

**PLATORO WEST HOLDINGS INC.**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

February 28, 2010

(Stated in Canadian Dollars)

(Unaudited)

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THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE PERIOD ENDED FEBRUARY 28, 2010  
HAVE NOT BEEN REVIEWED OR AUDITED BY THE CORPORATION'S AUDITORS.

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**PLATORO WEST HOLDINGS INC.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
February 28, 2010 and May 31, 2009  
(Stated in Canadian Dollars)  
(Unaudited)

	<b>February 28, 2010</b>	May 31, 2009
<b><u>ASSETS</u></b>		
Current		
Cash and cash equivalents	\$ 172,884	\$ 1,858,400
Prepaid expenses and deposits – Note 8	33,378	33,793
Goods and services taxes receivable	3,477	8,707
Investments – Notes 3 and 4	750,000	1,539,345
	<b>959,739</b>	3,440,245
Equipment and leaseholds – Note 5	12,871	15,142
Reclamation bond – Note 6	11,441	11,441
Resource properties – Notes 6 and 8	517,092	468,311
	<b>\$ 1,501,143</b>	\$ 3,935,139

**LIABILITIES**

Current		
Accounts payable and accrued liabilities – Note 8	\$ -	\$ 63,965

**SHAREHOLDERS' EQUITY**

Share capital – Notes 4, 6, 7 and 8	1,574,138	3,905,221
Contributed surplus – Note 7	178,982	178,982
Accumulated other comprehensive income	(250,000)	633,848
Retained earnings (deficit)	(1,977)	(846,877)
	<b>1,501,143</b>	3,871,174
	<b>\$ 1,501,143</b>	\$ 3,935,139

Nature of Operations – Note 1  
Commitments – Notes 4, 5, 6 and 7  
Subsequent Events – Note 13

APPROVED BY THE DIRECTORS:

<u>“Edward Devenyns”</u> Edward Devenyns	Director	<u>“John Legg”</u> John Legg	Director
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SEE ACCOMPANYING NOTES

**PLATORO WEST HOLDINGS INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER**  
**COMPREHENSIVE INCOME**  
for the three and nine months ended February 28, 2010 and 2009  
(Stated in Canadian Dollars)  
(Unaudited)

	For the three months ended		For the nine months ended	
	February 28,		February 28.	
	2010	2009	2010	2009
<b>Expenses</b>				
Audit fees	\$ -	\$ 2,532	\$ 10,210	\$ 9,400
Amortization	757	1,216	2,271	3,646
Bank charges and interest	409	169	1,326	818
Consulting fees – Note 7	9,250	7,500	57,547	28,440
Corporate and administration fees	3,000	9,000	12,185	28,700
Filing fees	2,287	14,267	17,362	21,481
Insurance	3,986	2,815	11,070	8,445
Legal fees	2,017	-	54,107	17,624
Management fees – Note 7	25,000	12,000	90,600	36,000
Office and miscellaneous – Note 7	9,438	5,201	24,928	33,495
Property investigation costs	-	-	3,838	-
Rent – Note 7	2,500	3,000	14,500	15,844
Shareholder communications	5,905	1,510	16,828	9,168
Loss for the period before other items and taxes	(64,549)	(59,210)	(316,772)	(213,061)
<b>Other items:</b>				
Foreign exchange (loss) gain	(1,220)	(9,932)	(5,714)	(10,667)
Realized net gain on marketable securities	(666,667)	100	1,165,902	5,568
Interest and investment income	20	-	1,484	-
Net income (loss) for the period	(732,416)	(69,042)	844,900	(218,160)
<b>Other comprehensive income (loss):</b>				
Net unrealized gain (loss) on marketable securities – Notes 3 and 4	350,515	(484,645)	(250,000)	(335,527)
Comprehensive income (loss) for the period	\$ (381,901)	\$ (553,687)	\$ 594,900	\$ (553,687)
Basic and diluted income (loss) per share	\$ (0.02)	\$ (0.00)	\$ 0.02	\$ (0.02)
Weighted average number of shares outstanding	45,397,203	13,875,000	47,124,813	13,810,802

SEE ACCOMPANYING NOTES

**PLATORO WEST HOLDINGS INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and nine months ended February 28, 2010 and 2009  
(Stated in Canadian Dollars)  
(Unaudited)

