Consolidated Financial Statements of:

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

December 31, 2009 and 2008

AUDITORS' REPORT

CONSOLIDATED BALANCE SHEETS

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Auditors' Report

To the Shareholders of
Pacific Wildcat Resources Corporation

We have audited the consolidated balance sheets of Pacific Wildcat Resources Corporation as at December 31, 2009 and the consolidated statements of loss and comprehensive loss, accumulated other comprehensive income, deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2008 (which were formerly filed under the legal name Tantulum Mineracao e Prospeccao, LDA (see Note 3) and for the year then ended were prepared in accordance with International Financial Reporting Standards and were audited in accordance with International Standards on Auditing by other auditors who expressed an opinion without reservation on those statements (including a reconciliation from International Financial Reporting Standards to Canadian generally accepted accounting principles) in their report dated April 5, 2009. The financial statements have been subsequently restated from US Dollars to Canadian Dollars for reporting currency presentation purposes. In addition, adjustments to reconcile the financial statements from International Financial Reporting Standards to Canadian generally accepted accounting principles have been made. We have audited these adjustment to the 2008 financial statements and in our opinion such adjustments, in all material respects, are appropriate and have been properly applied.

(signed) "BDO CANADA LLP"

Chartered Accountants

Vancouver, British Columbia
April 30, 2010

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PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
Consolidated Balance Sheets at December 31

		2009		2008
ASSETS				
Current				
Cash	$	**642,430**	$	18,924
GST Receivable		**3,337**		—
Prepaids		**13,632**		—
		659,399		18,924
Property, plant and equipment *(Note 4)*		**64,925**		52,463
Mineral properties *(Note 5)*		**3,579,328**		2,415,817
	$	**4,303,652**	$	2,487,204
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	**132,332**	$	—
Due to related parties		**1,052**		—
		133,384		—
Future income taxe liability (Note 10)		**473,700**		3,331,264
		607,084		3,331,264
Shareholders' equity				
Share capital *(Note 6)*		**2,320,140**		2,587
Contributed surplus *(Note 7)*		**3,323,726**		—
Accumulated other comprehensive income		**(15,501)**		(83,661)
Deficit		**(1,931,797)**		(762,986)
Total shareholders' equity		**3,696,568**		(844,060)
	$	**4,303,652**	$	2,487,204

Nature of Operations and Ability to Continue as a Going Concern *(Note 1)*
Commitments – Note 5 and 16
Subsequent event – Note 16

On behalf of the Board:

"David Paull"	*"Darren Townsend"*
David Paull	Darren Townsend
Director	Director

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

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

Years ended December 31

		2009		2008
General and Administrative				
Consulting fees	$	**25,886**	$	—
Corporate relations		**6,223**		—
Depreciation		**19,649**		15,916
Interest expense		**6,097**		—
Filing fees		**5,064**		—
Foreign exchange		**23,000**		—
Management fees		**77,786**		—
Office		**12,386**		644
Professional fees		**89,514**		—
Write off of acquisition costs		**74,694**		—
Stock based compensation		**219,255**		—
Transfer agent fees		**11,313**		—
Travel		**38,541**		—
Loss before other item and future income tax provision		**(609,408)**		(16,560)
Property evaluation costs		**(222,540)**		(198,036)
Loss before future income tax provision		**(831,948)**		(214,596)
Future income tax provision		**(105,761)**		—
Loss for the year	$	**(937,709)**	$	(214,596)
Gain (loss) on reporting currency translation		**68,160**		(146,690)
Comprehensive loss for the year	$	**(869,549)**	$	(361,286)
Loss per common share	$	**(0.02)**	$	(0.01)
Weighted average number of common shares outstanding		**38,421,178**		22,510,000

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

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

Consolidated Statements of Accumulated Other Comprehensive Income

Years ended December 31

		2009		2008
Balance, beginning of year	**$**	**(83,661)**	$	63,029
Gain (loss) on reporting currency translation		**68,160**		(146,690)
Accumulated Other Comprehensive Income, end of year	**$**	**(15,501)**	$	(83,661)

Consolidated Statements of Deficit

Years ended December 31

		2009		2008
Deficit, beginning of year	**$**	**762,986**	$	(548,390)
Acquisition of subsidiary – Note 3		**231,102**		—
Net loss for the year		**937,709**		(214,596)
Deficit, end of the year	**$**	**1,931,797**	$	(762,986)

