yield (%)	-	-
Expected option life (years)	2	2
Expected stock price volatility (%)	200%	193%

The weighted average issue date fair value of the warrants is \$0.11 (2009 - \$0.50).

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with directors and officers of the Company and companies controlled by directors:

	2010	2009
Management and director fees	\$ 140,000	\$ 120,000
Consulting fees	93,950	87,240
General exploration	18,000	71,714
Total	\$ 251,950	\$ 278,954

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and in certain cases, by signed agreements. These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at December 31, 2010 HST and other receivables included \$4,000 (2009 - \$Nil) due from a company with common directors. The amount due is non-interest bearing and unsecured.

As at December 31, 2010 accounts payable and accrued liabilities included \$47,449 (2009 - \$22,143) due to companies controlled by directors. The amounts due are non-interest bearing, unsecured and with no stated terms of repayment.

10. COMMITMENTS

The Company is obligated to make certain payments, issue shares and incur exploration expenditures as described in note 5 in connection with the acquisition of its resource interests.

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

12. INCOME TAXES

The following is a reconciliation of income taxes:	2010	2009
Statutory rates in Canada	28.5%	30.0%
Income taxes at Canadian statutory rates	\$ (758,301)	\$ (557,320)
Effect of reduction in statutory rate	92,148	65,037
Non-deductible expenses for tax purposes	7,954	167,100
	(658,199)	(325,183)
Increase in valuation allowance	534,449	249,736
Future income tax recovery	\$ (123,750)	\$ (75,447)

Significant components of the Company's future tax assets and liabilities, after applying enacted corporation income tax rates, are as follows:

Future income tax assets (liabilities)	2010	2009
Non-capital losses carried forward	\$ 817,000	\$ 635,000
Equipment	2,000	700
Resource expenditures	33,000	(343,600)
Share issue costs	53,000	59,600
Future income tax assets	905,000	351,700
Valuation allowance	(905,000)	(351,700)
Net future income tax assets	\$ -	\$ -

Management considers it more likely than not that the amounts will not be utilized and accordingly a full valuation allowance has been applied.

The Company has accumulated non-capital losses totaling \$3,267,000, which are available to offset future years' taxable income. These losses expire as follows:

2015	52,000
2026	92,000
2027	404,000
2028	607,000
2029	1,385,000
2030	727,000
	<u>\$ 3,267,000</u>

Weststar Resources Corp.
Notes to Financial Statements
For the years ended December 31, 2010 and 2009
(in Canadian dollars)

13. FINANCIAL INSTRUMENTS AND RISKS

As at December 31, 2010, the Company's financial instruments consist of cash and cash equivalents, investments and accounts payable. Except as to investments in non-quoted equity investments (note 4), the fair values of these financial instruments approximate their carrying values because of their current nature or adjustments to fair value made at each period end.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that priorities the inputs in valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 - Inputs that are not based on observable market data

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 276,196	\$ -	\$ -	\$ 276,196

Credit Risk

Financial instruments that potentially expose the Company to credit risk are cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts. The Company is exposed to credit risk with respect to its cash and cash equivalents. However, the risk is minimized as they are held at a major Canadian

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The Company is not exposed to significant market risk. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 10.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred, and by disposing its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Foreign Exchange Risk

The Company's operations are transacted in Canadian dollar and it not exposed to significant foreign exchange risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

14. SUBSEQUENT EVENTS

On January 4, 2011, the Company issued 500,000 common shares in relation to the Golden Fox Claims (note 5e).

On January 10, 2011, the Company entered into an option agreement to acquire a 100% interest in 27 quartz claims of 121.5 hectares located in the Dawson Mining District, Yukon Territory ("the Sunrise Property"). The Company agreed to pay \$35,000 (paid), issue an aggregate of 2,000,000 (1,000,000 issued) common shares of the Company, and incur \$135,000 in exploration expenditures over a nineteen-month period. The property is subject to a 3% net smelter royalty of which 2% can be purchased by the Company at a price of \$1,000,000 per 1%.

