



PACIFIC WILDCAT RESOURCES CORP.

advanced and strategic minerals and metals

Unaudited condensed Interim Financial Statements of:

**PACIFIC WILDCAT RESOURCES CORP.**

(An Exploration Stage Company)

(An Exploration Stage Company)

**March 31, 2012**

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

Tel 1 888-860-2666  
Fax 250-768-0020

## **NOTICE TO READER**

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2012 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.**  
March 31, 2012  
(Expressed in Canadian Dollars)

**INDEX**

**Unaudited Condensed Consolidated Financial Statements**

- **Unaudited Condensed Consolidated Interim Statement Of Financial Position**
- **Unaudited Condensed Consolidated Interim Statements Of Comprehensive Loss**
- **Unaudited Condensed Consolidated Interim Statements Of Cash Flows**
- **Unaudited Condensed Consolidated Interim Statement Of Changes In Equity**
- **Notes To The Unaudited Condensed Interim Consolidated Financial Statements**

**PACIFIC WILDCAT RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

Expressed in Canadian Dollars

For the period ended March 31, 2012

	Note	March 31 2012	December 31 2011
<b>ASSETS</b>			
Current			
Cash and restricted cash	\$	1,760,052	\$ 4,331,693
Receivables		177,945	62,658
Prepays		117,472	431,324
		2,055,469	4,825,675
Non Current			
Property, plant and equipment		2,437,699	2,328,182
Exploration and evaluation assets		7,106,163	6,379,558
Interest in Mineral Property Option		27,452,725	14,552,732
	\$	39,052,056	\$ 28,086,147
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current			
Trade and other payables	\$	542,790	\$ 669,137
Deferred income tax liability		774,000	774,000
Total liabilities		1,316,790	1,443,137
<b>Shareholders' equity</b>			
Share capital		38,949,238	25,098,903
Contributed surplus		5,583,120	5,255,495
Shares reserved to be issued		190,000	190,000
Subscriptions received in advance		—	2,426,425
Accumulated other comprehensive income		(101,244)	(3,953)
Deficit		(6,885,848)	(6,323,860)
Total shareholders' equity		37,735,266	26,643,010
	\$	39,052,056	\$ 28,086,147

They are signed on the Company's behalf by:

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

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 three months ended March 31, 2012

	March 31		March 31
	2012		2011
<b>Interest and other income</b>	\$ 2,984	\$	304
<b>Expenses</b>			
Administrative and general	531,320		339,345
Depreciation	6,870		6,979
Exploration	15,970		—
Loss on foreign exchange	9,863		464
<b>Total expenses</b>	<b>564,023</b>		<b>346,788</b>
<b>Net loss</b>	<b>(561,039)</b>		<b>(346,484)</b>
<b>Other comprehensive loss</b>			
Gain (loss) on reporting currency translation	63,633		(42,976)
<b>Total other comprehensive loss</b>	<b>63,633</b>		<b>(42,976)</b>
<b>Total comprehensive loss for the period</b>	<b>\$ (497,406)</b>	<b>\$</b>	<b>(389,460)</b>
<b>Loss per common share basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$</b>	<b>(0.00)</b>