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

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

Years ended December 31

		2009		2008
Cash Flows From (Used in) Operating Activities				
Loss for the year	$	**(937,709)**	$	(214,596)
Items not affecting cash				
Stock based compensation		**219,255**		—
Depreciation		**19,649**		15,915
Future income taxes		**105,761**		—
Changes in non-cash working capital				—
Receivables		**4,245**		—
Prepaids		**(12,791)**		—
Accounts payable and accrued liabilities		**(31,030)**		—
Net cash used in operating activities		**(632,620)**		(198,681)
Cash Flows From Investing Activities				
Purchase of capital assets		**(32,111)**		—
Resource expenditures		**(361,808)**		—
Net cash used in investing activities		**(393,919)**		—
Cash Flows From Financing Activities				
Proceeds (repayments) to related parties		**(229,613)**		217,332
Issuance of shares *(net of share issue costs)*		**1,876,324**		—
Net cash provided by financing activities		**1,646,711**		217,332
Effect of foreign exchange on cash		**3,334**		3 5
Increase in cash	$	**623,506**	$	18,686
Cash, beginning of period		**18,924**		238
Cash, end of period	$	**642,430**	$	18,924
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	$	**3,979**	$	—
Income taxes	$	—	$	—

Non-cash Transactions (Note 9)

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

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

Pacific Wildcat Resources Corp. ("PAW" or the "Company") is governed by the Business Corporations Act *(British Columbia)*. On August 7, 2009 the Company completed the acquisition of all of the issued and outstanding securities of Tantalum Mineracao e Prespeccao Limitada ("TMP"). TMP remains a wholly owned subsidiary of PAW and holds the rights to the TML Licenses (see Note 5). Effective August 7, 2009, the Company was transferred from the NEX Board to the TSX Venture Exchange, Tier 2 and trades under the symbol PAW.

As a result of the transaction, the vendors of TMP obtained a majority interest of the issued and outstanding shares of PAW. Consequently the Company has accounted for the transaction as a reverse takeover with the acquiring entity being TMP and the acquired entity being PAW. The transaction has been accounted for as an issuance of shares by TMP for the net assets of PAW.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles Canadian GAAP.

To date, the Company has not earned significant revenues and is considered to be in the exploration stage. These financial statements have been prepared on the basis of generally accepted accounting principles as applicable to a going concern. Those principles contemplate the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As at December 31, 2009, the Company has no source of operating cash flow and has an accumulated deficit of $1,931,797**.** Operations historically have been funded primarily from the issuance of capital stock. The future viability of the Company will depend upon its ability to continue to obtain adequate financing and commence profitable business operations. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due.

The Company has not yet determined whether its mineral properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral properties in accordance with industry practice, the ability of the Company to obtain necessary financing to complete development of its mineral properties and upon future profitable production.

While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may differ from these estimates.

The consolidated financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized as follows:

Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly owned Mozambique. subsidiary, Tantalum Mineracao e Prespeccao Limitada. All inter-company transactions and balances have been eliminated.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Significant areas requiring the use of management estimates include financial instruments, the estimation of stock-based compensation, the determination of environmental obligations, impairment of mineral claims and deferred exploration expenditures, useful lives for amortization, and valuation allowances for future tax assets. Actual results could materially differ from those reported.

Equipment and Amortization

Equipment is recorded at cost. Field equipemtn is amortized over its useful life using the straight-line method over 5 to 6 years.

Other equipment is amortized over its useful life using the declining balance method at rates between 20% - 30%.

Mineral Properties

Costs related to interests in mineral properties, including related acquisition, exploration, development, field support and fixed asset costs are deferred on a project-by-project basis until the properties either achieve commercial production or are abandoned or until management has determined there to be an impairment. Mineral properties, which are sold before that property reaches the production stage, will have all revenues from the sale of the property credited against the cost of the property. Costs relating to properties, which are determined to be impaired or abandoned, are expensed at the time the determination is made. The amount deferred represents costs incurred to date and does not necessarily reflect present or future values. Costs incurred on properties not acquired, are expensed.

The Company is in the process of exploring its mineral properties and has not determined the amount of reserves available in its properties. Senior management annually reviews the carrying values of mineral properties and assesses whether there has been any impairment in value.

