Consolidated Financial Statements of:

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

December 31, 2010 and 2009

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PACIFIC WILDCAT RESOURCES LTD.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Pacific Wildcat Resources Ltd. (An Exploration Stage Company) are the responsibility of the Company's management. The financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfils its responsibilities for financial reporting and internal controls through an audit committee. The Audit Committee reviews the results of the audit and the annual financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by BDO Canada LLP, Chartered Accountants, and their report outlines the scope of their examination and their opinion on the consolidated financial statements.

"Darren Townsend"	*"Terese Gieselman"*
Craig Schneider	Terese Gieselman
President and CEO	Chief Financial Officer

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Pacific Wildcat Resources Corp.

We have audited the accompanying consolidated financial statements of Pacific Wildcat Resources Corp. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pacific Wildcat Resources Corp. and its subsidiaries 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.

"BDO CANADA LLP"

Chartered Accountants
May 2, 2011

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PACIFIC WILDCAT RESOURCES CORP.
(An exploration stage company)
Consolidated Balance Sheets
As at December 31

	2010	2009
ASSETS		
Current		
Cash and cash equivalents	$ 1,138,501	$ 642,430
Commodity taxes receivable	12,398	3,337
Prepaids and deposits	137,551	13,632
	1,288,450	659,399
Property, plant and equipment *(Note 4)*	791,183	64,925
Interest in mineral property option *(Note 5)*	793,144	-
Resource properties *(Note 6)*	4,276,948	3,579,328
	$ 7,149,725	$ 4,303,652
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 393,558	$ 132,332
Due to related parties *(Note 9)*	134,861	1,052
	528,419	133,384
Future income tax liability *(Note 11)*	937,000	473,700
	1,465,419	607,084
Shareholders' equity		
Share capital *(Note 7)*	5,284,648	2,320,140
Shares to be issued *(Note 15)*	(57,204)	-
Share subscriptions received *(Notes 7 and 8)*	715,978	-
Contributed surplus *(Note 8)*	3,467,689	3,323,726
Accumulated other comprehensive loss	(98,791)	(15,501)
Deficit	(3,628,014)	(1,931,797)
Total shareholders' equity	5,684,306	3,696,568
	$ 7,149,725	$ 4,303,652

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Commitments – Notes 5, 6, 7, 8 and 15
Subsequent Events – Notes 5 and 7

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
As at December 31

	2010	2009
General and Administrative		
Consulting fees	$ 16,125	$ 25,886
Corporate relations	40,167	6,223
Amortization	94,409	19,649
Interest expense (income)	(854)	6,097
Filing fees	17,162	5,064
Loss on foreign exchange	11,620	23,000
Management fees (Notes 9 and 15)	503,228	77,786
Office	51,157	12,386
Professional fees	145,203	89,514
Stock based compensation (Note 8)	277,430	219,255
Transfer agent fees	13,883	11,313
Travel	73,090	38,541
Write off of acquisition costs (Note 6)	-	74,694
Loss before other item and future income tax provision	(1,242,620)	(609,408)
Property evaluation costs	-	(222,540)
Other income	9,703	-
Loss before future income tax provision	(1,232,917)	(831,948)
Future income tax provision (Note 11)	(463,300)	(105,761)
Loss for the year	(1,696,217)	(937,709)
Gain (loss) on reporting currency translation	(83,290)	68,160
Comprehensive loss for the year	$ (1,779,507)	$ (869,549)
Basic and diluted loss per common share	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	70,317,305	38,421,178

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

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

As at December 31

	2010	2009
Cash Flows From Operating Activities		
Loss for the period	$ (1,696,217)	$ (937,709)
Items not affecting cash		
Stock based compensation	277,430	219,255
Amortization	94,409	19,649
Future income taxes	463,300	105,761
Management fees paid by shares – Note 15	322,796	-
	(538,282)	(593,044)
Changes in non-cash working capital		
Commodity taxes receivable	(9,061)	4,245
Prepaids and deposits	(119,907)	(12,791)
Accounts payable and accrued liabilities	27,507	(31,030)
Net cash used in operating activities	(639,743)	(632,620)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(716,848)	(32,111)
Resource properties	(757,878)	(361,808)
Interest in mineral property option	(643,541)	-
Net cash used in investing activities	(2,118,267)	(393,919)
Cash Flows From Financing Activities		
Repayments to related parties	-	(229,613)
Share subscriptions received	715,978	-
Issuance of shares *(net of share issue costs)*	2,405,648	1,876,324
Due to related parties	133,809	-
Net cash provided by financing activities	3,255,435	1,646,711
Effect of foreign exchange on cash	(1,354)	3,334
Increase in cash	496,071	623,506
Cash and equivalents, beginning of year	642,430	18,924
Cash and equivalents, end of year	$ 1,138,501	$ 642,430
Supplemental disclosure of cash flow information:		
Cash and cash equivalents represented by:		
Cash	$ 1,035,945	$ 92,061
Guaranteed Investment Certificates	102,556	550,369
	$ 1,138,501	$ 642,430
Cash paid for:		
Interest	$ -	$ 3,979
Income taxes	$ -	$ -

