SILVER PREDATOR CORP
(FORMERLY PLATORO WEST HOLDINGS INC.)

(An Exploration Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2010

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Silver Predator Corp. (formerly Platoro West Holdings Inc.) (the "Company") have been prepared by management in accordance with accounting principles generally accepted in Canada and contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the Company's independent auditors to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company's independent auditors, PricewaterhouseCoopers LLP, are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

(signed) Louis Lepry *(signed) Michael O'Brien*

Louis Lepry
President
Vancouver, BC

Michael O'Brien
Chief Financial Officer

Auditors' Report
To the Shareholders of
Silver Predator Corp.

We have audited the consolidated balance sheet of **Silver Predator Corp.** (formerly Platoro West Holdings Inc.) as at May 31, 2010 and the consolidated statements of loss and comprehensive loss and deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as May 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at May 31, 2009 and for the year ended, prior to the restatement described in Note 2, were reported on by other auditors who expressed an opinion without reservation on those financial statements in their report dated August 13, 2009. We have audited the adjustments to the 2009 financial statements and in our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, BC
September 27, 2010

Silver Predator Corp.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)
As at

		May 31, 2010		May 31, 2009 (Restated – note 2)
ASSETS				
Current				
Cash	$	65,276	$	1,858,400
Prepaid expenses and deposits		26,426		33,793
Receivables		23,161		8,707
Investments (Note 5)		752,200		1,539,345
		867,063		3,440,245
Equipment and leaseholds (Note 6)		9,711		15,142
Reclamation bond		-		11,441
Resource properties (Note 7)		37,321		468,311
	$	914,095	$	3,935,139
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	235,013	$	63,965
Shareholders' equity				
Share capital (Note 9)		3,907,471		3,905,221
Contributed surplus (Note 9)		178,982		178,982
Accumulated other comprehensive income (Note 10)		(84,988)		554,617
Deficit		(3,322,383)		(767,646)
		679,082		3,871,174
	$	914,095	$	3,935,139

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved on behalf of the Board of Directors:

"Louis Lepry" *"John W. Legg"*

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

Silver Predator Corp.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT
(Expressed in Canadian Dollars)
Years ended May 31

		2010		2009 (Restated –note 2)
EXPENSES				
Amortization	$	5,431	$	4,860
Consulting and management fees		275,442		120,454
General and administrative		99,822		128,787
Filing		39,577		42,057
Insurance		19,262		10,762
Professional fees		175,549		56,828
Salaries and wages		46,505		-
		(661,588)		(363,748)
OTHER ITEMS				
Realized gain on sale of marketable securities		1,832,569		-
Loss on Copper Ridge shares		(666,667)		-
Write-off of resource properties		(480,266)		-
Foreign exchange loss		(3,409)		(153,678)
Fair value adjustment-warrants		(162,812)		-
Interest income		-		6,076
		519,415		(147,602)
Net loss before taxes		(142,173)		(511,350)
Income tax (expense) recovery (Note 8)		(79,231)		79,231
Net loss for the year		(221,404)		(432,119)
Deficit, beginning of year		(767,646)		(335,527)
Return of capital (Note 5)		(2,333,333)		-
Deficit, end of year	$	(3,322,383)	$	(767,646)
Loss for the year	$	(221,404)	$	(432,119)
Unrealized (losses) gains on available-for-sale marketable securities		(84,988)		554,617
Loss and comprehensive loss for the year	$	(306,392)	$	122,498
Basic and diluted loss per common share	$	(0.05)	$	(0.32)
Weighted average number of common shares outstanding		4,206,927		1,335,052

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

Silver Predator Corp.
CONSOLIDATED STATEMENTS OF CASH-FLOWS
(Expressed in Canadian Dollars)
Years ended May 31

	2010	2009 (Restated – note 2)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	$ (221,404)	$ (432,119)
Items not affecting cash:		
Amortization	5,431	4,860
Write-off of interest in resource properties	480,266	-
Realized gain on sale of marketable securities	(1,832,569)	-
Loss on Copper Ridge shares	666,667	-
Future income tax expense (recovery)	79,231	(79,231)
Unrealized loss on investments	162,812	-
	(659,566)	(506,490)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(3,013)	11,511
Decrease (increase) in prepaid expenses and deposits	7,367	(20,972)
Increase (decrease) in accounts payable and accrued liabilities	171,048	(235,558)
	(484,164)	(751,509)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	-	(10,134)
Exploration costs	(47,026)	(152,970)
Reclamation deposits	-	(11,441)
Purchase of investments	(4,000,000)	-
Proceeds on sale of marketable securities	2,738,066	-
	(1,308,960)	(174,545)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net of issuance costs	-	1,908,246
Change in cash during the year	(1,793,124)	982,192
Cash, beginning of year	1,858,400	876,208
Cash, end of year	$ 65,276	$ 1,858,400