Although the Company has taken steps to verify title to mineral properties in which it has an interest according to industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Properties may be subject to undisclosed prior agreements or transfers and title may be affected by undetected defects.

Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company 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 and is measured as the excess of the carrying value of the asset over its fair value. Management believes there are no further impairment provisions required for the Company's long-lived assets as at December 31, 2009 and December 31, 2008.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the year it is incurred with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, depreciation and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and depreciation of the related asset. At December 31, 2009 and 2008 there were no asset retirement obligations.

Stock-based Compensation

The fair value of share purchase options granted to employees, directors and officers is expensed over their vesting period with a corresponding increase to contributed surplus. Compensation for non-employees is re-measured at each balance sheet date until the earlier of the vesting date or the date of completion of the service. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. 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.

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 earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the year ended December 31, 2009 potentially dilutive common shares (relating to options and warrants outstanding at year-end) totaling 12,127,861 (2008: 350,000) were not included in the computation of loss per share because their effect was anti-dilutive.

Future Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method future tax assets and liabilities are determined based on differences between financial reporting and income tax balances of assets and liabilities, and are measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is substantively enacted. Future income tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the net future income tax assets will be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comprehensive Income

Comprehensive income is composed of the Company's earnings and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available-for-sale securities, all net of income taxes, and currency translation adjustments. Cumulative changes in other comprehensive loss will be included in accumulated other comprehensive loss which is presented as a category in shareholders' equity.

Foreign Currency Translation

At the transaction date, each asset, liability, revenue or expense is translated into the functional currency using the exchange rate in effect at that date. At the period end, monetary assets and liabilities are re-evaluated into the functional currency by using the exchange rate in effect at the balance sheet date. The resulting foreign exchange gains and losses are included in the statement of operations.

In preparing consolidated financial statements, the Company translates the functional currency into Canadian dollars at the exchange rate in effect at the balance sheet date. Monetary and non-monetary assets and liabilities are translated using the exchange rate at the balance sheet date. Equity components are translated at the historical exchange rates. Translation gains or losses are included in the determination of other comprehensive income.

Exchange ratios between the United States and Canadian dollar for each of the year ends reported in these financial statements, with bracketed figures reflecting the average exchange rates for the years then ended are:

December 31, 2009 US $1: CDN $1.046 CDN $(1.147)
December 31, 2008 US $1: CDN $1.222 CDN $(1.066)

Comparative Figures

Certain financial statement items from the prior year have been reclassified to conform with current year's presentation.

Financial Instruments – Recognition and Measurement

This standard requires all financial instruments within its scope, including derivatives, to be included on the balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in either the statements of operations or the statement of comprehensive income.

In accordance with this standard, the Company has classified its financial instruments as follows:

- Cash as held for trading which is measured at fair value;
- Accounts payable and accrued liabilities and due to related parties are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments – Presentation and Disclosures

In July, 2009, the CICA approved amendments to section 3862, Financial Instruments – Disclosures. The amendments require additional fair value disclosure for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making fair value assessments, as follows:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The adoption of this standard is consistent with recent amendments to financial instrument disclosure standards in IFRS. All of the financial instruments measured at fair value on the balance sheet are included in level 1.

Recently Adopted Accounting Pronouncements

On January 1, 2009, the Company adopted three accounting standards: Handbook Section 3064, Goodwill and Other Intangible Assets, EIC–173, Credit Risk and the Fair Value of financial Assets and Financial Liabilities, and EIC–174, Mining Exploration Costs. The requirements of these new standards are for disclosure purposes only and have not impacted the financial results of the Company.

i) Goodwill and Intangible Assets

CICA Handbook Section 3064 replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning January 1, 2009. The Company is currently evaluating the impact of the adoption of this new Section on its financial statements.

ii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the EIC issued EIC–173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”, which clarifies that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC–173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC–173. The Company adopted this recommendation effective for the year ended December 31, 2009. This new standard did not impact the Company’s financial results in any period presented.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements (continued)

iii) Mining Exploration Costs

In March 2009, the Emerging Issues Committee ("EIC") issued EIC–174 "Mining Exploration Costs", which provides guidance to mining enterprises related to the measurement of exploration costs and conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC–174 have been applied in the preparation of these financial statements and did not have an impact on the valuation of mineral exploration assets.

