TOSCA MINING CORP.

FINANCIAL STATEMENTS

NOVEMBER 30, 2010

AUDITORS' REPORT

To the Shareholders of
Tosca Mining Corp.

We have audited the balance sheets of Tosca Mining Corp. as at November 30, 2010 and 2009 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 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.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

March 17, 2011

TOSCA MINING CORP.
BALANCE SHEETS
AS AT NOVEMBER 30

	2010	2009
ASSETS		
Current		
Cash	$ 732,511	$ 669,139
Receivables	9,937	-
Prepaid expenses	5,000	-
	747,448	669,139
Equipment (Note 3)	1,799	-
Deferred finance costs (Note 4)	-	81,718
Mineral property interest (Note 5)	-	17,155
	$ 749,247	$ 768,012
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 24,759	$ 72,072
Shareholders' equity		
Capital stock (Note 6)	1,533,053	212,849
Contributed surplus (Note 6)	113,516	29,130
Subscriptions received in advance (Note 11)	138,750	610,000
Deficit	(1,060,831)	(156,039)
	724,488	695,940
	$ 749,247	$ 768,012

Nature and continuance of operations (Note 1)
Subsequent events (Note 11)

On behalf of the Board:

____________________ Director ____________________ Director

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

TOSCA MINING CORP.
STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
YEARS ENDED NOVEMBER 30

	2010	2009
EXPENSES		
Accounting and audit	$ 34,160	$ 28,671
Amortization	496	-
Consulting fees	9,706	21,240
Interest and bank charges	1,449	267
Legal fees	28,053	5,291
Office and general	30,050	7,385
Management fees	238,817	-
Property evaluation costs	70,272	-
Shareholder communications	5,269	223
Stock-based compensation	84,386	-
Transfer agent and filing fees	18,958	15,207
Loss before other items	(521,616)	(78,284)
OTHER ITEMS		
Interest income	1,445	22
Write off mineral property interests (Note 5)	(384,621)	-
Loss and comprehensive loss for the year	(904,792)	(78,262)
Deficit, beginning of year	(156,039)	(77,777)
Deficit, end of year	$ (1,060,831)	$ (156,039)
Basic and diluted loss per common share	$ (0.06)	$ (0.04)
Weighted average number of common shares outstanding	13,945,630	1,760,000

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

TOSCA MINING CORP.
STATEMENTS OF CASH FLOWS
YEARS ENDED NOVEMBER 30

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (904,792)	$ (78,262)
Items not involving cash:		
Amortization	496	-
Write off mineral property interests	384,621	-
Stock based compensation	84,386	-
Changes in non-cash working capital items:		
Increase in receivables	(9,937)	-
Increase in prepaid expenses	(5,000)	-
Increase in accounts payable and accrued liabilities	2,266	10,235
Net cash used in operating activities	(447,960)	(68,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(2,295)	-
Recoveries on mineral properties	5,147	-
Mineral property interests	(254,613)	(17,155)
Net cash used in financing activities	(251,761)	(17,155)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of share capital	723,250	-
Share issuance costs	(98,907)	-
Subscriptions received in advance	138,750	610,000
Deferred financing costs	-	(32,139)
Net cash provided by financing activities	763,093	577,861
Increase in cash during the year	63,372	492,679
Cash, beginning of year	669,139	176,460
Cash, end of year	$ 732,511	$ 669,139
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows

The significant non-cash transactions for the year ended November 30, 2010 were the issuance of 1,000,000 commons shares with a fair value of $118,000 for mineral property interests and the reclassification of $81,718 in deferred financing costs to share issue costs.

The significant non-cash transaction for the year ended November 30, 2009 was the accrual of financing cost of $49,579 in accounts payable and accrued liabilities.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tosca Mining Corp. (the "Company") was incorporated under the *British Columbia Business Corporations Act* on May 12, 2006. The Company is engaged in the acquisition and exploration of mineral properties. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "TSQ".