	For the three months ended February 28,		For the nine months ended February 28,	
	2010	2009	2010	2009
<b>Cash Flows used in Operating Activities</b>				
Net loss for the period	\$ (732,416)	\$ (69,042)	\$ 844,900	\$ (218,160)
Non-cash items:				
Amortization	757	1,216	2,271	3,646
Realized loss on marketable securities	666,667	-	666,667	-
	<b>(64,992)</b>	<b>(67,826)</b>	<b>1,513,838</b>	<b>(214,514)</b>
Changes in non-cash working capital items:				
Prepaid expenses and deposits	3,986	(1,385)	415	4,244
Goods and services tax receivable	(3,020)	(2,180)	5,230	(11,081)
Accounts payable and accrued liabilities	(29,710)	(6,344)	(63,965)	(116,877)
	<b>(93,736)</b>	<b>(77,735)</b>	<b>1,455,518</b>	<b>(338,228)</b>
<b>Cash Flows used in Investing Activities</b>				
Investments	(1,000,000)	-	(94,503)	-
Resource properties	(562)	(22,301)	(46,531)	(152,970)
Reclamation bond	-	-	-	(11,441)
Equipment and leaseholds	-	-	-	(10,135)
	<b>(1,000,562)</b>	<b>(22,301)</b>	<b>(141,034)</b>	<b>(174,546)</b>
<b>Cash Flows from Financing Activities</b>				
Copper Ridge shares distributed as a return of capital	-	-	(3,000,000)	-
Issuance of common shares	-	-	-	507,780
Share issue costs	-	-	-	(78,811)
Share subscriptions	-	-	-	(90,000)
Share subscriptions receivable	-	-	-	27,900
	<b>-</b>	<b>-</b>	<b>(3,000,000)</b>	<b>366,869</b>
Increase (decrease) in cash	<b>(1,094,298)</b>	<b>(100,036)</b>	<b>(1,685,516)</b>	<b>(145,905)</b>
Cash and cash equivalents, beginning of the period	<b>1,267,182</b>	<b>830,339</b>	<b>1,858,400</b>	<b>876,208</b>
Cash and cash equivalents, end of the period	<b>\$ 172,884</b>	<b>\$ 730,303</b>	<b>\$ 172,884</b>	<b>\$ 730,303</b>
<b>Supplementary disclosure of cash flow information:</b>				
Cash paid for:				
Interest	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -

Non-cash Transaction – Note 9

SEE ACCOMPANYING NOTES

**PLATORO WEST HOLDINGS INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
for the period from May 31, 2008 to February 28, 2010  
(Stated in Canadian Dollars)  
(Unaudited)

	Old Shares	Amount	New Shares	Amount	Contributed Surplus	Shares Subscribed	Share Subscriptions Received	Accumulated Other Comprehensive Income	Deficit	Total
Balance, May 31, 2008	11,004,000	\$ 1,181,489	-	\$ -	\$ 178,982	\$ 90,000	\$ (27,900)	\$ -	\$ (335,527)	\$ 1,087,044
Issued for cash pursuant to:										
Private placement -at \$0.18	2,821,000	507,780	-	-	-	(90,000)	27,900	-	-	445,680
Share issue costs on private placement	-	(78,811)	-	-	-	-	-	-	-	(78,811)
Issued pursuant to Zacoro transaction (Note 6)	36,562,937	2,301,990	-	-	-	-	-	-	-	2,301,990
Share issue costs on Zacoro transaction	-	(16,227)	-	-	-	-	-	-	-	(16,227)
Issued for property (Note 5)	50,000	9,000	-	-	-	-	-	-	-	9,000
Unrealized gain on marketable securities	-	-	-	-	-	-	-	633,848	-	633,848
Net loss for the year	-	-	-	-	-	-	-	-	(511,350)	(511,350)
Balance, May 31, 2009	50,437,937	3,905,221	-	-	178,982	-	-	633,848	(846,877)	3,871,174
Issued pursuant to property option agreement	50,000	2,250	-	-	-	-	-	-	-	2,250
Re-organization and distribution of Copper Ridge Shares as a return of Capital	(50,487,937)	(3,907,471)	50,487,937	1,574,138	-	-	-	-	-	(2,333,333)
Net unrealized loss on marketable securities	-	-	-	-	-	-	-	(883,848)	-	(883,848)
Net income for the period	-	-	-	-	-	-	-	-	844,900	844,900
<b>Balance, February 28, 2010</b>	<b>-</b>	<b>\$ -</b>	<b>50,487,937</b>	<b>\$ 1,574,138</b>	<b>\$ 178,982</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (250,000)</b>	<b>\$ (1,977)</b>	<b>\$ 1,501,143</b>