Non-cash Transactions (Note 10)

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

PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2010 and 2009

	Common Shares Number	Common Shares Amount	Subscriptions Received	Shares to be Issued	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2008	18,711,309	$ 11,607,149	$ -	$ -	$ 58,414	$ (762,986)	$ (83,661)	$ 10,818,916
Purchase consideration – common shares - previously recorded by PAW	-	(11,607,149)	-	-	(58,414)	-	-	(11,665,563)
Shares previously recorded by TMP	-	2,587	-	-	-	-	-	2,587
Purchase consideration	22,510,000	-	-	-	-	-	-	-
Private placement	16,795,303	2,015,436	-	-	-	-	-	2,015,436
Finders' fee common shares	60,417	7,250	-	-	-	-	-	7,250
Finders' fee warrants	-	—	-	-	64,080	-	-	64,080
Shares for debt	4,210,916	505,309	-	-	-	-	-	505,309
Share issue costs	-	(210,442)	-	-	-	-	-	(210,442)
Stock-based compensation	-	-	-	-	219,255	-	-	219,255
Forgiveness due to related parties	-	-	-	-	3,040,391	-	-	3,040,391
Acquisition of subsidiary - Note 3	-	-	-	-	-	(231,102)	-	(231,102)
Gain on reporting currency translation	-	-	-	-	-	-	68,160	68,160
Loss for the year	-	-	-	-	-	(937,709)	-	(937,709)
Balance, December 31, 2009	62,287,945	$ 2,320,140	$ -	$ -	$ 3,323,726	$ (1,931,797)	$ (15,501)	$ 3,696,568

/cont

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

Continued

PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2010 and 2009

	Common Shares Number	Common Shares Amount	Subscriptions Received	Shares to be Issued	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance December 31, 2009	62,287,945	$ 2,320,140	$ -	$ -	$ 3,323,726	$ (1,931,797)	$ (15,501)	$ 3,696,568
Exercise of warrants	10,403,201	1,719,530	-	-	(71,023)	-	-	1,648,507
Exercise of stock options	700,000	162,847	-	-	(64,847)	-	-	98,000
Warrants issued for finders' fees	-	-	-	-	2,403	-	-	2,403
Issuance for plant	512,985	102,597	-	-	-	-	-	102,597
Private placement	3,961,088	712,996	-	-	-	-	-	712,996
Finders' fees	150,235	27,042	-	-	-	-	-	27,042
Share bonus	1,000,000	190,000	-	-	-	-	-	190,000
Shares to be issued - Note 15	-	132,796	-	(57,204)	-	-	-	75,592
Share issue costs	-	(83,300)	-	-	-	-	-	(83,300)
Stock-based compensation	-	-	-	-	277,430	-	-	277,430
Subscriptions received for private placement	-	-	715,978	-	-	-	-	715,978
Loss on reporting currency translations	-	-	-	-	-	-	(83,290)	(83,290)
Loss for the year	-	-	-	-	-	(1,696,217)	-	(1,696,217)
Balance, December 31, 2010	79,015,454	$ 5,284,648	$ 715,978	$ (57,204)	$ 3,467,689	$ (3,628,014)	$ (98,791)	$ 5,684,306

The combined total of the accumulated deficit and the accumulated other comprehensive loss for the year ended December 31, 2010 is ($3,726,805) (2009 – ($1,947,298)).

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)*. It is a Canadian mining company focused on the acquisition, exploration, development and operation of mining properties in Africa.