On August 21, 2009, the Company completed its Qualifying Transaction by entering into a Mineral Property Working Option Agreement ("MPWOA") which would earn, subject to conditions, a 60% interest in certain mineral claims known as the Swift Katie property located in the Nelson Mining District, British Columbia from Valterra Resource Corporation ("Valterra"). On December 2, 2009 ("Effective Date"), the Company received final approval from the TSX Venture Exchange to the Company's Qualifying Transaction and for a private placement consisting of 9,500,000 units at $0.10 per unit for gross proceeds of $950,000 (Note 5). On December 3, 2009 the Company began trading on the TSX Venture Exchange under the symbol "TSQ".

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception, but has managed to complete its Qualifying transaction and raise $1,333,250 in equity and $138,750 in subscriptions received in advance. The Company needs to raise sufficient capital to fund administration expenses and future acquisitions. The inability to raise additional financing or successfully acquire a resource exploration property may impact the future assessment of the Company as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 year. Actual results could differ from these estimates. Significant accounts that require estimates relate to the valuation allowances for future income tax assets, useful lives of equipment, stock-based compensation, the valuation of warrants granted in private placements and impairment of mineral properties.

Stock-based compensation

The Company uses the fair value method whereby the Company recognizes the fair value of compensation costs over the vesting period for the granting of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable mineral reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amount shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby 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. Future 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 future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. Liabilities include those liabilities related to environmental protection and rehabilitation due to environmental law or contracts. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the periods presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. The escrow shares outstanding as of November 30, 2009 have been excluded from the weighted average number of shares because they were contingently returnable prior to completion of the Qualifying Transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. Receivables are classified as loans and receivables and accounts payable and accrued liabilities, are classified as other liabilities, which are measured at amortized cost.

The Company is also required to provide disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

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.

See Note 9 for relevant disclosures.

Comprehensive income

Comprehensive income is defined as the change in equity (net assets) from transactions and other events from non owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that, in accordance with primary sources of GAAP, are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale.

New accounting standards

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. The Company has begun assessing the adoption of IFRS for 2011 and is considering the accounting policy choices available under IFRS.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting standards (cont'd…)

Business combinations, non-controlling interest and consolidated financial statements

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

3. FURNITURE AND EQUIPMENT

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Furniture and equipment	$ 2,295	$ 496	$ 1,799	$ -

4. DEFERRED FINANCING COSTS

Deferred financing costs of $81,718 incurred during the year ended November 30, 2009 were reclassified to share issuance costs during the year ended November 30, 2010.

5. INTEREST IN MINERAL PROPERTIES

On August 21, 2009, the Company entered into a Mineral Property Working Option Agreement ("MPWOA") which will earn, subject to conditions, a 60% interest in certain mineral claims known as the Swift Katie property located in the Nelson Mining District, British Columbia from Valterra. Valterra acquired its interest in and to the Swift Katie Property pursuant to an amended and restated agreement dated December 18, 2008 between Valterra and the underlying claim holders (the "Underlying Option Agreement").

Subsequent to November 30, 2010, the Company abandoned the property and wrote off $231,621 in deferred exploration costs and $45,000 in property acquisition costs.

On June 23, 2010, the Company entered into a Mineral Property Acquisition Agreement to acquire a 100% interest in certain mineral claims known as the Apache property located in the Municipality of Trincheras, Sonora, Mexico. As consideration, the Company issued a total of 900,000 shares with a fair value of $108,000.

Subsequent to November 30, 2010, the Company abandoned the property and wrote off $108,000 in property acquisition costs.