SEE ACCOMPANYING NOTES

SEE ACCOMPANYING NOTES

**PLATORO WEST HOLDINGS INC.**  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
February 28, 2010  
(Stated in Canadian Dollars)  
(Unaudited)

**Note 1**     **Nature of Operations**

The Company was incorporated on May 16, 2006 under the British Columbia Business Corporations Act, and commenced operations on June 1, 2006.

The Company is in the exploration stage and has entered into an option agreement and a right of first refusal agreement to acquire resource properties in the United States of America. The recoverability of amounts from the properties will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreement and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof. The outcome of these matters cannot be predicted with any certainty at this time.

**Note 2**     **Significant Accounting Policies**

While the information presented in the accompanying financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim period in accordance with Canadian generally accepted accounting principles. It is suggested that these interim unaudited financial statements be read in conjunction with the Company's audited financial statements for the year ended May 31, 2009.

These unaudited interim financial statements follow the same accounting policies and methods as the Company's most recent annual audited financial statements. Operating results for the three and nine months ended February 28, 2010 are not necessarily indicative of the results that can be expected for the year ending May 31, 2010.

**Note 3**     **Investments**

During the period ended February 28, 2010, the Company held shares of Aura Minerals Inc. ("Aura") which were classified as available-for-sale. During the period ended February 28, 2010, Aura consolidated its shares outstanding on a 5 to 1 basis and the Company sold 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 these investments of \$1,832,569. During the year ended May 31, 2009, the Company reported an unrealized gain on these shares of \$548,591 in its comprehensive income. Due to the sale of Aura shares, the Company has realized \$633,848 in gains, previously reported in comprehensive income.

Also during the period ended February 28, 2010, 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.

**Platoro West Holdings Inc.**

Notes to the Interim Consolidated Financial Statements

February 28, 2010

(Stated in Canadian Dollars)

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**Note 3      Investments – (cont'd)**

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 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. Were the Company to exercise all of its warrants, it would then own 7,500,000 common shares of Hy Lake, representing approximately 21.2% of the issued and outstanding shares assuming that no further common shares of the issuer have been issued. At February 28, 2010, the Hy Lake shares had a market value of \$750,000 and the Company reported an unrealized loss on these shares of \$250,000 in its comprehensive income (loss).

**Note 4      Copper Ridge**

During the period ended February 28, 2010 and 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 as at December 18, 2009 were given the option to exchange one Platoro common share for one New Platoro 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 and were distributed to its December 18, 2009, shareholders by way of a return of capital transaction at a market value of \$2,333,333. As a result of the return of capital, the Company reported a realized loss of \$666,667 offset by realized gains of \$1,832,569 on shares sold in the period.

**Note 5      Equipment and Leaseholds**

	<b>February 28, 2010</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Furniture and equipment	\$ 4,248	\$ 1,902	\$ 2,345
Leasehold improvements	20,835	10,309	10,526
	<b>\$ 25,083</b>	<b>\$ 12,211</b>	<b>\$ 12,871</b>
		May 31, 2009	
		Accumulated	

**Platoro West Holdings Inc.**

Notes to the Interim Consolidated Financial Statements

February 28, 2010

(Stated in Canadian Dollars)

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	Cost	Amortization	Net
Furniture and equipment	\$ 4,248	\$ 1,489	\$ 2,759
Leasehold improvements	20,835	8,452	12,383
	<b>\$ 25,083</b>	<b>\$ 9,941</b>	<b>\$ 15,142</b>