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

**PACIFIC WILDCAT RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

Expressed in Canadian Dollars

For the Three Months ended March 31, 2012

	Note	Common Shares Amount	Shares to be Issued	Subscriptions Received	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2011		\$ 5,151,852	119,000	\$ 715,978	\$ 3,467,689	\$ (3,117,862)	(83,290)	\$ 6,253,367
Loss for the period						(346,484)		(346,484)
Exercise of warrants		85,488	—	—				85,488
Stock options exercised		77,711	—	—	(34,536)			43,175
Agent compensation options		—	—	—	709,856			709,856
Share capital issued		5,913,000	—	—				5,913,000
Shares issued for Mineral Property Interest		5,650,000	—	—				5,650,000
Share issue costs		(2,234,235)	—	—				(2,234,235)
Foreign exchange translation		—	—	—			(42,976)	(42,976)
Balance, March 31, 2011		\$ 14,643,816	119,000	\$ —	4,143,009	\$ (3,464,346)	(126,266)	\$ 16,031,191
Balance, January 1, 2012		\$ 25,098,903	190,000	2,426,425	5,255,495	(6,323,860)	(3,953)	26,643,010
Loss for the period						(561,039)	—	(561,039)
Share capital issued		6,000,000	—	(2,426,425)	—	—	—	3,573,575
Exercise of warrants		8,182	—	—	—	—	—	8,182
Stock options exercised		57,000	—	—	—	—	—	57,000
Shares issued for Mineral Property Interest		8,481,803	—	—	—	—	—	8,481,803
Share issue costs		(696,649)	—	—	—	—	—	(696,649)
Foreign exchange translation		—	—	—	—	(949)	(97,291)	(98,240)
Balance, March 31, 2012		38,949,238	190,000	—	5,255,495	(6,885,848)	(101,244)	37,735,266

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 three months ended March 31, 2012

	March 31 2012	March 31 2011
<b>Cash flows from operating activities</b>		
Loss for the year	\$ (497,406)	\$ (346,484)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	6,870	6,979
Changes in non-cash working capital balances:		
Trade and other receivables	(115,287)	(37,192)
Trade and other payables	7,462	(27,284)
Prepaid expenses	313,852	(27,458)
<b>Total cash outflows from operating activities</b>	<b>(284,509)</b>	<b>(431,439)</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(116,387)	(973,593)
Investment in exploration and evaluation assets	(726,605)	(349,829)
Interest in Mineral Property Option	(4,418,190)	(1,270,018)
<b>Total cash outflows from investing activities</b>	<b>(5,261,182)</b>	<b>(2,593,439)</b>
<b>Cash Flows From Financing Activities</b>		
Repayments to related parties	(133,809)	(133,809)
Subscriptions for the issuance of shares	(2,426,425)	(715,978)
Issuance of shares	6,065,184	5,506,660
Share issue costs	(369,025)	—
<b>Net cash provided by financing activities</b>	<b>3,135,925</b>	<b>4,656,873</b>
Effect of foreign exchange on cash	(161,875)	(30,764)
Increase(decrease) in cash	(2,571,641)	1,601,230
Cash and equivalents, beginning of period	4,331,693	1,138,501
<b>Cash and equivalents, end of period</b>	<b>\$ 1,760,052</b>	<b>\$ 2,739,731</b>

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

## **PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

---

### **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 to acquire the Mrima Hill Property, located in Kenya.

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 AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements for the three month period ended March 31, 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These condensed interim financial statements should be read in conjunction with the Company’s 2011 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company’s 2011 annual financial statements except for income tax expense which is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency, unless otherwise indicated.

The condensed interim financial statements were authorized for issue by the Board of Directors on May 30, 2012.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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 the Mrima Hill Project in Kenya. The Company will be required to raise additional funds through equity issuances 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



## PACIFIC WILDCAT RESOURCES CORP

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

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.

## 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Basis of Consolidation

These consolidated financial statements include the accounts of:

	% of		
	Ownership	Jurisdiction	Principal Activity
Tantalum Mineracao e Prespeccao Limitada	100	Mozambique	Exploration

All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing condensed consolidated interim financial statements.

### *Standards, Amendments and Interpretations Not Yet Effective*

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2012 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these interim financial statements will or may have an effect on the Company's future results and financial position:

#### IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

#### • IFRS 10 Consolidated Financial Statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

#### • IFRS 11 Joint Arrangements

IFRS 11 describes the accounting for joint arrangements in which two or more parties have joint control; IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. The Company is yet to assess the full impact of IFRS 11 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

#### • IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet

## **PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

vehicles. The Company is yet to assess the full impact of IFRS 12 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

### **2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

#### **•IFRS 13 Fair Value Measurement**

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

#### **•IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

In IFRIC 20, the IFRS Interpretations Committee sets out principles for the recognition of production stripping costs in the balance sheet. The interpretation recognizes that some production stripping in surface mining activity will benefit production in future periods and sets out criteria for capitalizing such costs. While the Company is not yet in the production phase, the Company is currently assessing the future impact of this interpretation.