Recent Announced Accounting Pronouncements

International financial reporting standards ("IFRS"):

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The eventual changeover to IFRS represents changes due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The Company is assessing the potential impacts of this changeover and is developing its IFRS changeover plan, which will include project structure and governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions.

Business Combinations

In January 2009, the CICA issued Section 1582 – Business Combinations, which replaces Section 1581 – Business Combinations, and Section 1601 – Consolidated Financial Statements and Section 1602 – Non Controlling Interests, which replace Section 1600 – Consolidated Financial Statements. These new sections are effective for years beginning on or after January 1, 2011 with earlier adoption permitted. Section 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. As well acquisition costs are not part of the consideration and are to be expenses when incurred. These new sections are not expected to have a material impact on the Company's financial condition or operating results.

3. REVERSE TAKEOVER TRANSACTION

On January 15, 2009 the Letter of Intent previously entered into in April 2008 was terminated. PAW entered into a definitive agreement dated April 7, 2009 and under the terms of the agreement PAW acquired 100% of the issued capital in TMP ("TMP Shares") from Bolan (the "Acquisition").

3. REVERSE TAKEOVER TRANSACTION (Continued)

As consideration PAW issued to Bolan's designates 22,510,000 common shares of PAW of which 18,008,000 are subject to an escrow agreement (the "Escrowed Shares"). The Escrowed Shares will be subject to a three year staged release escrow commencing August 7, 2009 being the date of which the TSXV issued its final acceptance bulletin in respect of the acquisition. The escrowed securities will be released in stages with 10% of Escrowed Shares being released from escrow immediately and the balance being released in six equal installments every six months thereafter.

PAW also granted Bolan (or such parties as assigned by Bolan) the right to explore and mine Gemstones on the TMP Property as defined by the Gemstone Right in the Definitive Agreement.

The Acquisition has been accounted for as a reverse takeover with the acquiring entity being TMP and the acquired entity being PAW. Under reverse takeover accounting, the purchase consideration paid by TMP is an amount equal to the fair value of PAW and is allocated to the fair values of the identifiable assets and liabilities of PAW. The fair value has been estimated by management to be the fair value of the net assets of PAW on the date of acquisition. The transaction has been accounted for as the acquisition of assets.

As a result of the reverse take-over transaction, in accordance with EIC-10, these financial statements are a continuation of the financial statements of the legal subsidiary, TMP and accordingly the comparative financial statements are those of TMP. The prior year comparatives have been translated from US Dollars to Canadian Dollars for reporting currency presentation purposes. As a result of the comparatives being restated from US Dollars to Canadian Dollars for reporting currency presentation purposes the accumulated deficit was debited by $15,501 (2008 - $83,661) with a corresponding credit/debit to accumulated other comprehensive income as a result of a currency translation adjustment for the year ended December 31, 2009.

The fair value of the net assets of PAW acquired is as follows:

Receivables	$	7,582
Prepaid expenses and deposits		841
Deferred resource properties expenditures		1,149,810
Accounts payable and accrued liabilities		(150,487)
Due to shareholder		(870,909)
Future income tax liability		(367,939)
Net value of assets acquired	$	(231,102)
Consideration		
22,510,000 common shares	$	(231,102)

As the amount represents a net asset deficiency it has been charged to deficit

4. EQUIPMENT

				December 31, 2009		
		Cost		**Accumulated Amortization**		**Net Book Value**
Field equipment	$	114,648	$	72,908	$	41,740
Furniture and equipment		19,955		1,853		18,102
Computer equipment		1,305		81		1,224
Vehicles		4,254		395		3,859
Total	**$**	**140,162**	**$**	**75,237**	**$**	**64,925**

4. EQUIPMENT (Continued)

	December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value
Field equipment	$ 109,470	$ 57,007	$ 52,463
Total	$ **109,470**	$ **57,007**	**$ 52,463**

