PACIFIC WILDCAT RESOURCES CORP.

a d v a n c e d a n d s t r a t e g i c m i n e r a l s a n d m e t a l s

Unaudited condensed Interim Financial Statements of:

PACIFIC WILDCAT RESOURCES CORP.

(An Exploration Stage Company)

(An Exploration Stage Company)

September 30, 2011

110-2300 Carrington Road
West Kelowna, British Columbia
Canada V4T 2N6

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NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2011 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed interim financial reporting.

The Company's independent auditor has not audited or performed a review of these financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountant for a review of unaudited condensed consolidated interim financial statements by an entity's auditor.

Pacific Wildcat Resources Corp.
September 30, 2011
(Expressed in Canadian Dollars)

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Unaudited Condensed Consolidated Financial Statements

PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
Expressed in Canadian Dollars

	Note	September 30 2011	December 31 2010
ASSETS			
Current			
Cash	4	$ 3,752,464	$ 1,138,501
Receivables	5	161,878	137,551
Prepaids		48,392	12,398
		3,962,733	1,288,451
Non Current			
Property, plant and equipment	8	2,170,492	791,183
Exploration and evaluation assets	6	5,162,907	3,909,009
Intangible assets	7	13,505,701	793,144
		$ 24,801,833	$ 6,781,786
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	9	$ 289,148	$ 528,421
Subscriptions received in advance		—	715,978
		289,148	1,244,399
Deferred income tax liability		569,061	569,061
Total liabilities		858,209	1,813,460
Shareholders' equity			
Share capital	10	23,929,693	5,284,647
Shares reserved to be issued	10	(57,204)	(57,204)
Contributed surplus	10	6,602,002	3,467,689
Accumulated other comprehensive income	10	(143,461)	(83,290)
Deficit		(6,387,405)	(3,643,515)
Total shareholders' equity		23,943,624	4,968,326
		$ 24,801,833	$ 6,781,786

These unaudited condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 29, 2011. They are signed on the Company's behalf by:

"David Paull"
David Paull
Director

"Darren Townsend"
Darren Townsend
Director

PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
Expressed in Canadian Dollars

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	2011	2010
Interest and other income	$ 1,353	$ 4,247	$ 1,657	$ 1,901
Expenses				
Administrative and general	442,881	279,533	1,102,899	514,243
Depreciation	3,494	6,648	17,565	35,602
Exploration	—	(77,379)	—	201,988
Stock based compensation	1,397,542	243,369	1,397,542	261,977
Loss on foreign exchange	(152)	(297)	5,771	160
Total expenses	1,843,765	451,874	2,523,776	1,013,970
Loss for the period	(1,842,412)	(447,627)	(2,522,119)	(1,012,069)
Other comprehensive loss				
Foreign exchange differences on translating foreign operations	(199,656)	(37,346)	(242,632)	(29,513)
Total other comprehensive income	(199,656)	(37,346)	(242,632)	(29,513)
Total comprehensive loss for the period	$ (2,042,068)	$ (484,973)	$ (2,764,751)	$ (1,041,582)
Loss per common share basic and diluted	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.02)
Weighted average number of common shares	114,762,494	70,835,863	108,868,178	67,810,623

(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
Expressed in Canadian Dollars
For the nine months ended September 30, 2011