5. INTEREST IN MINERAL PROPERTIES (cont'd…)

	2010	2009
Acquisition costs:		
Balance, beginning of year	$ -	$ -
Additions	153,000	-
Write-off	(153,000)	-
Balance, end of year	-	-
Exploration costs:		
Balance, beginning of year	17,155	-
Assay	15,770	-
Camp	4,300	-
Drilling	104,028	-
Geological and geophysical services	81,324	17,155
Project management and professional services	3,308	-
Transportation	10,883	-
BC METC	(5,147)	-
Incurred during year	214,466	17,155
Total exploration costs	231,621	17,155
Write-off	(231,621)	-
Balance, end of year	-	17,155
Total costs	$ -	$ 17,155

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Issued			
Balance, November 30, 2009 and 2008	4,000,000	$ 212,849	$ 29,130
For cash - private placement	9,500,000	950,000	-
Share issuance costs	-	(131,046)	-
For mineral property interests	1,000,000	118,000	-
For the exercise of share purchase warrants	2,555,000	383,250	-
Stock-based compensation	-	-	84,386
Balance, November 30, 2010	17,055,000	$ 1,533,053	$ 113,516

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

During the year ended November 30, 2010, the Company:

a) Completed a non-brokered private placement of 9,500,000 units at a price of $0.10 per unit for gross proceeds of $950,000, of which $610,000 had been received in the year ended November 30, 2009.

   Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at $0.15 per share on or before December 1, 2010.

   In connection with this private placement, the Company incurred $131,046 in share issuance costs.

b) Issued 1,000,000 common shares with a fair value of $108,000 for mineral property interests.

c) Issued 2,555,000 common shares for the exercise of share purchase warrants for cash proceeds of $383,250.

Shares held in escrow

The escrow agreement provides for the release of shares from escrow on the basis of 10% upon completion of the Qualifying Transaction and the remaining escrow shares will be released in 6 equal tranches (15%) every six months thereafter. In addition, on January 15, 2010, the Exchange approved the early release of 200,000 escrow shares held by original directors and officers who are no longer part of the post-Qualifying Transaction management team. Including the 10% release upon completion of the Qualifying Transaction, a total of 710,000 shares have now been released from escrow and a total of 1,530,000 shares remain in the escrow pool.

Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years and vest at the discretion of the board of directors.

Stock options and warrants

Share purchase warrant and stock option transactions are summarized as follows:

	Share Purchase Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding, November 30, 2008	200,000	$	0.10	400,000	$	0.10
Expired	(200,000)		(0.10)	-		-
Outstanding, November 30, 2009	-	$	-	400,000	$	0.10
Granted	9,500,000		0.15	1,350,000		0.10
Cancelled	-		-	(400,000)		0.10
Exercised	(2,555,000)		0.15	-		-
Outstanding, November 30, 2010	6,945,000	$	0.15	1,350,000	$	0.10
Number currently exercisable	6,945,000	$	0.15	1,350,000	$	0.10

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock options and warrants (cont'd…)

The following incentive stock options and warrants were outstanding at November 30, 2010:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	1,350,000	$ 0.10	December 2, 2012
Warrants:	6,945,000	$ 0.15	December 2, 2012

Stock-based compensation

During the year ended November 30, 2010, the holders of the 400,000 stock options outstanding as of November 30, 2009 agreed to surrender them for cancellation on December 2, 2009 as part of the approval of the qualifying transaction. On the same date, the Company granted a total of 1,350,000 stock options to directors and consultants. Each stock option is exercisable into one common share at $0.10 per share on or before December 2, 2012. The stock options were determined to have a fair value of $84,386 and was recognized in the statement of operations, comprehensive loss and deficit. Management determined the fair value using the Black-Scholes option pricing model with the assumptions as noted below.

	2010	2009
Risk-free interest rate	**1.59%**	-
Dividend yield	**0%**	-
Volatility factor	**101%**	-
Expected option life	**3 Yrs.**	-

7. RELATED PARTY TRANSACTIONS

The Company paid or accrued management fees of $239,318 (2009-$Nil) to directors and companies controlled by directors.

The Company paid or accrued consulting fees of $23,125 (2009-$10,000) to a director.