5. MINERAL PROPERTIES

	Twigg Licences	TML Licenses	Total
Balance December 31, 2007	$ —	$ 1,952,134	$ 1,952,134
Effect of foreign currency translation	—	463,683	463,683
Balance December 31, 2008	—	2,415,817	2,415,817
Effect of foreign currency translation	—	(348,107)	(348,107)
Acquisition – Note 3	32,312	1,117,498	1,149,810
Geological fees and consulting	—	172,522	172,522
Salaries	—	79,395	79,395
Holding and administrative costs	—	7,239	7,239
Site visits	—	7,917	7,917
Freight and transport	—	33,205	33,205
Environmental	—	5,595	5,595
Licenses	—	17,681	17,681
Maps miscellaneous	—	3,352	3,352
Drilling	—	31,367	31,367
Legal fees	—	3,535	3,535
Balance December 31, 2009	$ **32,312**	$ **3,547,016**	$ **3,579,328**

TMP Licenses – Mozambique

The Company has five licenses (the "TMP Licenses") on the Alto Lingonha belt of the Zambezi province in Mozambique which are all five year exploration licenses with the option of renewal for an additional five years upon application to the Mozambique Department of Mines. As disclosed in Note 3 another party has the right to explore for and mine gemstones on the property. For the mining of Tantalum, a royalty of 3% of sales revenue will be payable to the Mozambique Government.

5. MINERAL PROPERTIES (Continued)

Twigg License - Mozambique

In June 2008 the Company signed a heads of agreement with African Eagle Resources plc ("AFE") covering the rights to a 145 square kilometer exploration license in northern Mozambique (the "Twigg Agreement"). This license area, which is currently held in the name of AFE's wholly-owned subsidiary, Twigg Resources Ltd. (the "Twigg License"), is located immediately adjacent to TMP Licenses.

The Twigg Agreement stipulates the Company will commit to spend US$200,000 on an initial work program to be completed over an 18 month period. Following completion of this work program (the "Initial Program"), the Company and AFE shall have the right but not the obligation to conduct further exploration programs within the Twigg License, either independently or jointly. To the extent that any such further exploration is conducted jointly, each party shall contribute 50% of the exploration expenditure.

At any time after completion of the Initial Program:

a) The Company may, by giving notice to AFE, identify any part of the Twigg License area as a Company target zone (an area in which tantalum, niobium, lithium and other associated minerals are the dominant value commodities) and thereafter the Company shall bear all expenditure in such target zone (including the costs of any bankable feasibility study) up to the commencement of any mine construction. The construction and operation of any mine of any Company target zone shall be carried out by a mining company in which the Company's initial equity is 80% and AFE's initial equity is 20%. The joint venture will be subject to a 1% net smelter royalty payable to AFE, and;

b) AFE may, by giving notice to the Company, identify any part of the Twigg License area as an AFE target zone and thereafter AFE shall bear all expenditure in such target zone (including the costs of any bankable feasibility study) up to the commencement of any mine construction. The construction and operation of any mine of any AFE target zone shall be carried out by a mining company in which AFE's initial equity is 80% and the Company's initial equity is 20%.

In the event that either party wishes to proceed with the construction of a mine which is wholly or partially within an area over which both parties have identified target zones, then both parties will negotiate in good faith the means by which the minerals contained in the common zone may be exploited on fair terms.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

a) Authorized:Unlimited common shares without par value

Unlimited preferred shares "Class A" with a par value of $1.00 each
Unlimited preferred shares "Class B" without par value

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

b) Common Shares Issued:

	Capital Stock			Contributed Surplus	
	Number of Shares		Amount		Amount
Balance January 1 and December 31, 2008	18,711,309	$	11,607,149	$	58,414
Balance at August 7, 2009	18,711,309		11,607,149		58,414
Purchase consideration – common shares previously recorded by PAW	—		(11,607,149)		(58,414)
Shares previously recorded by TMP			2,587		
Acquisition of PAW	22,510,000		—		—
Private placement	16,795,303		2,015,436		—
Finders' fee common shares	60,417		7,250		—
Finders' fee warrants	—		—		64,080
Shares for debt	4,210,916		505,309		—
Share issue costs	—		(210,442)		—
Stock-based compensation	—		—		219,255
Forgiveness of due to related parties	—		—		3,040,391
Balance as at December 31, 2009	62,287,945	$	2,320,140	$	3,323,726

In conjunction with the Acquisition the Company issued 22,510,000 commons shares to Bolan's designates, see Note 3.