	Common Shares		Shares to be	Contributed	Accumulated	Accumulated Other Comprehensive	
	Number	Amount	Issued	Surplus	Deficit	Income	Total
Balance, January 1, 2010	62,287,945	$ 2,320,140	$	$ 3,323,726	$ (1,947,298)	$ -	$ 3,696,568
Loss for the period					(1,012,069)	-	(1,012,069)
Exercise of warrants	9,335,062	1,400,259	-	-	-	-	1,400,259
Share capital issued	3,961,088	712,996	-	-	-	-	712,996
Shares issued for assets	512,985	102,597	-	-	-	-	102,597
Compensation shares issued	1,150,235	147,042	-	2,248	-	-	149,290
Share issue costs	-	(74,255)	-	-	-	-	(74,255)
Stock based compensation	-	-	-	261,977	-	-	261,977
Foreign exchange translation	-	-	-	-	-	(29,513)	(29,513)
Balance, September 30, 2010	77,247,315	$ 4,608,779	$	$ 3,587,951	$ (2,959,367)	$ (29,513)	$ 5,207,850
Balance, January 1, 2011	79,015,454	$ 5,284,647	$ (57,204)	$ 3,467,689	$ (3,643,515)	$ (83,290)	$ 4,968,326
Loss for the period					(2,522,119)	-	(2,522,119)
Exercise of warrants	4,775,551	1,333,753	-	-	-	-	1,333,753
Stock options exercised	965,000	221,175	-	(71,237)	-	-	149,938
Agent compensation options	158,800	34,936	-	1,808,008	-	-	1,842,944
Share capital issued	32,297,878	11,470,894	-	-	-	-	11,470,894
Shares issued for intangible assets	9,000,000	8,170,000	-	-	-	-	8,170,000
Share issue costs	-	(2,656,950)	-	-	-	-	(2,656,950)
Stockbased compensation	-		-	1,397,542	-	-	1,397,542
Foreign exchange translation	-	71,239	-	-	(221,771)	(60,171)	(210,703)
Balance, September 30, 2011	**126,212,683**	**$ 23,929,693**	**$ (57,204)**	**$ 6,602,002**	**$ (6,387,405)**	**$ (143,461)**	**$ 23,943,624**

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

PACIFIC WILDCAT RESOURCES CORP.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
Expressed in Canadian Dollars
For the nine months ended September 30, 2011

	2011	2010
Cash flows from operating activities		
Loss for the period	$ (2,522,119)	$ (1,012,069)
Adjustments to reconcile loss to net cash used in operating activities:		
Finance Expense	1,558,310	—
Stock based compensation	1,397,542	261,977
Depreciation	17,565	35,602
Changes in non-cash working capital balances:		
Trade and other receivables	(24,327)	(62,466)
Trade and other payables	(105,464)	(102,767)
Prepaid expenses	(35,994)	11,389
Total cash outflows from operating activities	285,513	(868,334)
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(1,379,309)	(571,041)
Investment in exploration and evaluation assets	(1,253,898)	(283,948)
Investment in intangible assets	(4,542,557)	(307,234)
Total cash outflows from investing activities	(7,175,764)	(1,162,223)
Cash Flows From Financing Activities		
Repayments to related parties	(133,809)	(1,052)
Subscriptions for the issuance of shares	(715,978)	—
Issuance of shares *(net of share issue costs)*	10,512,585	2,188,291
Net cash provided by financing activities	9,662,798	2,187,239
Effect of foreign exchange on cash	(158,584)	(29,513)
Increase(decrease) in cash	2,613,963	127,169
Cash and equivalents, beginning of period	1,138,501	642,430
Cash and equivalents, end of period	$ 3,752,464	$ 769,599

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

1. CORPORATION INFORMATION

Pacific Wildcat Resources Corp. ("PAW" or the "Company") is governed by the Business Corporations Act *(British Columbia)* and is primarily engaged in the acquisition and development of mineral properties located in Africa. The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's principal asset is the TML Licenses located in Mozambique and its acquisition agreement with the contractual right to acquire an indirect 70% interest in the Mrima Hill Property, located in Kenya.

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).

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 Company is listed on the TSX Venture Exchange, having the symbol PAW.V as a Tier 2 issuer and its corporate office and principal place of business is located at 110 – 2300 Carrington Road, West Kelowna, B.C. Canada, V4T 1G3.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance to International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these interim condensed consolidated financial statements do not include all information and footnotes required by IFRS as issued by the IASB and interpretations of the IFRIC for complete financial statements for year-end reporting purposes. The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors as at November 29, 2011.

These interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim consolidated financial statements are presented in Canadian Dollars which is also the Company's functional currency.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (cont'd)

The Company has not generated revenues from its operations to date. The Company currently does not have sufficient cash resources to meet its obligations to complete the acquisition of 70% indirect interest in the Mrima Hill Project in Kenya. The Company will be required to raise additional funds through equity issuances, debt or exercise of warrants to fund the remaining acquisition costs and provide working capital. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2011 were prepared in accordance with IAS 34, *Interim Financial Reporting*. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements for the three month period ended March 31, 2011. In addition, the interim condensed consolidated financial statements for the three month period ended March 31, 2011 contain certain incremental annual IFRS disclosures not included in the annual financial statements for the year ended December 31, 2010 which were prepared in accordance with previous Canadian GAAP. Accordingly, these interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2011 should be read together with the annual consolidated financial statements for the year ended December 31, 2010 prepared in accordance with previous Canadian GAAP as well as the interim condensed consolidated financial statements for the three month period ended March 31, 2011.

New Standards, Amendments and Interpretations Not Yet Adopted

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, *Financial instruments - Classification and Measurement*, IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interests in Other Entities*, IAS 27, *Separate Financial Statements*, IFRS 13, *Fair Value Measurement* and amended IAS 28, *Investments in Associates and Joint Ventures*. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 9, Financial Instruments: Classification and Measurement

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Standards, Amendments and Interpretations Not Yet Adopted (cont'd)

IFRS 10, Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 11, Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 19 – Employee Benefits

In September 2011, the IASB issued an amended version of IAS 19, *Employee Benefits* ("IAS 19"). The amendments to IAS 19 are meant to improve the quality, transparency and comparability of information presented for post-employment benefits. For defined benefit plans, the amendments eliminate the option to defer actuarial gains and losses on the balance sheet through the "corridor method". The amendments also require any remeasurement gains or losses, including actuarial gains and losses, to be recognized immediately and presented in other comprehensive income, eliminating the option to recognize and present these through the income statement. Additional disclosures will also be required to present better information about the characteristics, amounts recognized, and risks related to defined benefit plans. The amendments to IAS 19 are effective for financial years beginning on or after January 1, 2013 with earlier adoption permitted. The Company has not yet begun the process of assessing the impact that the amended standard will have on its consolidated financial statements or whether to early adopt any of the new requirements.

(Expressed in Canadian Dollars

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Standards, Amendments and Interpretations Not Yet Adopted (cont'd)

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS1, *Presentation of Financial Statements*, IAS 27, *Separate Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*. IAS 1 has been amended to require companies to group items within Other Comprehensive Income ("OCI") that may be reclassified to profit or loss. The amendment also reaffirms existing requirements that items in OCI and profit and loss should be presented as either a single statement or two consecutive statements. The amendments to IAS 1 are effective for fiscal years beginning on or after July 1, 2012. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

4. CASH AND CASH EQUIVALENTS

Cash at banks and on hand earns interest at floating and fixed rates based on daily deposit rates.

5. RECEIVABLES

	September 30 2011	December 31 2010
Sales taxes receivable	$ 41,866	$ 13,125
Advances to contractors	120,012	124,426
	$ 161,878	$ 137,551

HST receivables represent input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

Management considers that the fair values of these receivables, which are expected to be recovered quarterly, are not materially different from their carrying amounts because these amounts have short maturity periods on inception.

(Expressed in Canadian Dollars

6. EXPLORATION AND EVALUATION ASSETS

	Twigg Licences	TML Licenses	Total
Costs			
Balance at January 1, 2010	$ 32,312	$ 3,179,077	$ 3,211,389
Acquisition costs	18,618	-	18,618
Exploration costs	-	775,018	775,018
Foreign exchange movement	-	(96,016)	(96,016)
Balance at December 31, 2010	$ 50,930	$ 3,858,079	$ 3,909,009
Acquisition costs	-	-	-
Exploration costs	-	1,323,836	1,323,836
Foreign exchange movement	-	(69,938)	(69,938)
Balance at September 30, 2011	$ 50,930	$ 5,111,977	$ 5,162,907
Accumulated depletion and impairment losses			
Balance at December 31, 2010	$ -	$ -	$ -
Balance at September 30, 2011	$ -	$ -	$ -
Carrying amounts			
Carrying value at December 31, 2010	$ 50,930	$ 3,858,079	$ 3,909,009
Carrying value at September 30, 2011	$ 50,930	$ 5,111,977	$ 5,162,907

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 negotiating 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.

TMP Licenses – Mozambique

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 a result of the Acquisition 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. For the mining of Tantalum, a royalty of 3% of sales revenue will be payable to the Mozambique Government.