#### **• Amendment to IAS 1 Presentation of Financial Statements**

The amendments to IAS 1 revise the presentation of other comprehensive income (OCI). Separate subtotals are required for items which may subsequently be recycled through profit or loss and items that will not be recycled through profit or loss. The standard is effective for annual periods beginning on or after July 1, 2012. The Company is in the process of evaluating the impact of the amendments on the presentation of the income statement.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

### **3. SIGNIFICANT ACCOUNT JUDGMENT, ESTIMATES AND ASSUMPTIONS**

Precious & Other Metals Exploration makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies and sources of estimation uncertainty that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are the same as those that applied to the Company's 2011 annual financial statements.

### **4. CASH AND CASH EQUIVALENTS**

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

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION ASSETS**

	Twig Licences		TML Licences		Total
<b>Costs</b>					
Balance at January 1, 2011	\$	50,930	\$	4,226,018	\$ 4,276,948
Acquisition costs				-	-
Exploration costs		-		2,066,886	2,066,886
Impairment		(50,930)		-	(50,930)
Foreign exchange movement		-		86,654	86,654
Balance at December 31, 2011	\$	-	\$	6,379,558	\$ 6,379,558
Acquisition costs		-		-	-
Exploration costs		-		772,683	772,683
Foreign exchange movement		-		(46,078)	(46,078)
Balance at March 31, 2012	\$	-	\$	7,106,163	\$ 7,106,163

**Twig 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 "Twig Agreement"). This license area, which is currently held in the name of AFE's wholly-owned subsidiary, Twig Resources Ltd. (the "Twig License"), is located immediately adjacent to TMP Licenses.

The Twig Agreement stipulated the Company will commit to spend US\$200,000 on an initial work program to be completed over an 18 month period. The conditions of this agreement have not been met and the license has now expired therefore the carrying value of this asset has been impaired at December 31, 2011.

**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 TML ("TML 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.

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.

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

**6. INTEREST IN MINERAL PROPERTY OPTION**

		<b>Mrima Hill Acquisition</b>
Balance January 1, 2011	\$	793,144
Cash payments to vendors		3,333,029 <sup>(1)</sup>
Shares issued to vendors		8,170,000
Drilling and exploration		887,725
Legal, professional and consulting costs		1,368,834
Balance December 31, 2011	\$	14,552,732
Cash payments to vendors	\$	3,212,700
Shares issued to vendors		8,481,803
Drilling and exploration		877,290
Legal, professional and consulting costs		328,200
<b>Total March 31, 2012</b>	<b>\$</b>	<b>27,452,725</b>

(1) Of the cash payments to vendors, \$1,256,104 was spent on exploration.

**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 100% of Stirling and Cortec UK (the "Acquisition"). Stirling and Cortec UK collectively have a 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 of 7% and 93%.

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 second tranche 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 was expended by the Vendors prior to June 30, 2011, 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.

On July 7, 2011 the Company received TSX Venture Exchange ("Exchange") approval to extend the term of the Acquisition, ("EA") wherein the overall 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 and metallurgical work to be conducted on the Mrima Hill property.