In conjunction with the completion of the acquisition, the Company issued 16,795,303 units at a price of $0.12 per unit for gross proceeds to the Company of $2,015,436 pursuant to a private placement. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.15 per share exercisable to August 7, 2010.

The Company paid a fee of $150,000 in cash and issued 1,000,000 common share purchase warrants in connection with services rendered in respect of the financing. The warrants have the same terms as the private placement warrants. An additional fee of 60,417 units (having the same terms as the private placement units) was also paid in connection with services rendered in respect of the financing. The warrants were valued at $64,080 as disclosed below.

Also in conjunction with the completion of the acquisition, the Company issued 4,210,916 common shares to settle $505,309 in debt.

c) Escrow

During the year ended December 31, 2009 26,944,105 common shares were placed in escrow. Of this amount 674,000 common shares are subject to an 18 month release and the remainder a 3 year release pursuant to the policies of the TSX-V. As at December 31, 2009 24,188,595 (2008: nil) are held in escrow.

7. STOCK OPTIONS AND WARRANTS

a) Stock Options Outstanding

On July 31, 2009, the Company re-adopted its stock option plan whereby directors are authorized to grant up to 10% of the outstanding common shares in stock options to directors, officers, consultants and employees to acquire common shares. The exercise price of the options is no less than the average price for the preceding ten trading days of issuance with each stock option having a maximum term of five years. The board of directors has the exclusive power over the granting of options and their vesting provisions.

During the year ended December 31, 2009, a compensation charge associated with the granting of stock options under the Plan in the amount of $219,255 (2008 - $Nil) was recognized in the financial statements. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	December 31, 2009	December 31, 2008
Risk-free interest rate	2.73%	—
Expected dividend yield	0%	—
Expected stock price volatility	105.48%	—
Expected option life	5 years	—

	Number	Weighted Average Exercise Price
Balance, December 31, 2007 & 2008	350,000	$0.25
Granted	2,350,000	$0.12
Balance, December 31, 2009	2,700,000	$0.14

As at December 31, 2009 the Company had fully vested, outstanding stock options enabling the holders to acquire common shares as follows:

Number of Options		Exercise Price	Expiry Date
350,000	$	0.25	August 29, 2011
2,350,000	$	0.12	August 7, 2014
2,700,000			

The weighted average life of the stock options outstanding for the year ended December 31, 2009 was 4.22 years (2008 – none).

7. STOCK OPTIONS AND WARRANTS (Continued)

b) Warrants

At December 31, 2009 9,427,861 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Price Per Share	Expiry Date
9,427,861	$0.15	August 7, 2010

During the period ended December 31, 2009, a compensation charge of $64,079 associated with the grant of 1,060,417 share purchase warrants for finders' fees was recorded to share capital. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	2009	2008
Risk-free interest rate	1.33%	—
Expected dividend yield	0%	—
Expected stock price volatility	155.93%	—
Expected option life	1 years	—

8. RELATED PARTY TRANSACTIONS

The Company has conducted transactions with officers, directors and persons or companies related to directors as follows:

a) Paid or accrued professional fees of $27,806 (2008 - $Nil) to a company controlled by an officer of the Company;

b) Incurred consulting expenses of $77,786 (2008 - $Nil) to a company controlled by the president of the Company for management fees;

c) Settled debt of $463,767 (2008 - $Nil) by the issuance of 3,864,728 shares at a price of $0.12 per share to companies controlled by directors of the Company;

d) Incurred consulting fees of $2,188 (2008 - $Nil) to a company controlled by a director of the Company; and

e) Paid rent of $ $2,800 (2008 - $Nil) to a company controlled by an officer of the Company.

These transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. During the year ended December 31, 2009, the following transactions were excluded from the statements of cash flows:

9. NON-CASH TRANSACTIONS (Continued)

The Company issued 4,210,916 common shares to settle $505,309 of debt.

Pursuant to the reverse takeover transaction (Note 3) the Company acquired non cash net assets of $231,102 by issuing 22,510,000 common shares.

The Company incurred mineral property and deferred acquisition costs of $12,875 (2008 – $Nil) through accounts payable and accrued liabilities.

Amounts due to related parties of $3,040,391 were forgiven and transferred to contributed surplus.