(Expressed in Canadian Dollars

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

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

7. INTANGIBLE ASSETS

Costs	Mrima Hill
Balance at January 1, 2010	-
Acquisition costs	$501,698
Exploration costs	$291,446
Balance at December 31, 2010	$793,144
Acquisition costs	$12,199,875
Exploration costs	$512,682
Foreign exchange movement	$-
Balance at September 30, 2011	$13,505,701
Accumulated depletion and impairment losses	
Balance at January 1, 2010	-
Balance at December 31, 2010	-
Balance at September 30, 2011	-
Carrying amounts	
Carrying value at January 1, 2010	$-
Carrying value at December 31, 2010	$793,144
Carrying value at September 30, 2011	$13,505,701

Mrima Hill Project, Kenya

On July 22, 2010 the Company entered into a Conditional Purchase Agreement (the "Agreement") with Finebrook Investments Pty Ltd, as trustee for the O'Sullivan Superannuation Fund ("O'Sullivan Fund"), Stirling Capital Limited ("Stirling"), Dunross Capital Ltd ("Dunross") and Cortec (Pty) Ltd. ("Cortec UK") to acquire (the "Acquisition") an indirect 70% interest in CMK, a private Kenyan company that holds three prospecting licences in Kenya, subject to certain conditions precedent The Acquisition will be completed in two tranches.

On February 28, 2011 the Company closed the initial tranche of the Acquisition and acquired 7% of the issued share capital of each of Stirling and Cortec UK (the "Initial Closing"), to be held in escrow pending completion of the final tranche of the Acquisition, with the balance of 93% of the issued share capital of Stirling and Cortec UK to be acquired upon the satisfaction of certain condition precedents (the "Final Closing"). In consideration for the acquisition of the 7% interest in Stirling and Cortec UK, the Company paid to the O'Sullivan Fund and Dunross (the "Vendors") a total of Aus$1,128,000 to be expended by the Vendors by June 30, 2011, or such later date as may be agreed upon by the parties, on a work program on the Project; and issued to the Vendors an aggregate of 5,000,000 common shares in the capital of the Company.

7. INTANGIBLE ASSETS (cont'd)

Mrima Hill Project, Kenya

On July 7, 2011 the Company received TSX Venture Exchange ("Exchange") approval to extend the term of the Acquisition, ("EA") wherein the overall the total consideration for the purchase has not changed but the timing of the payments has been extended to allow the parties more time to obtain the next form of tenure for the property and for further exploration to be conducted on the Mrima Hill property.

Key Terms of the EA are as follows:

Extension until 3rd January 2012

1) PAW to pay to the Owners an aggregate of 750,000 Australian Dollars ("A$") in cash and issue 4,000,000 common shares on the later of July 4, 2011 or five Business Days of the date of TSXV acceptance to such issuance (paid);

2) PAW pay to the Owners an aggregate of A$1,250,000 in cash on or before July 29, 2011 (paid);

3) PAW pay to the Owners A$500,000 (paid) by the later of July 30, 2011 or five business days of the date of acceptance by the TSXV a further non-refundable Work Advance for funds to be used on the advancement of the Mrima Hill Project to: (a) complete an Environmental Impact Assessment Study on the Project; (b) undertake further drilling and assaying on the Project; and (c) submit an application for the Mining License.

The above cash payments and issuance of common shares will be deducted from the common shares and cash payment to be paid by PAW to the Owners under the original agreement on Closing. The initial extension is for the period until the 3rd January 2012 and at any time prior to that date PAW has the option to terminate the transaction on notice and without further payment to the Owners.

Extension until Closing

Subject to PAW electing not to terminate the Agreement on or before the 3rd January 2012, PAW will pay to the Owners an aggregate of an additional A$2,500,000 in cash and issue to the Owners an additional 5,000,000 common shares which cash payments and issuance of common shares will be deducted from the common shares and cash payment to be paid by PAW to the Owners on the final Closing.