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

---

**6. INTEREST IN MINERAL PROPERTY OPTION (cont'd)**

**Mrima Hill Project, Kenya (cont'd)**

Key Terms of the EA are as follows:

Extension until 3<sup>rd</sup> 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 and issued);
- 2) PAW pay to the Owners an aggregate of A\$1,250,000 in cash; A\$300,00 to be paid prior to July 29, 2011 (paid) and \$950,000 on the earlier of August 29, 2011 or two business days following the closing of a private placement to raise aggregate funds of \$1,250,000. (paid);
- 3) PAW pay to the Owners A\$500,000; \$200,000 to be paid prior to July 30, 2011 and \$300,000 on the earlier of August 29, 2011 or two business days following the closing of a private placement to raise aggregate funds of \$1,250,000 (paid); as 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 of the cash payments, as shown in point 1 and 2 above, together with the issuance of common shares will be deducted from the total common shares and cash payment to be paid by PAW to the Owners under the original agreement on Closing.

Extension until Closing

On December 14, 2011 and April 22, 2012, the Company and the Owners executed Amending Agreements wherein the parties agreed to a Final Closing date of the Acquisition of the May 7, 2012 and further agreed to extend the Closing to May 21, 2012. In addition the parties have also agreed to revise the schedule and timing of the payments to be made on the final closing of the Acquisition. The overall total consideration to be paid to the Owners by PAW has not changed.

The key terms of the Amendment Agreements, which was subject to acceptance of the TSX Venture Exchange (received January 5, 2012), are as follows:

- 1) PAW will make a cash payment of A\$3,000,000 (paid) to the Owners on the earlier of:
  - two business days after the completion by PAW of a financing to raise minimum gross proceeds of CDN \$4,000,000 (completed) and January 31, 2012.
- 2) The issuance to the Owners on January 3, 2012 of such number of common shares of PAW which when aggregated with the shares already issued to the Owners in connection with the Acquisition, does not exceed 19.9% of the non-diluted number of the issued and outstanding PAW shares as at that date, provided such Closing Shares issued does not exceed the aggregate number of 24,702,353 shares (issued 20,194,765) to be issued to the Owners in connection with the Acquisition.

**PACIFIC WILDCAT RESOURCES CORP**  
(An Exploration Stage Company)  
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2012  
(Expressed in Canadian Dollars)

**6. INTEREST IN MINERAL PROPERTY OPTION (cont'd)**

**Mrima Hill Project, Kenya (cont'd)**

3) The final closing will take place on May 21, 2012.

Upon meeting all the remaining closing conditions, which the parties shall use their best endeavors to achieve, the parties have agreed to complete the Acquisition by May 21, 2012 through the issue of the balance of the Closing Shares of approximately 4,500,000 shares and the balance of cash due of approximately CDN\$10.4M to the Owners on the final closing in accordance with the terms and conditions of the Acquisition Agreement.

At Final Closing, the Company will hold a 100% interest in Stirling and Cortec UK, who own an aggregate 70% interest in Cortec Kenya which holds the Mrima Hill Niobium and Rare Earth Project. The Owners shall then be entitled, at this time, to nominate a Director to the Board of Directors of the Company.

If the Conditions of the final closing are not met and no extension is negotiated then the Company's 7% interest in Stirling and Cortec UK will be forfeited.