Supplemental disclosures with respect to cash flows (Note 14)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Predator Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on June 1, 2006. The Company is in the business of exploring for and developing economically viable mineral resource deposits.

These accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of the assets and the satisfaction of liabilities and commitments in the normal course of business. The Company is currently operating at a loss and has an accumulated deficit of $3,322,383. If the Company should be unable to continue as a going concern, realization of its assets and settlement of its liabilities in other than the normal course of the business may be at amounts significantly different from those in the financial statements.

As at May 31, 2010, the Company had working capital of $632,050, however, this may not be adequate to meet the Company's operating, exploration, and other obligations over the next 12 months. These circumstances lend significant doubt as to the Company's ability to continue as a going concern and accordingly the appropriateness of the use of accounting principles applicable to a going concern. The Company's continued existence as a going concern is dependent upon its ability to continue to obtain adequate financing arrangements and to achieve profitable operations. These consolidated financial statements do not include adjustments to the carrying values of assets and liabilities and reported expenses and balance sheet classifications that would be necessary should the Company be unable to continue as a going concern. It is anticipated that any additional funding will be in the form of equity financing from the sale of common shares, however, there is no guarantee that funding from such financings will be available in amounts sufficient to meet the commitments of the Company.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, receipt of necessary permits and regulatory approvals, the ability of the Company to obtain financing to complete project development and future profitable operations or sale of the properties.

2. RESTATEMENT OF PRIOR YEAR CONSOLIDATED FINANCIAL STATEMENTS

During the preparation of the consolidated financial statements for the year ended May 31, 2010, the Company determined that a future income tax recovery had been incorrectly presented in the financial statements for the year ended May 31, 2009.

As at May 31, 2009, the fair value of the Company's marketable securities designated as available-for-sale exceeded the tax basis of these investments by $633,848. These unrealized gains gave rise to a future income tax liability of $79,231. The Company had sufficient non-capital losses available to reduce this future income tax liability to zero. In accordance with CICA EIC 172, "Income Statement Presentation of a Tax Loss carryforward recognized following an unrealized gain recorded in Other Comprehensive Income", the reduction of the future income tax liability should have been recorded as a recovery in the consolidated statement of operations rather than as a recovery in other comprehensive income.

The financial statements for the year ended May 31, 2009 have accordingly been adjusted to increase the future tax recovery in the consolidated statement of operations and reduce comprehensive income by $79,231. The impact on basic and diluted loss per share is a decrease of $0.06 per share

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. They are expressed in Canadian dollars and include the accounts of the Company's wholly-owned subsidiaries, PWH Nevada Inc., Eucan Mines S.A. De C.V., and 1794298 Ontario Inc. All inter-company balances and transactions have been eliminated upon consolidation.

b. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting year. Significant areas requiring the use of estimates are asset retirement obligations, the assessment of impairment of mineral property interests and equipment, valuation allowances for future income tax assets, the determination of the fair value of stock-based compensation, and other equity transactions. Actual results could differ from these estimates.

c. Investments

Marketable securities are classified as available-for-sale and are measured at their fair market value based on quoted market prices. Changes in fair values of available-for-sale assets are reflected in accumulated other comprehensive income on the balance. Investments in share purchase warrants are considered to be derivatives and are measured at fair value with changes in fair value recorded in income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Asset retirement obligation

The Company records a liability for the fair value of the statutory, contractual or legal asset retirement obligations associated with the retirement and reclamation of tangible long-lived assets when the related assets are put into use, with a corresponding increase to the carrying amount of the related assets. Asset retirement obligation liabilities are carried on the balance sheet at their discounted present value and are accreted over time for the change in their present value, with the accretion charge included in the statement of loss. As at May 31, 2010 and 2009, the Company had no asset retirement obligations.