10. INCOME TAXES

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

	December 31, 2009	December 31, 2008
Loss before income taxes	$ (831,948)	$ (214,596)
Statutory income tax rates	30%	30%
Computed income tax recovery	$ (249,600)	$ (64,379)
Foreign income taxed at other than statutory rate	(4,598)	(4,292)
Permanent differences	65,777	-
Effect of reduction in statutory rate	19,129	-
Mineral properties	105,761	-
Foreign exchange effect on mineral properties	5,245	-
Increase in valuation allowance	164,047	68,671
Total income taxes (recovery)	$ 105,761	$ -

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

	December 31, 2009	December 31, 2008
Non-capital loss carry-forwards	$ 574,527	$ 481,762
Mineral Properties	(884,180)	(481,762)
Valuation allowance	(164,047)	-
	$ (473,700)	$ -

The Company has recorded a valuation allowance against its future income tax assets based on the extent that it is more likely-than-not that sufficient taxable income will not be realized during the carry-forward periods to utilize all the future tax assets. The Company has accumulated non-capital losses totaling $1,877,000 (2008 – $1,282,000) available to reduce future years' taxable income. These losses expire over a period of five years.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at December 31, 2009 the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest income on Canadian dollar cash. As at December 31, 2009, the Company's cash is subject to or exposed to interest rate risk. However, this risk is not significant given the Company's interest rates on amounts due to related parties are fixed.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities and amounts due to related parties are current. The Company addresses its liquidity through equity financing obtained via the issuance of common shares and the exercise of warrants and options.

Currency Risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

12. CAPITAL DISCLOSURE

The Company manages and adjusts its capital structure based on available funds in order to support its operations and the acquisition and exploration of mineral properties. The Company's primary objectives in managing capital are to:

- Safeguard the entity's ability to continue as a going concern
- Maintain an optimal capital base in order to support the capital requirements of its operations, including growth opportunities and maintaining investor confidence.

The capital of the Company consists of shareholders' equity. 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. The Company is not subject to any externally imposed capital requirements. The Company relies on capital markets to support continued growth.

13. DUE TO RELATED PARTIES

Amounts due to related parties were owed to the previous shareholders of TMP, did not bear interest and have no fixed repayment terms. During the year, due to related parties of $3,040,391 was forgiven by the previous owners of TMP and transferred to contributed surplus.

14. SEGMENTED DISCLOSURE

The Company conducts mineral exploration activities in Canada and Mozambique and maintains its head office and cash reserves in Canada. As the Company is in the exploration stage, there is no segmented revenue or operating results to report. The Company's total assets are segmented geographically as follows:

As at December 31, 2009		Canada		Mozambique		Total
Equipment	$	35,638	$	29,287	$	64,925
Mineral properties		1,511,619		2,067,709		3,579,328
Total	$	1,547,257	$	2,096,996	$	3,644,253

As at December 31, 2008		Canada		Mozambique		Total
Equipment	$	Nil	$	52,463	$	52,463
Mineral properties		Nil		2,415,817		2,415,817
Total	$	Nil	$	2,468,280	$	2,468,280

15. COMMITMENTS

On May 14th 2009, the Company entered into a consulting agreement with Enable Mining PTY Ltd. The term of the agreement is a minimum of 12 months, commencing on August 7, 2009, with an option to extend the term for a further period. The Company shall pay the consultant a daily fee of $800 excluding GST, for a minimum of 5 days per month.

16. SUBSEQUENT EVENTS

On March 1, 2010 the Company purchased a nominal 20 to 30 dry tonne per hour tantalum treatment plant ("the Plant") and associated spare parts and accessories. The Company plans to move the plant from Western Australia to Mozambique during the second half of calendar 2010. The consideration for the purchase of the Plant is the issuance of 512,985 fully paid shares (issued) at a price of $0.20 (CDN $ 102,597) in the Company to Avenger Investments Pty Ltd ("Avenger") an unlisted Australian company.

The Company issued 2,440,137 shares at $0.15 per share pursuant to the exercise of the warrants outstanding at December 31, 2009.

On April 14, 2010 the Company granted stock options to a director for the purchase of up to 150,000 common shares at $0.185 per share pursuant to the Company's stock option plan.

On April 7, 2010 the Company announced a private placement for common shares of up to 4,166,667 common shares at $0.18 per share. The Company received share subscriptions of $501,970 in connection with the proposed private placement.