**7. PROPERTY, PLANT AND EQUIPMENT**

	Assets under Construction	Plant & Field Equipment	Furniture & Equipment	Office Equipment	Vehicles	Total
<b>Cost</b>						
Balance at January 1, 2011	\$ —	\$ 920,834	\$ 10,489	\$ 9,551	\$ 19,955	\$ 960,829
Assets acquired	1,418,327	159,674	1,468	45,674	—	1,625,143
Effect of foreign currency translation		(16,281)				(16,281)
Balance December 31, 2011	\$ 1,418,327	\$ 1,064,227	\$ 11,957	\$ 55,225	\$ 19,955	\$ 2,569,691
Assets acquired	27,613	81,569	4,235	17,655		131,073
Effect of foreign currency translation	—	—	—	—	—	80,488
<b>Balance March 31, 2012</b>	<b>\$ 1,445,940</b>	<b>\$ 1,145,796</b>	<b>\$ 16,192</b>	<b>\$ 72,880</b>	<b>\$ 19,955</b>	<b>\$ 2,781,252</b>
<b>Depreciation</b>						
Balance at January 1, 2011	\$ —	\$ 157,315	\$ 2,699	\$ 1,793	\$ 7,839	\$ 169,646
Depreciation for the period	—	86,092	3,515	6,451	5,986	102,044
Effect of foreign currency translation	—	(30,181)	—	—	—	(30,181)
Balance December 31, 2011	\$ —	\$ 213,226	\$ 6,214	\$ 8,244	\$ 13,825	\$ 241,509
Depreciation for the period	—	—	943	4,281	1,493	102,044
<b>Balance March 31, 2012</b>	<b>\$ —</b>	<b>\$ 213,226</b>	<b>\$ 7,157</b>	<b>\$ 12,525</b>	<b>\$ 15,318</b>	<b>\$ 343,553</b>
<b>Carrying amounts</b>						
Carrying value at January 1, 2011	\$ —	\$ 763,519	\$ 7,790	\$ 7,758	\$ 12,116	\$ 791,183
Carrying value at December 31, 2011	\$ 1,418,327	\$ 851,001	\$ 5,743	\$ 46,981	\$ 6,130	\$ 2,328,182
<b>Carrying value at March 31, 2012</b>	<b>\$ 1,445,940</b>	<b>\$ 932,570</b>	<b>\$ 9,035</b>	<b>\$ 60,355</b>	<b>\$ 4,637</b>	<b>\$ 2,437,699</b>

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED MARCH 31, 2012**

(Expressed in Canadian Dollars)

**8. 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 holders of common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of changes in common share capital from January 1, 2011 to March 31, 2012:

	Number of Shares	Issue Price	Total
<b>Balance, January 1, 2011</b>	<b>79,015,454</b>	<b>—</b>	<b>5,151,852</b>
Exercise of warrants	904,200	\$0.23	207,966
Exercise of finders' warrants	51,123	\$0.23	11,758
Exercise of warrants	3,814,578	\$0.30	1,144,373
Exercise of agents option	358,800	\$0.22	78,936
Exercise of agents warrants	5,650	\$0.30	1,695
Fair value of agents options exercised	—	—	94,950
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
Exercise of stock options	200,000	\$0.30	60,000
Fair value of stock options	—	—	76,883
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 Interest in Mineral Property Option	5,000,000	\$1.13	5,650,000
Shares issued for Interest in Mineral Property Option	4,000,000	\$0.63	2,520,000
Share issue costs	—	—	(1,591,580)
<b>Balance, December 31, 2011</b>	<b>126,612,683</b>		<b>25,098,903</b>
Shares issued for Interest in Mineral Property Option	20,194,768	\$0.42	8,481,803
Private placement	17,142,857	\$0.35	6,000,000
Share issue costs	—	—	(696,649)
Exercise of stock options	300,000	\$0.19	57,000
Exercise of warrants	27,272	\$0.30	8,182
<b>Balance, March 31, 2012</b>	<b>164,277,580</b>	<b>—</b>	<b>38,949,238</b>

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

---

**8. SHARE CAPITAL AND RESERVES (Cont'd)**

- a) 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 was comprised of one common share and one half of a non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share 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. No value has been attributed to the warrants as part of the unit offerings.

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 was 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.

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 was 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 \$266,541 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 was 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.

- b) On January 21, 2011 the Company completed a non brokered private placement for 1,000,000 units at a price of \$0.90 per unit for gross proceeds to the Company of \$900,000. Each unit was 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.