e. Impairment of long-lived assets

Long-lived assets are tested for recoverability annually or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

f. Equipment and leaseholds

Furniture and equipment are recorded at cost and amortized at a rate of 20% per year on the declining-balance basis. Leasehold improvements are amortized over 5 years on a straight-line basis.

g. Interest in mineral properties

All costs related to the acquisition and exploration of mineral properties are initially capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When an unproven mineral interest is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an unproven mineral interest is impaired, that interest is written down to its estimated fair value. An unproven mineral interest is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

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

h. Income taxes

Income taxes are recorded using the asset and liability method under which future income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using the substantively enacted income tax rates expected to apply when the asset is realized or the liability settled. To the extent that the Company does not consider it more likely than not that a future income tax asset will be recovered, management provides a valuation allowance against the excess.

i. Foreign currency translation and transactions

The Company's foreign subsidiaries are integrated foreign operations and their accounts are translated into Canadian dollars using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Income and expense items are translated at rates approximating those in effect at the time of the transaction. Translation gains and losses are reflected in the loss for the period.

j. Stock-based compensation

The Company accounts for all grants of options to employees, non-employees and directors in accordance with the fair value method of accounting for stock-based compensation. The fair value of stock-based compensation awards is calculated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

k. Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year and does not include outstanding options and warrants. Diluted loss per share is not presented separately from loss per share as the conversion of outstanding stock options and warrants into common shares would be anti-dilutive.

l. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m. Financial Instruments

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

The Company has classified its cash and cash equivalents as held-for-trading. Marketable securities are classified as available-for-sale. Investments in share purchase warrants are treated as derivatives. Amounts receivable are classified as loans and receivables and accounts payable are classified as other financial liabilities, all of which are measured at amortized cost.

Amendment to Financial Instruments - Disclosures

In 2009, the Accounting Standards Board amended CICA Handbook Section 3862, Financial Instruments – Disclosures to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

See Note 11 for relevant disclosures.

4. NEW STANDARDS AND ACCOUNTING POLICY CHANGES

a. Goodwill and intangible assets

The Company adopted the new standard "Goodwill and Intangible Assets" (Section 3064) for its fiscal year beginning June 1, 2009. This Section replaces Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The adoption of the section did not have any impact on the Company's consolidated financial statements.

b. Credit Risk and the Fair Value of Financial Assets and Liabilities (EIC-173)

In January 2009, the Emerging Issues Committee ("EIC") issued EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The adoption of this guidance did not have any impact on the Company's financial statements.

c. Mining Exploration Costs (EIC-174)

On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This standard was effective for the Company beginning April 1, 2009. The adoption of this guidance did not have any impact on the Company's financial statements.

d. Recent Accounting Pronouncements

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

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

(Expressed in Canadian Dollars)

5. INVESTMENTS

The Company holds securities that have been designated as available-for-sale as follows:

	May 31, 2010				May 31, 2009			
	Market Value		Cost		Market Value		Cost	
Common shares in public companies	$	600,000	$	684,988	$	1,539,345	$	905,497
Warrants in public companies		152,200		315,012		-		-
	$	752,200	$	1,000,000	$	1,539,345	$	905,497

During the year ended May 31, 2010:

Hy Lake Gold Inc.

On December 4, 2009, the Company acquired 5,000,000 units of Hy Lake Gold Inc. ("Hy Lake"), an Ontario company engaging in gold exploration and mine development in the Red Lake mining district in Northwestern Ontario, pursuant to a private placement at $0.20 per unit or $1,000,000.

Each unit consists of one common share and one share purchase warrant. Each warrant entitles the Company to purchase an additional share at $0.30 until June 3, 2011. In the event that, after September 3, 2009, the common shares of Hy Lake close at $0.50 or more for 20 consecutive trading days, the warrant term shall be automatically reduced to 30 days from the date that Hy Lake provides written notice of the new expiry date. The value assigned to the warrants using the Black-Scholes pricing model amounted to $315,012. The 5,000,000 common shares acquired are classified as available-for-sale and represent approximately 15% of the issued and outstanding shares of Hy Lake. At May 31, 2010, the Hy Lake shares had a market value of $600,000 and the warrants had a value of $152,200 using the Black-Scholes pricing model. The Company reported an unrealized loss on these shares of $84,988 in its comprehensive income (loss) and an unrealized loss on the warrants of $162,812 on the income statement.