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 TMP Licenses (see Note 6). Effective August 7, 2009, the Company was transferred from the NEX to the TSX Venture Exchange ("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 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, 2010, the Company has no source of operating cash flow, has an accumulated deficit of $3,628,014; and for the year then ended, incurred a loss of $1,696,217. The Company has not earned significant revenues and is considered to be in the exploration stage. 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 consolidated 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 judgment. Actual results may differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Use of Estimates

The preparation of consolidated 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 completeness 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.

Property, Plant & Equipment

Property, plant and equipment is recorded at cost. Plant and field equipment 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 straight-line method at rates between 20% - 30%.

Resource Properties

Costs related to interests in resource 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. Resource 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 resource properties and assesses whether there has been any impairment in value.

Although the Company has taken steps to verify title to resource 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are required for the Company's long-lived assets as at December 31, 2010 and 2009.

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, 2010 and 2009 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.

The fair value of share based payments for bonus shares granted to employees, directors and officers is expensed over the term of the contract. The fair value of the bonus shares is calculated using the fair value of the shares on the grant date.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash. The GIC consists of a high interest savings account that earns interest at a rate of 1.3% annually.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2010 potentially dilutive common shares (relating to options and warrants outstanding at year-end) totaling 5,505,323 (2009: 12,127,861) 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.

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 reporting 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

These consolidated financial statements are measured and expressed in Canadian dollars. Integrated foreign operations are translated using the temporal method, whereby monetary assets and liabilities are translated at the rates of exchange prevailing at the balance sheet dates and non-monetary items are translated at historical exchange rates. Revenue and expense items are translated at the average rates of exchange during the period, and any 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.

The prior year comparatives have been translated from US Dollars to Canadian Dollars for reporting currency presentation purposes. As a result of the translation to Canadian Dollars for reporting currency presentation purposes, accumulated other comprehensive loss at December 31, 2010 was $99,155 (2009: $15,501).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Translation (Continued)

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, 2010 US $1: CDN $0.9980 CDN $(1.030)
December 31, 2009 US $1: CDN $1.046 CDN $(1.147)

Financial Instruments – Recognition and Measurement

The Company classifies all financial instruments as held-to-maturity, available-for-sale, held for trading, loans and receivables, or other liabilities. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measure at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive loss. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in the statement of operations and comprehensive loss.

Derivative financial instruments that are linked to and must be settled by delivery of equity instruments of another entity whose fair value cannot be reliably measured are classified as held-for-trading and are measured at cost.

The Company has chosen to expense transaction costs relating to financial assets and liabilities that have been designated as other than held for trading in accordance with S3855.57(a).

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

- Cash and cash equivalents 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; and
- Derivative financial instrument as held for trading which is measured at cost.

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);

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments – Presentation and Disclosures (Continued)

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.

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.

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").

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 are subject to a three year staged release escrow commencing August 7, 2009 being the date of which the Exchange 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.

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.

3. REVERSE TAKEOVER TRANSACTION (Continued)

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. PROPERTY, PLANT AND EQUIPMENT

						December 31, 2010
		Cost		Accumulated Amortization		Net Book Value
Plant and Field equipment[1]	$	920,834	$	157,315	$	763,519
Furniture and equipment		10,489		2,699		7,790
Computer equipment		9,551		1,793		7,758
Vehicles		19,955		7,839		12,116
Total	**$**	**960,829**	**$**	**169,646**	**$**	**791,183**

[1] 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 moved the Plant from Western Australia to Mozambique during the second half of calendar 2010. The consideration for the purchase of the Plant was the issuance of 512,985 fully paid shares (issued) in the Company to Avenger Investments Pty Ltd ("Avenger") an unlisted Australian company. The shares were valued at the market price of the shares on the commitment date, which was $0.20 for a total cost of $ 102,597.

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

5. INTEREST IN MINERAL PROPERTY OPTION

		Kenya Acquisition
Balance December 31, 2009	$	—
Due diligence consideration		105,084
Drilling and exploration		291,446
Legal, professional and consulting costs		396,614
Total December 31, 2010	**$**	**793,144**

On July 22, 2010 the Company entered into an acquisition agreement and amended August 23, 2010 (the "Agreement") pursuant to which the Company has agreed to acquire, subject to the fulfillment of certain conditions precedent, 100% of the issued capital of two private United Kingdom companies that between them are the legal and registered owners of 70% of the issued capital of Cortec Mining Kenya Limited ("Cortec"), a private company incorporated in Kenya. Cortec holds three prospecting licenses in Kenya (two exclusive prospecting licenses and one special prospecting license covering an aggregate area of 1,180 km^2 that is referred to as the "Mrima Hill Project" (the "Project"). The Project is an advanced exploration stage mineral property with the principally targeted resources being niobium and rare earth metals.