**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

---

**8. SHARE CAPITAL AND RESERVES (Cont'd)**

- c) On August 10, 2011 the Company completed a non-brokered private placement for 8,570,606 Units at a price of \$0.65 for gross proceeds to the Company of \$5,570,894. Each Unit consists of one common share and one half of one common share warrant (each whole warrant a "Warrant"), entitling the holder to acquire one additional common share at a price of \$1.00 per share for 18 months from Closing. The Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of \$1.25 for any twenty consecutive trading-day period, subsequent to four months and a day from Closing ("Accelerated Expiry"). In the event of an Accelerated Expiry, the expiry date will be the earlier of the regular 18 month expiry date and 30 days from the date the Company advises the places of the Accelerated Expiry. No value has been attributed to the warrants as part of the unit offerings.

Finders' fees of 6% cash and 6% warrants ("Finders Warrant") were paid on a portion of the Financing, in accordance with the policies of the Exchange. Each Finders Warrant entitles the holder to purchase one common share (a "Finders Share") at a price of \$1.00 per Finder Share for a period of 18 months from issuance for aggregate cash payments of \$312,856 and 481,317 Finders Warrants.

- d) On January 23, 2012 the Company completed a non-brokered private placement which resulted in the issuance of 17,142,857 Units at a price of \$0.35 for gross proceeds to the Company of CDN \$6,000,000 of which \$2,426,425 was received at December 31, 2011. Each Unit consists of one common share, one half of one common share warrant (each whole warrant a "\$0.50 Warrant"), entitling the holder to acquire one additional common share at a price of \$0.50 for 18 months from Closing and an additional one half of one common share warrant (each whole warrant a "\$0.75 Warrant"), entitling the holder to acquire one additional common share at a price of \$0.75 for 18 months from Closing. The \$0.50 Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of \$0.60 for any twenty consecutive trading-day period, subsequent to four months and a day from Closing ("Accelerated Expiry"). The \$0.75 Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of \$0.85 for any twenty consecutive trading-day period, subsequent to four months and a day from Closing ("Accelerated Expiry"). In the event of an Accelerated Expiry, the expiry date will be the earlier of the regular 18 month expiry date and 30 days from the date the Company advises the places of the Accelerated Expiry.

Finders' fees of 6% cash and 6% warrants ("Finders Warrant") were paid on a portion of the Financing, in accordance with the policies of the Exchange. Each Finders Warrant entitles the holder to purchase one common share (a "Finders Share") at a price of \$0.50 per Finder Share for a period of 18 months from issuance and on the same terms as the Warrants for aggregate cash payments of CDN \$327,625 and 936,073 Finders Warrants at a value of \$327,625.

Net proceeds from the Private Placement will be used to advance the Mrima Hill Niobium and Rare Earth Project, advance the Muiane Tantalum Project and to make a payment of AUS \$ 3,000,000 to the Vendors (paid) of the Mrima Hill Project as part of the Company's move towards closing the Mrima Hill Acquisition.

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

---

**8. SHARE CAPITAL AND RESERVES (Cont'd)**

**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, 2011, December 31, 2011 and March 31, 2012.

**c) Escrowed Shares:**

As at March 31, 2012 3,951,766 (December 31, 2011 – 7,903,531) held in escrow, subject to release by regulatory approval.

**d) Contributed Surplus:**

The following is a summary of changes in contributed surplus from January 1, 2011 – March 31, 2012:

	<b>March 31</b>	<b>December 31</b>
	<b>2012</b>	<b>2011</b>
Balance beginning of period	\$ 5,255,495	\$ 3,467,689
Warrants - Note 10	327,625	614,906
Share options - Note 10	—	1,172,900
Contributed Surplus	\$ 5,583,120	\$ 5,255,495

**e) Nature and Purpose of Equity and Reserves**

The reserves recorded in equity on the Company's Statement of Financial Position include "Contributed Surplus" and "Accumulated Deficit".

"Contributed Surplus" is used to recognize the value of stock option grants and share purchase warrants prior to exercise.

"Accumulated Deficit" is used to record the Company's change in deficit from earnings from year to year.