Aura Minerals Inc.

As at June 1, 2009, the Company held shares of Aura Minerals Inc. ("Aura") which were classified as available-for-sale. During the year Aura consolidated its shares outstanding on a 5 to 1 basis and the Company sold all of its 4,527,484 pre-consolidation shares (905,496 post-consolidation) with an original cost of $905,497 for net proceeds of $2,738,066 and reported a gain on the sale of $1,832,569.

Copper Ridge Explorations Inc.

Pursuant to a May 28, 2009 subscription and distribution agreement with Copper Ridge Explorations Inc. ("Copper Ridge") (as amended July 7, 2009), the Company acquired 100,000,000 common shares of Copper Ridge at a price of $0.03 per share, for a total cost of $3,000,000.

Following the closing of the financing, Copper Ridge received shareholder approval to consolidate its shares on the basis of one new common share for 15 old common shares.

Registered shareholders of the Company as at December 18, 2009 were given the option to exchange one Company common share for one new Company common share and 0.132 common shares of Copper Ridge. The Company's 100,000,000 pre-consolidated (6,666,666 post-consolidation) shares of Copper Ridge had a historical cost of $3,000,000. The Copper Ridge shares were distributed to its December 18 2009, shareholders by way of a dividend transaction at a market value of $2,333,333 which was recorded as an increase of deficit. As a result of the return of capital, the Company reported a realized loss of $666,667 on the distribution of the Copper Ridge shares.

6. EQUIPMENT AND LEASEHOLDS

	May 31, 2010			May 31, 2009		
	Cost $	Accumulated Amortization $	Net Book Value $	Cost $	Accumulated Amortization $	Net Book Value $
Furniture and equipment	4,248	2,092	2,156	4,248	1,489	2,759
Leasehold improvements	20,835	13,280	7,555	20,835	8,452	12,383
	25,083	15,372	9,711	25,083	9,941	15,142

(Expressed in Canadian Dollars)

7. RESOURCE PROPERTIES

	May 31, 2010	May 31, 2009
Wildhorse Property		
Balance, beginning of the year	$ 267,122	$ 197,396
Acquisition costs	2,250	9,000
Deferred expenditures		
Assays and cores	-	3,421
Claims maintenance fees	10,317	10,950
Consulting fees	1,925	43,240
Field work and supplies	-	454
Sampling and surveying	-	2,661
	281,614	267,122
Written-off during the year	(281,614)	-
Balance, end of the year	-	267,122
Right of First Refusal Properties		
Balance, beginning of the year	168,495	87,531
Deferred expenditures		
Assays and cores	-	1,602
Claims maintenance fees	21,622	21,573
Consulting fees	1,491	53,750
Field work and supplies	-	1,890
Vehicles	-	2,149
	191,608	168,495
Written-off during the year	(191,608)	-
Balance, end of the year	-	168,495
White Mountain and Other Properties		
Balance, beginning of the year	32,694	21,414
Deferred expenditures		
Claims maintenance fees	11,830	11,280
	44,524	32,694
Written-off during the year	(7,203)	-
Balance, end of the year	37,321	32,694
Total Resource Properties	$ 37,321	$ 468,311

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and to the best of management's knowledge, title to all of its properties are in good standing.

Wildhorse Property

Pursuant to a mineral property option agreement ("Option Agreement") dated September 1, 2006, and as amended on August 10, 2007, Sept 17, 2008, and June 1, 2009, with a director of the Company ("Optionor"), the Company could acquire a 100% undivided interest, subject to a 3% net smelter royalty ("NSR"), in certain mining claims located in Pershing County, Nevada, USA. Consideration for the acquisition comprised reimbursement of the Optionor's costs associated with the acquisition of the property and future commitments included cash payments totaling an aggregate amount of US$970,000, issuance of 37,500 common shares of the Company and exploration expenditures of US$1,000,000 on the property.

(Expressed in Canadian Dollars)

7. RESOURCE PROPERTIES (Cont'd…)

During the year ended May 31, 2010, the Company decided not to proceed with the Wildhorse property and wrote-off the costs to the statement of loss.