The Agreement is among PAW, Finebrook Investments Pty Ltd as trustees for the O'Sullivan Superannuation Fund (a trust formed under the laws of Australia) (the "O'Sullivan Fund"), Dunross Capital Limited (a private company incorporated under the laws of Hong Kong) ("Dunross"), Stirling Capital Limited (a private company incorporated under the laws of the United Kingdom) ("Stirling") and Cortec (Pty) Ltd. (a private company incorporated under the laws of the United Kingdom) ("Cortec UK"). The O'Sullivan Fund holds 100% of the issued capital of Stirling and Dunross holds 100% of the issued capital of Cortec UK. Stirling and Cortec UK hold, in the aggregate, 70% of the issued capital of Cortec. Pursuant to the Agreement, PAW has agreed to acquire 100% of the issued capital of Stirling from the O'Sullivan Fund and 100% of the issued capital of Cortec UK from Dunross. The O'Sullivan Fund and Dunross are collectively referred to as the "Owners". The Owners are at arm's length to the Company.

The consideration payable by PAW, to the Owners, is to be paid in three stages on the satisfaction of certain condition precedents.

Stage 1 - Pre Due Diligence Consideration

The Company has paid AUS $120,000 ($CAD 105,084) as an advance to facilitate ongoing work on the Project during the due diligence period. This includes work preparing for the Exploration Program (as defined below).

5. INTEREST IN MINERAL PROPERTY OPTION (Continued)

Stage 2 - Initial Consideration and Initial Interest

Subject to:

1) satisfactory completion of the Company's preliminary due diligence on the business and operations of each of Stirling, Cortec UK and Cortec Kenya within 30 days of the date of the Agreement;

2) the preparation of an initial National Instrument 43-101 compliant technical report on the Project;

3) the approval of the Exchange to the payment of the Initial Consideration (as defined below);

4) the Company having raised not less than AUS $1.5 M within 30 days of signing the Agreement (the "Initial Financing") this date having been mutually extended to a later date upon completion of the due diligence;

The Company shall pay to the Owners:

a) the sum of AUS $1,128,000, the entire amount of which shall be used to complete a prescribed exploration program on the Project (the "Exploration Program") which includes not less than 1,500 metres of reverse circulation drilling on the Project;

b) 5,000,000 common shares in the capital of the Company (the "Initial Shares");

c) and the Company shall receive a 7% interest in each of Stirling and Cortec UK (the "Initial Interest").

The Initial Shares and the Initial Interest shall be held in escrow pending the completion of the Exploration Program and verification of the Resource Condition (as defined below) and the Company having completed equity financing/s between the date of the Agreement and August 31, 2010, that date having been mutually extended to February 18, 2011, for aggregate gross proceeds of not less than AUS $3,500,000 (inclusive of the gross proceeds of the Initial Financing) (the "Financing Condition") (see Note 7) for completion of the financing). In the event that the Resource Condition and/or Financing Condition is not satisfied or waived, PAW shall have the right to terminate the Agreement with the Initial Shares being returned to PAW for cancellation and the Initial Interest being returned to the Owners.

On February 28, 2011 the Company completed the Initial Closing of an acquisition that gives the Company the rights, subject to the completion of certain conditions, to acquire a 70% interest in Cortec.

Stage 3 – Closing Consideration

Subject to the satisfaction of the following conditions (the "Closing Conditions"):

1) the completion of the Exploration Program;

2) the completion of a National Instrument 43-101 compliant technical report (the "Resource Report") on the Project which takes into account the results of the Exploration Program and provides a resource estimate for the Project;

5. INTEREST IN MINERAL PROPERTY OPTION (Continued)

Stage 3 – Closing Consideration (continued)

3) the resource estimate provided by the Resource Report shall be comprised of: (i) a resource of no less than 45 million tonnes of Nb_2O_5 at a Nb_2O_5 grade no less than 0.70%; and (ii) a resource of Nb_2O_5 of no less than 13 million tonnes an Nb_2O_5 grade no less than 1.30% (the "Resource Condition");

4) the satisfactory completion of the Company's due diligence;