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

**8. SHARE CAPITAL AND RESERVES (Cont'd)****f) Share Purchase Warrants:**

	Number	Weighted Average Share Price
Balance, January 1, 2011	904,200	\$0.23
Issued	16,148,934	\$0.51
Exercised	(4,718,778)	\$0.29
Balance, December 31, 2011	12,334,356	\$0.51
Issued	18,078,931	\$0.62
Exercised	(27,272)	\$0.30
Balance, March 31, 2012	30,386,015	\$0.32

At March 31, 2012 30,386,015 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
500,000	\$1.10	July 20, 2012
1,247,128	\$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
9,507,502	\$0.50	July 23, 2013
8,571,429	\$0.75	July 23, 2013
30,386,015		

**g) Agents Options**

The following is a summary of changes in Agents Options from January 1, 2011 to March 31, 2012

	Number	Weighted Average Share Price
Balance, January 1, 2011	—	
Issued	1,818,181	\$0.22
Exercised	(358,800)	\$0.22
Balance, December 31, 2011 and March 31, 2012	1,459,381	\$0.22

At March 31, 2012 1,459,381 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 8 hereinabove.

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

**8. SHARE CAPITAL AND RESERVES (Cont'd)**

Number	Exercise Price	Expiry Date
242,192	\$0.22	10-Jul-12
1,217,189	\$0.22	8/25/2012
<b>1,459,381</b>		

**h) Agents Warrants**

	Number	Weighted Average Share Price
Balance, January 1, 2011	51,123	\$0.23
Issued	481,317	\$1.00
Issued upon exercise of Agents Option	189,400	\$0.30
Exercised	(56,733)	\$0.24
Balance, December 31, 2011	665,107	\$0.81
Issued	936,073	\$0.50
<b>Balance, March 31, 2012</b>	<b>1,601,180</b>	<b>\$0.63</b>

At March 31, 2012, 1,601,180 Agents Warrants were outstanding. Each Option entitles the holders thereof the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
183,750	\$0.30	July 10, 2012
148,740	\$1.00	February 3, 2013
332,577	\$1.00	February 4, 2013
936,073	\$0.50	July 23, 2013
<b>1,601,140</b>		

**9. 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.

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED MARCH 31, 2012**

(Expressed in Canadian Dollars)

**9. SHARE BASED PAYMENTS (cont')**

The following is a summary of changes in options from January 1, 2011 to March 31, 2012:

Grant Date	Expiry Date	Exercise Price	During the period ended March 31, 2012 and 2011				Closing Balance	Vested and Exercisable	
			Opening Balance	Granted	Exercised	Expired			Forfeited
8/7/2009	8/7/2014	\$0.12	1,810,000	—	—	—	—	1,810,000	1,810,000
4/13/2010	4/13/2015	\$0.19	75,000	—	—	—	—	75,000	75,000
7/28/2010	7/28/2015	\$0.19	1,200,000	—	(300,000)	—	—	900,000	900,000
7/28/2010	7/28/2012	\$0.19	300,000	—	—	—	—	300,000	300,000
8/26/2011	8/26/2016	\$0.65	3,250,000	—	—	—	—	3,250,000	3,250,000
8/26/2011	8/26/2013	\$0.65	500,000	—	—	—	—	500,000	275,000
9/1/2011	9/1/2016	\$0.63	300,000	—	—	—	—	300,000	300,000
			<b>7,435,000</b>	<b>—</b>	<b>(300,000)</b>	<b>—</b>	<b>—</b>	<b>7,135,000</b>	<b>6,910,000</b>
<b>Weighted Average Exercise Price</b>			<b>\$0.42</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$0.43</b>	<b>\$0.41</b>

**10. RELATED PARTY TRANSACTIONS****a) Rental Payments**

Rental payments of \$2,100 (three months end March 31, 2011: \$Nil) were paid to Minco Corporate Management Inc. a Company controlled by the Company's Chief Financial Officer;