Upon receipt of the Mining License or extension of the Special Prospecting License and meeting the other closing conditions, the parties shall complete the Acquisition through the issue of the balance of shares and the balance of cash due on the final Closing which are currently calculated at approximately 19,702,353 common shares and A$11,025,437 (based on an exchange rate of CDN $ 1.03 = AUS $ 1.00), such amounts are subject to adjustment in accordance with the Acquisition Agreement and fluctuations in the exchange rate prevailing between A $ and CDN $ at closing.

At Closing, the Company shall receive the remaining 93% interest that it does not own in each of Stirling and Cortec UK such that the Company will then hold a 100% interest in each corporation. The Owners shall be entitled, at this time, to nominate a Director to the Board of Directors of the Company.

The number of Closing Shares shall be limited such that when aggregated with the Initial Shares (5 million shares already owned by the Owners), 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.

(Expressed in Canadian Dollars

8. PROPERTY, PLANT AND EQUIPMENT

		Plant & Field Equipment		Furniture & Equipment		Office Equipment		Vehicles		Total
Cost										
Balance at January 1, 2010	$	114,648	$	1,305	$	4,254	$	19,955	$	140,162
Assets acquired		806,186		9,184		5,297				820,667
Balance at December 31, 2010	$	920,834	$	10,489	$	9,551	$	19,955	$	960,829
Assets acquired		1,389,991		1,468		2,583				1,394,042
Balance September 30, 2011	**$**	**2,310,825**	**$**	**11,957**	**$**	**12,134**	**$**	**19,955**	**$**	**2,354,871**
Depreciation and impairment losses										
Balance at January 1, 2010	$	72,908	$	81	$	395	$	1,853	$	75,237
Depreciation for the period		84,407		2,618		1,398		5,986		94,409
Balance at December 31, 2010		157,315		2,699		1,793		7,839		169,646
Depreciation for the period		7,760		2,712		2,753		1,509		14,733
Balance at September 30, 2011	**$**	**165,075**	**$**	**5,411**	**$**	**4,546**	**$**	**9,348**	**$**	**184,379**
Carrying amounts										
Carrying value at December 31, 2010	$	763,519	$	7,790	$	7,758	$	12,116	$	791,183
Carrying value at September 30, 2011	**$**	**2,145,751**	**$**	**6,546**	**$**	**7,588**	**$**	**10,607**	**$**	**2,170,492**

(Expressed in Canadian Dollars

9. TRADE AND OTHER PAYABLES

		September 30 2011		December 31 2010
Trade payables	$	289,148	$	393,560
Due to related parties		—		134,861
Subscriptions received in advance		—		715,978
Total	$	**289,148**	$	1,244,399

10. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company's authorized share capital is an unlimited number of common shares with no par value.

The following outlines the changes in common share capital from January 1, 2010 to September 30, 2011:

	Number of Shares	Issue Price	Total
Balance, January 1, 2010	62,287,945		2,320,140
Exercise of warrants	9,302,862	$0.15	1,395,429
Exercise of warrants	1,100,339	$0.23	253,078
Fair value of warrants			71,023
Exercise of stock options	500,000	$0.12	60,000
Exercise of stock options	200,000	$0.19	38,000
Fair value of stock options			64,847
Issuance for plant	512,985	$0.20	102,597
Private placement	3,961,088	$0.18	712,996
Finders' fees	150,235	$0.18	27,042
Share bonus	1,000,000	$0.19	190,000
Shares to be issued	-	-	132,796
Share issue costs	-	-	(83,300)
Balance, December 31, 2010	79,015,454		5,284,648

(Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES (Cont'd)

a) Common Shares (Cont'd)

	Number of Shares	Issue Price	Total
Balance, December 31, 2010	79,015,454		5,284,648
Exercise of warrants	955,323	$0.23	219,724
Exercise of warrants	3,814,578	$0.30	1,112,333
Exercise of agents warrants	5,650	$0.30	1,695
Exercise of agents options	158,800	$0.22	34,936
Exercise of stock options	350,000	$0.25	87,500
Exercise of stock options	40,000	$0.12	4,800
Exercise of stock options	75,000	$0.185	13,875
Exercise of stock options	500,000	$0.23	115,000
Fair value of stock options	-	-	71,237
Private placement	22,727,272	$0.22	5,000,000
Private placement	1,000,000	$0.90	900,000
Private placement	8,570,606	$0.65	5,570,894
Shares issued for intangible assets	5,000,000	$1.13	5,650,000
Shares issued for intangible assets	4,000,000	$0.63	2,520,000
Share issue costs	-	-	(2,656,950)
Balance, September 30, 2011	126,212,683		23,929,692

b) Preferred Shares

a. The Company is authorized to issue unlimited preferred shares "Class A" with a par value of $1.00 each

b. The Company is authorized to issue unlimited preferred shares "Class B" without par value