Right of First Refusal Properties

Pursuant to a right of first refusal agreement on September 1, 2006 ("ROFR Agreement"), amended on June 1, 2009, with a director of the Company, the Company entered into an agreement to have the right of first refusal to acquire up to 172 claims in various counties in the State of Nevada, ("ROFR Properties"). Under the terms of the ROFR Agreement, the Company, as optionee, was granted the sole right and option to purchase the ROFR Properties in consideration of the Company reimbursing all acquisition costs including filing fees, holding fees, staking costs, and other costs directly associated with the acquisition of the ROFR Properties (paid). The former officer and director and the Company agreed to determine the terms of the purchase by June 13, 2009, which period was extended to June 13, 2010 by the Company maintaining the claims in good standing.

During the year ended May 31, 2010, the Company decided not to proceed with the right of first refusal properties and wrote-off the costs to the statement of loss.

White Mountain Properties

During the year ended May 31, 2008, the Company expended $21,414 for filing and recording fees for certain unpatented lode mining claims located within the White Mountains in eastern Esmeralda County, Nevada.

Other Properties

Pursuant to a mineral property lease agreement ("Lease Agreement") dated November 1, 2008, with a group of individuals, including a director of the Company, the Company may acquire a 100% undivided interest, subject to a 3%-4% NSR (dependant on the price of Gold exceeding US$700 per ounce), in 24 mining claims located in San Bernardino County, California, United States of America ("Sacramento property"). Consideration for the acquisition was reimbursement of US$3,207 for 2008 mining claim maintenance fees (paid), and future mining claim maintenance fees.

During the year ended May 31, 2010, the Company decided not to proceed with the other properties and wrote-off the costs to the statement of loss.

8. INCOME TAXES

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

	2010	2009
Loss before income taxes	$ (142,173)	$ (511,350)
Expected income tax recovery at statutory rates	(41,799)	(150,337)
Effect on income taxes of:		
Non-taxable portion of capital gains	(269,388)	-
Other permanent differences	196,000	150,337
Use of losses not previously recognized	(20,594)	-
Effect of reduction in statutory tax rates	73,596	-
Change in valuation allowance	141,415	(79,231)
Income tax expense	$ 79,231	$ (79,231)

(Expressed in Canadian Dollars)

8. INCOME TAXES (Cont'd...)

The income tax effects of temporary differences that give rise to significant components of future income tax assets and liabilities are as follows:

		2010		2009
Future income tax assets				
Non-capital tax losses carried forward	$	123,000	$	197,000
Share issuance costs		16,000		22,000
Capital assets		1,000		-
Mineral properties		117,000		(2,000)
Marketable securities		31,000		(79,000)
		288,000		138,000
Less: valuation allowance		(288,000)		(138,000)
Net future income tax assets	$	-	$	-

At May 31, 2010, the Company has Canadian non-capital loss carry forwards of approximately $492,000. The Canadian non-capital loss carry forwards expire at various dates from 2013 to 2030. The potential income tax benefits related to the Canadian loss carry forwards and certain of the Mexican and United States' operating losses have not been reflected in the accounts.

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized: Unlimited number of common shares without par value

	Number of Shares		Share Capital		Contributed Surplus
Balance, May 31, 2008	917,000	$	1,181,489	$	178,982
Issuance of shares – private placement	235,083		507,780		-
Share issuance costs	-		(78,811)		-
Issuance of shares – acquisition of Zacoro	3,046,658		2,301,990		-
Share issuance costs	-		(16,227)		-
Issuance of shares – mineral properties	4,167		9,000		-
Balance, May 31, 2009	4,202,908		3,905,221		178,982
Issuance of shares – mineral properties	4,167		2,250		-
Balance, May 31, 2010	4,207,075	$	3,907,471	$	178,982

During the year ended May 31, 2010:

The Company completed a share consolidation on a 12:1 basis. The number of issued and outstanding shares have been retrospectively restated for all periods presented.

Registered shareholders as at December 18, 2009 were given the option to exchange one Company common share ("Old Share") for one new Company common share ("New Share") and 0.132 common shares of Copper Ridge Explorations Inc. ("Copper Ridge"). The Company reported the cancellation of the 4,207,075 Old Shares. The Company distributed Copper Ridge shares as a dividend to the Company's shareholders valued at $2,333,333 (Note 4) and recorded the issuance of 4,207,075 New Shares.