**Note 6** **Resource Properties**a) Summary of Resource Properties:

	February 28, 2010	May 31, 2009
<u>Wildhorse Property</u>		
Balance, beginning of period	\$ 267,122	\$ 197,396
Acquisition costs	2,250	9,000
Deferred expenditures		
Assays and cores	-	3,421
Claims maintenance fees	10,619	10,950
Consulting fees	1,925	43,240
Field work and supplies	-	454
Mapping and reports	-	-
Sampling and surveying	-	2,661
Vehicles	-	-
	<b>12,544</b>	60,726
Balance, end of period	<b>281,916</b>	267,122
<u>Right of First Refusal Properties</u>		
Balance, beginning of period	168,495	87,531
Deferred expenditures		
Assays and cores	-	1,602
Claims maintenance fees	21,383	21,573
Consulting fees	997	53,750
Field work and supplies	-	1,890
Vehicles	-	2,149
	<b>22,380</b>	80,964
Balance, end of period	<b>190,875</b>	168,495
<u>Other Properties</u>		
Balance, beginning of period	32,694	32,694

**Platoro West Holdings Inc.**

Notes to the Interim Consolidated Financial Statements

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Deferred expenditures		
Claims maintenance fees	<b>11,607</b>	-
Balance, end of period	<b>44,301</b>	32,694
<b>Total of Resource Properties</b>	<b>\$ 517,092</b>	<b>\$ 468,311</b>

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**Note 6**     **Resource Properties - (cont'd)**b) 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 may acquire a 100% undivided interest, subject to a 3% net smelter royalty (“NSR”), in 68 mining claims located in Pershing County, State of Nevada, United States of America ( “Wildhorse Property”). Consideration for the acquisition is reimbursement of the Optionor’s costs associated with the acquisition of the property (paid), cash payments totalling an aggregate amount of US\$970,000, issuance of 450,000 common shares of the Company and exploration expenditures of US\$1,000,000 on the property as disclosed below. Shares issued as consideration for option rights are valued at the market price of the shares on the date of issuance.

- pay US\$10,000 (paid) upon signing of the agreement and issue 50,000 common shares forthwith after June 13, 2008, the effective date (issued);
- issue 50,000 common shares on or before June 13, 2009 (issued);
- pay US\$45,000, issue 150,000 common shares and incur US\$150,000 in exploration expenditures on or before June 13, 2010;
- pay US\$75,000, issue 200,000 common shares and incur US\$200,000 in exploration expenditures on or before June 13, 2011;
- pay US\$80,000 and incur US\$200,000 in exploration expenditures on or before June 13, 2012;
- pay US\$100,000 and incur US\$200,000 in exploration expenditures on or before Jun 13, 2013;
- pay US\$120,000, and incur US\$250,000 in exploration expenditures on or before June 13, 2014;
- pay US\$140,000 on or before June 13, 2015; and
- pay US\$400,000 on or before June 13, 2016.

Pursuant to the Option Agreement, the Company may purchase up to one half of the NSR for US\$2,000,000 for each 1% of the royalty purchased (total of \$3,000,000 for the entire 1.5%). During the term of the Option Agreement, the Company is responsible for maintaining the claims in good standing, including paying required taxes, fees and rentals, and completing necessary assessment work.

In the event that the Company enters into a transaction with an arms-length third party which provides for payment of cash or shares to the Company, the Company shall pay 10% of the value received up to \$40,000 to the Optionor.

During the year ended May 31, 2009, the Company posted a reclamation bond of \$11,441.

**Platoro West Holdings Inc.**

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During the year ended May 31, 2008, the Company staked an additional 32 claims.

On August 29, 2007, the Company entered into a Purchase and Sale Agreement with Nevada Lands & Resource Company, whereby the Company acquired 160 acres of land in Pershing County, Nevada, for a purchase price of US\$32,000.

**Platoro West Holdings Inc.**

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February 28, 2010

(Stated in Canadian Dollars)

(Unaudited) – Page 6

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**Note 6      Resource Properties - (cont'd)**

c) 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 (now 134) claims, in various counties in the State of Nevada, as listed below (“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. The ROFR Properties are currently comprised of 134 claims as follows:

- Antelope Springs Project in Pershing County, Nevada, comprised of 24 claims;
- Buckhorn East Project in Eureka County, Nevada, comprised of 33 claims;
- Fencemaker Project in Pershing County, Nevada comprised of 37 claims;
- Rangefront Project in Humboldt County, Nevada comprised of 9 claims;
- Rosial Project in Pershing County, Nevada comprised of 23 claims; and
- Spring City Project in Humboldt County, Nevada comprised of 8 claims.

d) Other Properties

During the year ended May 31, 2008, the Company expended \$21,414 for filing and recording fees for 52 unpatented lode mining claims located within the White Mountains in eastern Esmeralda County, Nevada.