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.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2010	2009
Loss before income taxes	$ (904,792)	$ (78,262)
Expected income tax recovery	$ 258,997	$ 23,511
Other items	(12,296)	4,723
Write-down of mineral properties	(107,235)	-
Unrecognized benefit of non-capital losses	(139,466)	(28,234)
Net income tax recovery	$ -	$ -

The significant components of the Company's future income tax assets are as follows:

	2010	2009
Future income tax assets:		
Non-capital loss carry forwards	$ 164,000	$ 51,400
Equipment	58,000	-
Financing costs	41,000	7,800
Less: valuation allowance	(263,000)	(59,200)
Net future income tax assets	$ -	$ -

The Company has non-capital losses carried forward for income tax purposes of approximately $654,000 which can be applied against future years' taxable income. These losses will expire through to 2030. Future tax benefits which may arise as a result of these non-capital losses have been offset by a valuation allowance and have not been recognized in these financial statements.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables and accounts payable and accrued liabilities, approximate their fair value because of the short-term nature of these instruments and cash is valued using a level 1 fair value measurement.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is limited to amounts held in banking institutions. The Company believes these risks to be remote.

Liquidity risk

Liquidity risk includes the risk that, as a result of operational liquidity requirements, there will not be sufficient funds to settle a transaction on the due date; the Company will be forced to sell financial assets at a price less than fair value; or the Company may be unable to settle or recover any part of a financial asset. At November 30, 2010, the Company had a cash balance of $732,511 (2009 - $669,139) and current liabilities of $24,759 (2009 - $72,072).

Market risk

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

(a) Interest rate risk

The Company has cash balances. At November 30, 2010, the Company did not have any investments in short-term deposit certificates.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at November 30, 2010, the Company did not have any accounts in foreign currencies.

(c) Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

10. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the identification, acquisition, exploration and development of mineral property interests. Capital is comprised of the Company's shareholders' equity. As at November 30, 2010, the Company's shareholders' equity was $724,488 (2009 - $695,940). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

10. CAPITAL MANAGEMENT (cont'd…)

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

11. SUBSEQUENT EVENTS

Subsequent to November 30, 2010, the Company:

a) Issued 4,055,000 common shares for proceeds of $608,250 pursuant to exercise of warrants, of which $138,750 was received prior to November 30, 2010. The remaining 2,890,000 warrants expired unexercised.

b) Signed an option to purchase up to 100% equity interest in the Secret Pass Gold Property, located in Mojave County, northern Arizona. The property is subject to a 2% NSR.

   The total purchase price of the Secret Pass property is US$ 6,100,000 payable in escalating instalments over a five year period. First year payments will total US$100,000 and a further payment of US$750,000 is due on February 5, 2012. In addition, for every 100,000 ounces of gold reserves attributed to the property in a NI 43-101 compliant report, the Company shall issue 500,000 of its common shares to the Seller up to a maximum 2,500,000 shares.

c) Granted a total of 760,000 stock options to directors and consultants exercisable at $0.27 per stock option for a period of three years.

d) Signed a letter of intent to acquire 100% interest in an advanced stage moly-copper project located in Presidio County, Texas. The property is subject to a 2% NSR.

   The agreement involves cash payments to the sellers in the amount of $ 10,900,000 US, and the issuance of 2,100,000 common shares over a five year period, while earning an equity interest. The first year commitment is $575,000 and 400,000 shares until May 01, 2012.

e) The Company announced a non-brokered private placement of 15,022,498 units at a price of $0.35 per unit to raise gross proceeds of $5,257,874, of which $933,493 has been received as of March 17, 2011. Each unit consists of one common share and one non-transferable share purchase warrant, with each warrant to entitle the holder to purchase one common share for a period of one year at a price of $0.45 per share. The private placement transaction is subject to approval from the TSX Venture Exchange and the Company has submitted its final documentation to the Exchange for such approval.