There are no preferred shares outstanding at January 1, 2010, December 31, 2010 and September 30, 2011.

c) Escrowed Shares:

As at September 30, 2011 and 7,903,531 held in escrow, subject to release by regulatory approval.

(Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES (cont'd)

d) Contributed Surplus:

The following is a summary of changes in contributed surplus from January 1, 2010 – September 30, 2011:

		September 30		December 31
	$	2011		2010
Warrants - Note 10	$	1,808,008	$	(68,620)
Share options - Note 10		1,397,542		212,583
Contributed Surplus	$	3,205,550	$	143,963

e) Share Purchase Warrants:

	Number	Weighted Average Share Price
Balance, January 1, 2010	8,397,653	$0.15
Issued	1,980,544	$0.23
Forfeited	(125,000)	$0.15
Exercised	(9,348,997)	$0.16
Balance, December 31, 2010	904,200	$0.23
Issued	16,148,934	$0.32
Exercised	(4,672,828)	$0.23
Balance, September 30, 2011	12,380,306	$0.32

At September 30, 2011 12,380,306 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Share Purchase Warrants

Number	Exercise Price	Expiry Date
0	0.23	May 11, 2011
500,000	1.10	July 20, 2012
1,320,350	0.30	July 10, 2012
6,274,653	0.30	August 25, 2012
3,902,553	1.00	February 3, 2013
375,000	1.00	February 5, 2013
7,750	1.00	February 8, 2013
12,380,306		

(Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES (cont'd)

f) Agents Options

The following is a summary of changes in Agents Options from January 1, 2010 to September 30, 2011:

	Number	Weighted Average Share Price
Balance, January 1, 2010	—	—
Issued	—	—
Exercised	—	—
Balance, December 31, 2010	—	—
Issued	1,818,181	$0.22
Exercised	(158,800)	$0.22
Balance, September 30, 2011	1,659,381	$0.22

During the period ended September 30, 2011, a compensation charge of $1,699,233 associated with the grant of 1,818,191 Agent Options was recorded to share capital. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	2011	2010
Risk-free interest rate	1.70%	–
Expected dividend yield	—	–
Expected stock price volatility	93.19% – 94.57%	–
Expected option life	1.6yrs	1.6 yrs

At September 30, 2011 1,818,181 Agents Options were outstanding. Each Option entitles the holders thereof the right to purchase one unit exercisable into one common share and one half of one non-transferable common share purchase warrant, which have the same terms as the warrants as described in Note 10 hereinabove.

Number	Exercise Price	Expiry Date
442,192	$0.22	July 10, 2012
1,217,189	$0.22	August 25, 2012
1,659,381		

(Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES (cont'd)

g) Agents Warrants

The following is a summary of changes in Agents Warrants from January 1, 2010 to September 30, 2011:

Agents Warrants	Number	Weighted Average Share Price
Balance, January 1, 2010	1,030,209	$0.15
Issued	75,118	$0.23
Exercised	(1,054,204)	$0.15
Balance, December 31, 2010	51,123	$0.23
Issued	570,717	$0.89
Exercised	(77,723)	$0.24
Balance, September 30, 2011	544,117	$0.90

At September 30, 2011 544,117 Agents Warrants were outstanding. Each Warrant entitles the holders thereof the right to purchase one common share.