5) the Owners having obtained a mining license for the Project covering the general area of the resource;

6) the Company having obtained all necessary regulatory approval for the completion of the transaction including Exchange approval;

then, the Company has the right to complete the acquisition to acquire from the Owners 100% of the issued capital of Stirling and Cortec UK: by

a) issue to the Owners an aggregate of 28,702,353 common shares in the capital of the Company (the "Closing Shares");

b) make a cash payment to the Owners of the equivalent of CDN $ 13,492,000 (based on an exchange rate of CDN $ 0.93 = AUS $ 1.00) subject to an adjustment depending on the exchange rate prevailing between AUS $ and CDN $ at Closing (the "Closing Cash Payment");

   and the Company shall receive the remaining 93% interest in each of Stirling and Cortec UK such that it holds a 100% interest in each such corporation. The Owners shall be entitled, at this time, to nominate a director to the board of directors of the Company and if at any stage PAW has a rights issue to shareholders, the Owners shall be offered the opportunity to take up their proportionate entitlements.

   The number of Closing Shares shall be limited such that when aggregated with the Initial Shares, the Owners will not collectively hold greater than 19.9% of the post-closing non-diluted number of issued and outstanding common shares of PAW. In the event that the number of Closing Shares is required to be reduced to less than 28,702,353 PAW Shares to comply with this limitation, the Owners shall be paid the difference in cash. This cash payment shall be separate and apart from the Closing Cash Payment.

6. RESOURCE PROPERTIES

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.

6. RESOURCE 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. The Company is currently in the process of signing a new agreement to extend the term of the initial work program. 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 Work 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 (see Consolidated Schedules of Resource Properties).

7. 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

There are no preferred shares outstanding at December 31, 2010 and 2009.

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

b) Common Shares Issued:

During the year ended December 31, 2010 the Company:

i) Issued 9,302,862 common shares pursuant to the exercise of share purchase warrants at a price of $0.15 per share;

ii) Issued 1,100,339 common shares pursuant to the exercise of share purchase warrants at a price of $0.23 per share;

iii) Issued 512,985 common shares in conjunction with the acquisition of the Plant (see Note 4);

iv) Issued 500,000 common shares pursuant to the exercise of stock options at a price of $0.12 per share; and

v) Issued 200,000 common shares pursuant to the exercise of stock options at a price of $0.19 per share.

vi) Pursuant to a non-brokered private placement (the "Financing") issued 3,961,088 units at a price of $0.18 per unit. 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 an additional common share at a price of $0.23 per share until May 11, 2011.

The Company issued 150,235 units in connection with services rendered in respect of the Financing. 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 an additional common share at a price of $0.23 per share until May 11, 2011. The common shares were recorded at a fair value of $0.18 per share and the warrants were valued at $2,403 (Note 8b).

vii) Issued on August 7, 2010 in accordance with the terms of Darren Townsend's, the Company's President, consulting agreement, 1,000,000 common shares as consideration of the Bonus Shares at a fair market value of $190,000 (See Note 15).

Subsequent to the year ended December 31, 2010 the Company:

i) The Company issued 639,078 shares at $0.23 per share pursuant to the exercise of warrants outstanding at December 31, 2010.

ii) The Company issued 40,000 shares at $0.12 per share, 75,000 shares at $0.185 per share, 500,000 shares at $0.23 per share, and 150,000 shares at $0.25 per share pursuant to the exercise of stock options outstanding at December 31, 2010.

iii) The Company issued 25,000 shares at $0.30 per share pursuant to the exercise of warrants issued subsequent to December 31, 2010.

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

b) Common Shares Issued: (continued)

iii) On January 10, 2011, the Company completed Tranche one of a brokered private placement (the "Offering"), which included the issuance of 7,262,400 units at a purchase price of $0.22 per unit for gross proceeds of $1,597,728. Each unit comprised of one common share and one half of a non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one common shares of the Company at a purchase price of $0.30 per share, at any time within eighteen months from issuance, subject to an accelerated expiry date in certain circumstances.

Macquarie Private Wealth Inc. ("Macquarie") received consideration for brokerage services provided to the Company in connection with Tranche one of the Offering, including a cash commission of $124,298 as well as an aggregate of 580,992 broker units. Each broker unit entitles Macquarie to purchase, at any time within eighteen months from the closing date of the Offering, one unit at a purchase price of $ 0.22 per unit. Each unit comprised of one common share and one half of a non-transferable common share purchase warrant, which have the same terms as the warrants noted above.