	March 31 2012	March 31 2011
Key management personnel compensation comprised :		
Consulting fees	\$122,630	\$95,771
Legal fees	\$2,563	—
<b>Total</b>	<b>\$1,393,584</b>	<b>\$558,006</b>

**b) Key Management Compensation**

- i) Consulting fees of \$49,406 (three months ended March 31, 2011 - \$38,745) were paid to a company controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company;
- ii) Consulting fees of \$73,224 (three months ended March 31, 2011 - \$57,435) were paid to Darren Townsend, President and Chief Executive Officer;
- iii) Consulting fees of \$Nil (three months ended March 31, 2011 - \$5,591) were paid to a company controlled by David Paull director of the Company

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE MONTHS ENDED MARCH 31, 2012

(Expressed in Canadian Dollars)

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

c) Related party liabilities:

Amounts due to:	Service for:	March 31 2012	December 31 2011
Terry Lyons	Expense	\$ —	\$ 7,773
Minco Corporate Management Inc.	Consulting Fees	\$ 25,956	\$ 16,708

**11. LOSS PER SHARE**

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year.

	March 31 2012	March 31 2011
Loss attributable to ordinary shareholders	(\$497,406)	(\$389,460)
Weighted average number of common shares	158,695,908	94,666,504
Basic and diluted loss per share	(\$0.00)	(\$0.00)

  

	March 31 2012	March 31 2011
Weighted Average Number of Common Shares		
Issued common shares at January 1	126,612,683	79,015,454
Effect of shares issued in January 2011	—	7,839,892
Effect of shares issued in February 2011	—	7,793,396
Effect of shares issued in March 2011	—	17,763
Effect of shares issued in January 2012	31,986,559	—
Effect of shares issued in February 2012	96,667	—
Weighted average number of common shares (basic and diluted) at March 31	158,695,908	94,666,504

**12. 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.

Details of identifiable assets by geographic segments are as follows:

As at March 31, 2012	Canada	Mozambique	Kenya	Total
Current assets	\$ 1,844,879	\$ 210,589	\$ —	\$ 2,055,468
Property, plant and equipment	1,719,703	717,996	—	2,437,699
Interest in Mineral Property	—	—	27,452,725	27,452,725
Option	—	—	—	—
Exploration and evaluation assets	—	7,106,163	—	7,106,163
	\$ 3,564,583	\$ 8,034,748	\$ 27,452,725	\$ 39,052,056

**PACIFIC WILDCAT RESOURCES CORP**

(An Exploration Stage Company)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE MONTHS ENDED MARCH 31, 2012**

(Expressed in Canadian Dollars)

**12. SEGMENT REPORTING (Cont'd)**

As at December 31, 2011	Canada	Mozambique	Kenya	Total
Property, plant and equipment	\$ 68,634	\$ 2,259,548	\$ -	\$ 2,328,182
Interest in Mineral Property Option	-	-	14,552,732	14,552,732
Exploration and evaluation assets	-	6,379,558	-	6,379,558
	\$ 68,634	\$ 8,639,106	\$ 14,552,732	\$ 23,260,472

**13. 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"). Exchange approval for the Bonus Shares was obtained on April 30, 2010. However, the services were provided from August 7, 2009, the date in which the Company entered into the Townsend Contract and completed the Company's Acquisition (Note 7). The Company has recognized the expense over the periods in which the services are received, as follows:

- 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 with \$48,000 expensed as management fees in the year ended December 31, 2009 and the remaining \$142,000 being expensed as management fees in the year ended December 31, 2010.
- ii) 1,000,000 shares on August 7, 2011 (outstanding), 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 \$24,000 being expensed as management fees in the ended December 31, 2009, \$95,000 expensed as management fees during the year ended December 31, 2010 and the remaining \$71,000 being expensed as management fees in the year ended December 31, 2011. Shares to be issued were recorded as \$119,000 at December 31, 2010 and \$190,000 at December 31, 2011.