Number	Exercise Price	Expiry Date
62,800	$0.30	July 10, 2012
148,740	$1.00	February 3, 2013
332,577	$1.00	February 4, 2013
544,117		

11. SHARE BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting is determined by the Board of Directors.

(Expressed in Canadian Dollars

11. SHARE BASED PAYMENTS (Cont'd)

The following is a summary of changes in options from January 1, 2010 to September 30, 2011:

	Number	Weighted Average Share Price
Balance, January 1, 2010	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
Granted	3,750,000	$0.65
Granted	300,000	$0.63
Exercised	(965,000)	$0.10
Balance, September 30, 2011	7,635,000	$0.42

The weighted average share price at the date of exercise of options during the period ended September 30, 2011 was $0.165 per share (year end Dec 31, 2010 - $0.16)

At September 30, 2011 7,636,000 stock options were outstanding and exercisable under the Plan as follows:

Number of Options	Exercise Price	Expiry Date
1,810,000	$0.12	August 7, 2014
75,000	$0.19	April 14, 2015
1,200,000	$0.19	July 28, 2015
300,000	$0.19	July 28, 2012
200,000	$0.30	October 19, 2011
3,250,000	$0.65	August 26, 2016
500,000	$0.65	August 26, 2013
300,000	$0.63	September 1, 2016
7,635,000		

(Expressed in Canadian Dollars

12. ADMINISTRATIVE AND GENERAL EXPENSES

	Three Months Ended September 30 2011	Three Months Ended September 30 2010	Nine Months Ended September 30 2011	Nine Months Ended September 30 2010
General and Administrative				
Consulting fees	$ 30,500	$ 13,875	$ 57,625	$ 13,875
Corporate relations	110,429	13,881	276,477	26,488
Filing fees	7,559	3,000	22,977	17,447
Management fees	53,158	168,813	157,965	248,444
Office	39,602	21,849	137,931	38,228
Professional fees (Note 7)	78,304	26,433	205,111	100,103
Transfer agent fees	12,035	5,875	22,231	12,167
Travel	1,658	25,807	112,947	57,491
Wages	109,635	—	109,635	—
	$ 442,881	$ 279,533	$ 1,102,899	$ 514,243

13. RELATED PARTY TRANSACTIONS

a) Rental Payments

Rental payments of $6,300 (nine months end September 30, 2011: $6,300) were paid to Minco Corporate Management Inc. a Company controlled by the Company's Chief Financial Officer;

b) Key Management Compensation

	September 30 2011	September 30 2010
Key management personnel compensation comprised :		
Consulting fees	$ 292,066	$ 146,966

13. RELATED PARTY TRANSACTIONS (Cont'd)

i) Consulting fees of $157,961 (nine months ended September 30, 2010 - $107,597) were paid to Darren Townsend, President and Chief Executive Officer:
ii) Consulting fees of $128,509 (nine months ended September 30, 2010 - $61,783) were paid to Minco Corporate Management Inc ("Minco"), a company providing for accounting, administration and corporate compliance services controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company;
iii) Consulting fees and office administration fees of $35,004 (nine months ended September 30, 2010 - $13,073) were paid to DAPRB PTY LTD. a company controlled by David Paull director of the Company

c) Related party liabilities:

Amounts due to:	Service for:	September 30 2011	December 31 2010
Darren Townsend	Advance of funds	$ —	$ 132,000

(Expressed in Canadian Dollars

14. BASIC AND DILUTED LOSS) PER SHARE

The calculation of basic earnings (loss) per share for the nine months ended September 30, 2011 was based on the loss attributable to common shareholders of $2,764,751 ($644,526 – three months ended September 30, 2011) [nine months ended September 30, 2010 – $1,041,582 ($484,973 three months ended September 30, 2010)] and the weighted average number of common shares outstanding of 108,868,178 (117,762,494 three months ended September 30, 2011) [nine months ended September 30, 2010 – 67,810,623 (70,835,863 three months ended September 30, 2010)].

Excluded from the calculation of the diluted loss per share for the period ended September 30, 2011 are 7,635,000 stock options, 12,380,306 share purchase warrants, 1,659,381 Agents Options 544,117, Agent\s Warrants (September 30, 2010 – 5,050,000 stock options and 2,055,662 share purchase warrants.

15. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

As at September 30, 2011	Canada	Mozambique	Total
Current assets	$ 3,859,476	$ 103,257	$ 3,962,733
Property, plant and equipment	61,393	2,109,099	2,170,492
Intangible assets	13,505,701		13,505,701
Exploration and evaluation assets	0	5,162,907	5,162,907
	$ 17,426,570	$ 7,375,263	24,801,833

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
Intangible assets	793,144		793,144
Exploration and evaluation assets	0	3,909,009	3,909,009
	$ 1,934,083	$ 4,847,703	$ 6,781,786

16. 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:

16. COMMITMENTS

i) 1,000,000 shares on August 7, 2010 (issued), the first anniversary of the completion of the Company's Acquisition of TML. 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 of TML. 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.

17. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has adopted IFRS with a date of transition of January 1, 2010 the details of which are described in the interim condensed consolidated financial statements for the three months ended March 31, 2011. Under IFRS 1 'First-time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to retained earnings unless certain exemptions are applied.

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(Expressed in Canadian Dollars

Reconciliation of the Statement of Comprehensive Loss for the Three Months Ended September 30, 2010:

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Interest and other income	$ 4,247	$ —	$ 4,247
Expenses			
Administrative and general	522,902	—	522,902
Depreciation	6,648	—	6,648
Exploration	(77,379)	—	(77,379)
Gain on foreign exchange	(297)	—	(297)
Total expenses	451,874	—	451,874
Loss before other comprehensive loss	(447,627)	—	(447,627)
Other comprehensive loss			
Foreign exchange differences on translating foreign operations	(37,346)	—	(37,346)
Total other comprehensive income	(37,346)	—	(37,346)
Total comprehensive loss for the period	$ (484,973)	$ —	$ (484,973)
Loss per common share basic and diluted	$ (0.01)	$ —	$ (0.01)
Weighted average number of common shares	$ 70,835,863	$ —	$ 70,835,863

(Expressed in Canadian Dollars

Reconciliation of the Statement of Comprehensive Loss for the Nine Months Ended September 30, 2010:

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Interest and other income	$ 1,901	$ —	$ 1,901
Expenses			
Administrative and general	514,243	—	514,243
Depreciation	35,602	—	35,602
Exploration	201,988	—	201,988
Stock based compensation	261,977	—	261,977
Loss on foreign exchange	160	—	160
Total expenses	1,013,970	—	1,013,970
Loss before other comprehensive loss	(1,012,069)	—	(1,012,069)
Other comprehensive loss			
Foreign exchange differences on translating foreign operations	(29,513)	—	(29,513)
Total other comprehensive income	(29,513)	—	(29,513)
Total comprehensive loss for the period	$ (1,041,582)	$ —	$ (1,041,582)
Loss per common share basic and diluted	$ 67,810,623	$ —	$ 67,810,623
Weighted average number of common shares	$ (0.02)	$ —	$ (0.02)

(Expressed in Canadian Dollars

Reconciliation of the Statement of Changes in Equity for the Nine Months Ended September 30, 2010:

	Notes	Amount	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Reported under Canadian GAAP	17a	$ 4,608,779	$ 3,587,951	$ (2,943,864)	$ (45,014)	$ 5,207,852
Foreign exchange translation		—	—	(29,513)	29,513	—
Reported under IFRS		$ 4,608,779	$ 3,587,951	$ (2,973,377)	$ (15,501)	$ 5,207,852

17. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

The interim consolidated statements of cash flow for the nine months ended September 30, 2010 were not presented as the adjustments required to reconcile to IFRS did not affect the totals for each component of the consolidated interim statements of cash flows.

Notes to the IFRS reconciliation are as follows:

Functional currency and exchange translation – Functional and presentation currency

Accumulated other comprehensive loss consists of the change in the cumulative translation adjustment. Due to a change in the functional currency of the Company's Mozambique subsidiary (from Canadian dollars under Canadian GAAP to US dollars in accordance with IFRS), the translation of the Mozambique operations and balances that are used to calculate the cumulative translation adjustment are different for IFRS than for Canadian GAAP. As a result, the cumulative translation adjustment and other comprehensive income (loss) are different under IFRS than in accordance with Canadian GAAP.

As at September 30, 2010, the Company recognized a foreign exchange loss of $29,513 due to translating the non-current assets using the current rate method. The adjustment results in a decrease in Accumulated Other Comprehensive Loss and an increase in deficit.