The Company issued 4,167 post-consolidation (50,000 pre-consolidation) common shares to a director of the Company pursuant to the Wildhorse property option agreement with a fair value of $0.54 per share.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS *(Cont'd…)*

During the year ended May 31, 2009:

On June 5, 2008, the company completed a private placement by issuing 235,083 post-consolidation (2,821,000 pre-consolidation) common shares at a price of $1.50 per common share for gross proceeds of $507,780. The Company paid finder's fees of $78,811 in cash.

On March 27, 2009, the Company completed a transaction with Zacoro Metals Corp. ("Zacoro") (the "Transaction"), an inactive private Ontario corporation whose only significant assets at the closing date consisted of cash and marketable securities with a net value of $2,301,990. As the Transaction was in substance an equity financing, it was accounted for as a private placement during the year ended May 31, 2009. In accordance with the terms of the Transaction, the Company issued 3,046,658 post-consolidation (includes an adjustment for rounding of 253 common shares) (36,562,937 pre-consolidation) common shares to the Zacoro shareholders.

Stock Options and warrants

The Company has a Stock Option Plan to provide an incentive to its directors, officers, employees and consultants. The maximum number of options granted under the Stock Option Plan may not exceed 15% of the shares outstanding, the exercise period of the options may not exceed five years from the date of grant, vesting and the exercise price is as determined by the Company's Board of Directors and cannot be less than the discounted market price, as prescribed by Policy 1.1 of the TSX Venture Exchange.

As at May 31, 2010 and 2009, there were no outstanding stock options and warrants.

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

		2010		2009
Balance, beginning of year	$	554,617	$	-
Unrealized gains (losses) on marketable securities		(84,988)		554,617
Realized gain on sale of marketable securities		(554,617)		-
Balance, end of year	$	(84,988)	$	554,617

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

Fair value

Marketable securities are carried at fair value using a level 1 fair value measurement. Investments in share purchase warrants are considered to be a level 2 instrument.

The carrying value of receivable, accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

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

12. FINANCIAL INSTRUMENTS (Cont'd…)

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Receivables mainly consist of HST.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options.

At May 31, 2010, the Company had a working capital balance of $632,050.

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

(a) Interest rate risk

Management believes the interest rate risk is low given the current low global interest rate environment.

(b) Foreign currency risk

The Company's raises funds in Canadian dollars and major purchases and expenditures are transacted in US dollars. The Company also funds certain operations and exploration and administrative expenses in US dollars. Management believes the foreign exchange risk derived from currency conversions and relative exchange rate between Canadian dollars and US dollars is moderate and therefore does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

13. RELATED PARTY TRANSACTIONS

Amounts paid to related parties were incurred in the normal course of business and measured at the exchange amount, which is the amount agreed upon by the transacting parties and on terms and conditions similar to non-related parties.

The Company incurred management and consulting fees of $243,840 (2009 - $104,323) paid to four companies controlled by directors of the Company and four directors of the Company.

The Company incurred consulting and geological fees of $Nil (2009 - $72,064) from a company related by directors in common. These amounts were capitalized to interest in mineral properties.

As at May 31, 2010, accounts payable and accrued liabilities includes $90,942 (2009 - $Nil) due to a Company with common directors and two directors of the Company.

14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	April 30, 2010	April 30, 2009
Cash paid during the year for interest	$ -	$ 1,661

Significant non cash transactions for the year ended May 31, 2010 included:

a) The Company issued 4,167 post-consolidation (50,000 pre-consolidation) shares with a fair value of $2,250 in connection with the Wildhorse Property.

b) The Company distributed Copper Ridge shares with a fair value of $2,333,333 as a return of capital.

14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (Cont'd…)

Significant non cash transactions for the year ended May 31, 2009 included:

c) The Company issued 4,167 post-consolidation (50,000 pre-consolidation) with a fair value of $9,000 in connection with the Wildhorse Property.

d) The Company acquired 4,527,484 common shares of Aura through the transaction with Zacoro (Note 8) with a fair value of $905,497.

15. SUBSEQUENT EVENTS

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

a) On September 21, 2010, completed a non-brokered private placement whereby the Company issued 5,191,500 units at a price of $0.36 per unit for gross proceeds of $1,868,940. Each unit consisted of one common share and one half of one share purchase warrant with each full warrant exercisable at $0.50 for 1 year.

b) Granted 420,000 stock options with an exercise price of $0.50 per share to directors, officers, and consultants.