In accordance with Canadian securities legislation currently in effect, the securities issued pursuant to Tranche one of the Offering will have a restricted "hold" period in Canada expiring on May 8, 2011.

On February 25, 2011, the Company closed the balance of the Offering, which included the issuance of a further 15,464,872 units at a purchase price of $0.22 per unit for gross proceeds of $3,402,271. Each unit comprised of one common share and one half of a non-transferable common share purchase warrant, which have the same terms as the warrants noted above.

Macquarie was paid a cash commission of $272,182 in connection with the balance of the Offering, as well as issued an aggregate of 1,237,189 broker units. Each broker unit entitles Macquarie to purchase, at any time within eighteen months from issuance one unit at a purchase price of $ 0.22 per unit. Each unit comprises of one common share and one half of a non-transferable common share purchase warrant, which have the same terms as the warrants noted above.

In accordance with Canadian securities legislation currently in effect, the securities issued pursuant to the Financing will have a restricted "hold" period in Canada expiring on June 26, 2011.

Pursuant to the Offering, as at December 31, 2010 the Company had received $715,978 in subscriptions.

iv) On January 21, 2011 the Company completed a non brokered private placement for 1,000,000 units at a price of $0.90 for gross proceeds to the Company of $900,000. Each unit is comprised of one common share and one half of a non-transferable common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a purchase price of $1.10 per share, at any time within eighteen months from issuance.

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

c) Loss per share

The total maximum shares outstanding if all dilutive and potentially dilutive instruments were exercised or converted at December 31, 2010 is 84,520,777 derived from 4,550,000 exercisable options, 955,323 exercisable warrants, and 79,015,454 outstanding common shares at December 31, 2010. Of the potentially dilutive instruments all 4,550,000 exercisable options and all 955,323 exercisable warrants were "in the money" at December 31, 2010.

During the year ended December 31, 2009 the Company:

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

ii) 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 common shares were recorded at a fair value of $0.12 per share and the warrants were valued at $Nil (Note 8b).

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 this private placement. 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 (Note 8b).

iii) 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

As at December 31, 2010 15,975,563 (2009: 26,944,105) common shares issued were held in escrow. Of this amount 168,500 common shares are subject to an 18 month release and the remainder a 3 year release pursuant to the policies of the Exchange.

8. STOCK OPTIONS AND WARRANTS

a) Stock Options Outstanding

On February 4, 2010, the Company re-adopted its existing 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.

8. STOCK OPTIONS AND WARRANTS (Continued)

a) Stock Options Outstanding (Continued)

During the year ended December 31, 2010, a compensation charge associated with the granting of stock options under the Plan in the amount of $277,430 (2009: $219,255) was recognized in the financial statements. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	December 31 2010	December 31 2009
Risk-free interest rate	1.67 - 2.83%	2.73%
Expected dividend yield	0%	0%
Expected stock price volatility	78.99 - 82.91%	105.48%
Expected option life	1 - 5 years	5 years

	Number		Weighted Average Exercise Price
Balance, December 31, 2008	350,000	$	0.25
Granted	2,350,000		0.12
Balance, December 31, 2009	2,700,000	$	0.14
Granted	150,000	$	0.285
Granted	1,700,000	$	0.19
Granted	500,000	$	0.23
Granted	200,000	$	0.30
Exercised	(700,000)	$	0.14
Balance, December 31, 2010	4,550,000	$	0.18

As at December 31, 2010 the Company had 4,550,000 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
1,850,000	$	0.12	August 7, 2014
150,000	$	0.185	April 14, 2015
1,200,000	$	0.19	July 28, 2015
300,000	$	0.19	July 28, 2012
500,000	$	0.23	September 13, 2013
200,000	$	0.30	October 19, 2011
4,550,000			

a) Stock Options Outstanding (continued)

The weighted average life of the stock options outstanding for the year ended December 31, 2010 was 3 years (2009: 4.22 year).

The weighted average date-of-grant fair value of the options granted during 2010 was $0.11 (2009 - $0.09) per share based on the Black-Scholes option pricing model using weighted average assumptions as described above.