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 in addition to the annual cash payment as follows:

- pay US\$5,000 annually from November 1, 2010 to 2013;
- pay US\$7,500 annually from November 1, 2014 to 2018;
- pay US\$75,000 annually from November 1, 2019 onward;

By letter dated February 22, 2010 to the Owner, the Company terminated its interest in the Lease Agreement and Sacramento property.

These claims are all exploration phase projects.

**Platoro West Holdings Inc.**

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**Note 6      Resource Properties - (cont'd)**

e) Environmental Protection Practices

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

**Note 7      Share Capital and Contributed Surplus**

a) Authorized:

Unlimited common shares without par value

b) Share Issuances:

*Share Structure Re-organization*

Registered shareholders as at December 18, 2009 were given the option to exchange one Platoro common share (“Old Share”) for one New Platoro common share (“New Share”) and 0.132 common shares of Copper Ridge. During the period ended February 28, 2010, the Company reported the cancellation of the 50,487,937 Old Shares and the share capital amount of \$3,907,471. The Company distributed Copper Ridge shares as a return of capital to the Company’s shareholders valued at \$2,333,333 (see note 4) and reported the issuance of 50,487,937 New Shares for an amount of \$1,574,138.

*Property Option Agreements*

During the period ended February 28, 2010, the Company issued 50,000 common shares to a director of the Company pursuant to the Wild Horse Property Option Agreement valued at \$0.045 per share

*Private Placements*

On April 28, 2008, the Company completed the first tranche of a private placement and issued 4,404,000 shares at a price of \$0.18 per share, for gross proceeds of \$792,720.

On June 5, 2008, the Company completed the second tranche of the private placement and issued 2,821,000 shares at a price of \$0.18 per share, for gross proceeds of \$507,780. A finders’ fee of \$78,811 was paid in cash.

**Platoro West Holdings Inc.**

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**Note 7      Share Capital and Contributed Surplus – (cont'd)***Zacoro Metals Corp. Transaction*

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 near-cash investments 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 has issued 36,562,937 common shares to the Zacoro shareholders as part of the amalgamation, based on an exchange ratio of 0.46 Platoro Shares for each Zacoro share.

c) Stock Options and Warrants

As at February 28, 2010 and May 31, 2009, there were no outstanding stock options and warrants.

**Note 8      Related Party Transactions**

The Company incurred the following fees and reimbursement of costs with a director, companies controlled by directors and a former director of the Company:

	<u>February 28,</u> <u>2010</u>	<u>February 28,</u> <u>2009</u>
Consulting fees	\$ 57,547	\$ 22,500
Corporate and administration fees	9,000	-
Equipment and leaseholds	-	10,135
Legal fees	7,239	-
Management fees	88,600	36,000
Office and miscellaneous	10,250	14,096
Rent	14,500	12,844
Shareholder communications	9,674	-
Resource properties	-	72,064
	<u>\$ 196,810</u>	<u>\$ 167,639</u>

During the quarter ended February 28, 2010, the Company issued 50,000 shares, valued at \$0.045 per share, to a director with respect to a mineral property agreement.

During the quarter ended November 30, 2009, the Company issued 50,000 shares, valued at \$0.18 per share, to a director with respect to a mineral property agreement.

**Platoro West Holdings Inc.**

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**Note 8      Related Party Transactions – (cont'd)**

These expenditures were measured by the exchange amount, which are the amounts agreed upon by the transacting parties.

Included in prepaid expense and deposits is \$2,500 (May 31, 2009 - \$2,500) paid to a company controlled by an officer for rent and administrative expenses.

**Note 9      Non-cash Transactions**

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. During the period ended February 28, 2010 a total of 50,000 (2009 – 50,000) shares were issued in connection with the Wildhorse Property Agreement at a fair value of \$2,250 (2009 - \$9,000).

Also during the period, the Company reported a comprehensive loss of \$250,000 on its investments in Hy Lake (see note 3).

These amounts have been excluded from the statement of cash flows.

**Note 10     Corporate Income Taxes**

The Company has available a non-capital loss of approximately \$540,000 as at February 28, 2010 (May 31, 2009 – approximately \$786,000), which may be carried forward to reduce taxable income in future years. These losses expire beginning in 2029.