On March 17, 2011, pursuant to a Letter of Intent with Lekona Minerals Incorporated ("Lekona"), the Company agreed to acquire up to an 80% undivided interest in the La Paloma concessions of 160 hectares located in the State of Jalisco, Mexico. Lekona currently holds an option agreement (the "Option Agreement") to acquire an 80% (20% earned) undivided interest in the concessions. Subject to completion of a financing of not less than \$5,000,000, the Company agreed to pay \$3,000,000 and issue 6,500,000 common shares of the Company on closing of the agreement. The Company also agreed to assume all of the unfulfilled obligations of Lekona under the Option Agreement by payment of \$2,700,000, issuance of 4,000,000 common shares and incurring exploration expenditures of \$1,200,000 on or before October 30, 2012. On receipt of a qualified geologist report indicating that there are resources of gold and silver in the concessions exceeding 4,000,000 ounces and 150,000 ounces respectively, the Company agreed to further issue 5,000,000 common shares to the concessions' underlying optionor. The acquisition is subject to the approval of the TSX Venture Exchange.

Subsequent to December 31, 2010, the Company issued 1,565,000 common shares for gross proceeds of \$359,950 from warrants exercised at \$0.23 per share.

Weststar Resources Corp.
Schedule of Resource Properties
(in Canadian dollars)

Schedule 1

For the year ended December 31, 2010

	Axe Property	18 Meter Property	Bache Peninsula Property	Ellesmere Island Property	Golden Fox	McKinnon Group	Silver Creek and Simonette	Red Chris Properties	Rita Copper	Sifton	Total
Balance, beginning of year	\$ 1,620,323	\$ 931,349	\$ 159,400	\$ 272,077	\$ 378,849	\$ 433,225	\$ 120,457	\$ 10,000	\$ 15,000	\$ -	\$ 3,940,680
Acquisition costs											
Cash	-	-	-	-	-	5,800	-	43,494	-	25,000	74,294
Shares	-	-	-	20,000	-	15,000	-	235,550	150,000	90,000	510,550
	-	-	-	20,000	-	20,800	-	279,044	150,000	115,000	584,844
Deferred exploration expenditures											
Geological, mapping and consulting	6,142	-	-	2,490	34,000	6,494	-	-	-	4,500	53,626
	6,142	-	-	2,490	34,000	6,494	-	-	-	4,500	53,626
Subtotal	1,626,465	931,349	159,400	294,567	412,849	460,519	120,457	289,044	165,000	119,500	4,579,150
Disposals	-	-	-	(294,567)	-	-	-	-	-	-	(294,567)
Write-offs	-	(931,349)	(159,400)	-	-	-	(120,457)	(289,044)	(165,000)	-	(1,665,250)
Balance, end of year	\$ 1,626,465	\$ -	\$ -	\$ -	\$ 412,849	\$ 460,519	\$ -	\$ -	\$ -	\$ 119,500	\$ 2,619,333

For the year ended December 31, 2009

	Axe Property	18 Meter Property	Bache Peninsula Property	Ellesmere Island Property	Golden Fox	McKinnon Group	Silver Creek and Simonette	Red Chris Properties	Rita Copper	Total
Balance, beginning of year	\$ 1,364,882	\$ 169,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,534,646
Acquisition costs										
Cash	-	50,000	40,000	116,223	150,000	134,100	25,000	10,000	15,000	540,323
Shares	-	312,000	119,400	117,692	225,000	275,000	95,000	-	-	1,144,092
	-	362,000	159,400	233,915	375,000	409,100	120,000	10,000	15,000	1,684,415
Deferred exploration expenditures										
Geological surveys, mapping, consulting and reports	255,441	399,585	-	38,162	3,849	24,125	457	-	-	721,619
	255,441	399,585	-	38,162	3,849	24,125	457	-	-	721,619
Balance, end of year	\$ 1,620,323	\$ 931,349	\$ 159,400	\$ 272,077	\$ 378,849	\$ 433,225	\$ 120,457	\$ 10,000	\$ 15,000	\$ 3,940,680