8. STOCK OPTIONS AND WARRANTS (Continued)

b) Warrants

	Number	Weighted Average Exercise Price
Balance, December 31, 2008	-	-
Issued	9,427,862	$0.15
Balance, December 31, 2009	9,427,862	$0.15
Exercised	(10,403,201)	$0.16
Expired	(125,000)	$0.15
Issued	2,055,662	$0.23
Balance, December 31, 2010	955,323	$0.23

At December 31, 2010 there were 955,323 share purchase warrants outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Price per Share	Expiry Date
955,323	$0.23	May 11, 2011

During the period ended December 31, 2010, a compensation charge of $2,403 (2009: $64,080) associated with the grant of 75,118 (2009: 1,060,417) share purchase warrants for finders' fees was recorded to share capital and contributed surplus. The following assumptions were used for the Black-Scholes model:

	2010	2009
Risk-free interest rate	1.75%	1.33%
Expected dividend yield	0%	0%
Expected stock price volatility	65.32%	155.93%
Expected option life	1 year	1 year

9. RELATED PARTY TRANSACTIONS

The Company has conducted transactions in the normal course of operations with officers, directors and persons or companies related to directors as follows:

a) Paid or accrued management fees of $84,283 (2009: $27,806) to a company controlled by an officer of the Company;

b) Incurred management fees of $196,293 (2009: $77,786) to a company controlled by the president of the Company for management fees;

c) Issued 1,000,000 bonus shares and accrued an additional 1,000,000 bonus shares, payable to a company controlled by an officer of the Company (see Note 15).

d) Paid rent of $8,400 (2009: $2,800) to a company controlled by an officer of the Company;

9. RELATED PARTY TRANSACTIONS (Continued)

e) Paid or accrued consulting fees of $24,109 (2009: $2,188) to a company controlled by a director of the Company; and

f) During the year ended December 31, 2010, the president advanced the Company $132,000 to exercise his options. Subsequent to year-end he decided not to exercise the options and therefore this amount is included in due to related parties at year-end. Amounts due to related parties are non-interest bearing and have no specific terms of repayment.

g) During the year ended December 31, 2009 the Company settled debt of $463,767 by the issuance of 3,864,728 shares at a price of $0.12 per share to companies controlled by directors 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.

10. 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, 2010, the following transactions were excluded from the statements of cash flows:

i) The Company issued 512,985 common shares valued at $102,597 for the acquisition of the Plant as described in Note 4.

ii) Resource property and deferred acquisition costs include $205,272 (2009: $12,875) through accounts payable and accrued liabilities.

During the year ended December 31, 2009, the following transactions were excluded from the statements of cash flows:

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

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

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

11. INCOME TAXES

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

	December 31 2010	December 31 2009
Loss before income taxes	$ (1,232,917)	$ (831,948)
Statutory income tax rates	28.5%	30%
Computed income tax recovery	$ (351,400)	$ (249,600)
Foreign income taxed at other than statutory rate	(3,300)	(4,598)
Permanent differences	78,200	65,777
Effect of reduction in statutory rate	30,100	19,129
Financing costs	(20,200)	-
Resource properties	119,900	105,761
Foreign exchange effect on mineral properties	-	5,245
Increase in valuation allowance	610,000	164,047
Total income taxes	$ 463,300	$ 105,761

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

	December 31 2010	December 31 2009
Non-capital loss carry-forwards	$ 509,000	$ 574,527
Undeducted financing costs	62,000	-
Capital assets	21,000	-
Resource properties	(945,000)	(884,180)
Start up costs	190,000	-
Valuation allowance	(774,000)	(164,047)
	$ (937,000)	$ (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 approximately $1,875,000 (2009: $1,877,000) available to reduce future years' taxable income. These losses expire expired as follows:

	Canada	Mozambique
2015	$ -	$ 580,000
2029	370,000	-
2030	925,000	-
	$ 1,295,000	$ 580,000

12. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to a number of financial and market risks including credit, interest rate, currency, and liquidity risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities. There was no change in the management of the financial risks compared to prior year.

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, due to related parties, and derivative financial instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying value of these financial instruments approximate their fair value due to their short-term nature.

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 two institutions of high credit worthiness. As at December 31, 2010 the maximum exposure to credit risk is the carrying value of its cash.

Market 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. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. Included in the loss for the period in the financial statements is interest income on Canadian dollar cash. As at December 31, 2010, the Company's cash is not subject to or exposed to significant interest rate risk.

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.

As at December 31, 2010, the Company's cash balance included $48,620 denominated in $U.S dollars (2009 - $20,628).