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

	<b>February 28, 2010</b>	May 31, 2009
Non-capital losses	\$ 143,000	\$ 204,000
Share issue costs	17,000	23,000
Investments	33,000	(82,000)
Capital assets	3,000	3,000
Less: valuation allowance carried forward	(196,000)	(148,000)
Future income tax asset	\$ -	\$ -

At May 31, 2009, the Company had recorded a valuation allowance against its future income tax assets based on the extent to which it is more-likely-than-not that sufficient taxable income will not be realized during the carry-forward period to utilize all the future tax assets. Due to the net income earned in the period ended February 28, 2010, the Company has reversed a portion of the valuation allowance.

A reconciliation of income taxes at statutory rates to the reported income tax provision is as follows:

**Platoro West Holdings Inc.**

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**Note 10 Corporate Income Taxes – (cont'd)**

	<b>February 28, 2010</b>	February 28, 2009
Income (loss) before income taxes	<b>\$ 844,900</b>	\$ (126,494)
Basic statutory and provincial income tax rates	<u><b>28.50%</b></u>	<u>29.96%</u>
Expected tax expense (recovery) on net income (loss), before income tax	<b>\$ 240,800</b>	\$ (37,900)
Differences due to recognition of items for tax purposes:		
Temporary differences	<b>(35,500)</b>	-
Permanent differences	<b>(171,700)</b>	-
Change in assumptions	<b>15,200</b>	-
Effect of reduction in statutory tax rate	<b>(800)</b>	-
Increase (decrease) in valuation allowance	<b>(48,000)</b>	37,900
Future income tax (expense)	<b>\$ -</b>	\$ -

**Note 11 Financial Instruments**(a) Interest rate risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on its estimated fair value as of February 28, 2010. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

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**Note 11 Financial Instruments – (cont'd)**

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and cash equivalents, the balance of which at February 28, 2010 is \$172,884. Cash and cash equivalents are held at, primarily, at a chartered Canadian financial institution.

Liquidity risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company achieves this by maintaining sufficient cash reserves. As at February 28, 2010, the Company was holding cash and cash equivalents of \$172,884. The Company's accounts payable and accrued liabilities are due in the short term.

(c) Currency risk

Currency risk is the risk that funds held in currencies other than the operating currency will fluctuate negatively, resulting in a foreign exchange loss. The Company is exposed to currency risk with respect to its cash and cash equivalents, the balance of which at February 28, 2010 is \$172,884. Of this balance US Dollars of \$12,326 (CDN\$12,973) and Mexican Pesos of \$10,890 (CDN\$898) is held at a Canadian financial institution.

**Note 12 Capital Management**

The Company's objective when managing capital is 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 the consolidated statements of shareholders' equity as 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 private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

**Note 13 Subsequent Event**

On February 4, 2010, the Company's management negotiated the fundamental terms of a Letter of Intent with Golden Predator Royalty & Development Corp. ("Golden Predator"), Strategic Metals Ltd. ("Strategic"), Rockhaven Resources Ltd. (Rockhaven). (the "Letter of Intent")

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Under the term of the Letter of Intent Platoro will acquire from Golden Predator, Strategic and Rockhaven 21 advanced stage and development mineral properties, comprising over 39,000 hectares, and will be renamed Silver Predator Mines Inc.

The Letter of Intent contemplates the following transactions:

- a consolidation of Platoro's currently outstanding common share capital on the basis of one new share for each twelve old shares;
- the change of Platoro's name to "Silver Predator Mines Inc.";
- the sale of the Golden Predator Properties to Silver Predator for 16,000,000 post-consolidation Silver Predator Shares
- the sale of the Strategic Metals Properties to Silver Predator for 8,000,000 post-consolidation Silver Predator Shares;
- the sale of the Rockhaven Properties to Silver Predator for 8,000,000 post-consolidation Silver Predator Shares;
- the completion of a financing with gross proceeds to Silver Predator of not less than \$5,000,000; and
- the appointment, at closing, of Mr. Lepry as Silver Predator's President & CEO.

The transactions will be subject to numerous conditions precedent, including the negotiation and execution of definitive agreements, satisfactory due diligence reviews and the receipt of all required regulatory approvals.