As at December 31, 2010, all other factors being equal, a 10% U.S. dollar rise per Canadian dollar would have an unfavourable impact of approximately $1,745 on net earnings for the year. A 10% U.S./Canadian dollar decrease would have a positive impact of similar magnitude.

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.

12. FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk (Continued)

The Company anticipates incurring substantial expenditures to further its completion of stage three of the acquisition agreement to acquire the two U.K. companies as well as commencement of operations with the plant in Mozambique.

The continued existence of the Company is dependent upon its ability to continue to obtain adequate financing and commence profitable business operations. The Company addresses its liquidity through equity financing obtained via the issuance of common shares and the exercise of warrants and options. Accordingly, there is a risk that the Company may not be able to secure adequate financing on reasonable terms, or at all, at a future date.

13. 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 totaling $5,684,306. 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. There is no change in the capital management compared to prior year.

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, 2010	Canada	Mozambique	Total
Current assets	$ 1,103,371	$ 185,079	$ 1,288,450
Property, plant, and equipment	37,568	753,615	791,183
Mineral properties	2,033,051	2,243,897	4,276,948
Interest in mineral property option	793,144	-	793,114
Total	$ 3,967,134	$ 3,182,591	$ 7,149,725

14. SEGMENTED DISCLOSURE (Continued)

As at December 31, 2009		Canada		Mozambique		Total
Current assets	$	638,771	$	20,628	$	659,399
Property, plant, and 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	$	4,303,652

15. COMMITMENTS

On May 14, 2009 the Company entered into a consulting agreement (the "Townsend Contract") with Darren Townsend and DJCA Pty Ltd. (an Australian corporation of which Mr. Townsend is a director and beneficial owner) pursuant to which the Company has engaged the services of Mr. Townsend as the Company's President, Chief Executive Officer and a director of the Company. The Company shall pay Mr. Townsend on a monthly basis, a fee of $AUS17,000 for a minimum term of 3 years.

The Townsend Contract provides that Mr. Townsend/DJCA Pty Ltd is to be issued bonus shares wherein the Company granted Mr. Townsend a bonus of 2,000,000 common shares (the "Bonus Shares"). Although the liability for the Bonus Shares was deemed to exist as of August 7, 2009, the date of the completion of the Company's Acquisition as described in Note 3, as per the terms of the Townsend Contract, Exchange approval for the Bonus Shares was obtained on April 30, 2010. As such, the liability for the Bonus Shares has been recorded effective as of the date of Exchange approval. The liability for the Bonus Shares is recognized over the period to which they are payable, as follows:

i) 1,000,000 shares on August 7, 2010 (issued), the first anniversary of the completion of the Company's Acquisition as described in Note 3. The shares were valued at the market price of the shares on the Exchange approval date, for an aggregate value of $190,000 which have been expensed as management fees.

ii) 1,000,000 shares on August 7, 2011, the second anniversary of the completion of the Company's Acquisition as described in Note 3. The shares were valued at the share price on the Exchange approval date for an aggregate value of $190,000, with $132,796 expensed as management fees during the year ended December 31, 2010. The remaining $57,204 was recorded as shares to be issued at December 31, 2010 and will be expensed during the year ended December 31, 2011.

PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
Consolidated Schedules of Resource Properties
For the years ended December 31, 2010 and 2009

	Twigg Licenses	TML Licenses	Total
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
Camp site costs and visits	-	7,917	7,917
Freight and transport	-	33,205	33,205
Environmental	-	5,595	5,595
Drilling	-	31,367	31,367
Licenses	-	17,681	17,681
Maps miscellaneous	-	3,352	3,352
Legal fees	-	3,535	3,535
Balance December 31, 2009	**$ 32,312**	**$ 3,547,016**	**$ 3,579,328**
Effect of foreign currency translation	-	(96,016)	(96,016)
Assaying	-	44,803	44,803
Geological fees and consulting	-	300,802	300,802
Salaries	-	249,460	249,460
Holding and administrative costs	-	8,034	8,034
Camp site costs and visits	-	84,027	84,027
Licenses	18,618	-	18,618
Metallurgy	-	22,832	22,832
Surveys and mineral studies	-	10,362	10,362
Maps miscellaneous	-	9,650	9,650
Legal fees	-	45,048	45,048
Balance December 31, 2010	**$ 50,930**	**$ 4,226,018**	**$ 4,276,948**