WEALTH MINERALS LTD.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

November 30, 2010 and 2009

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(An Exploration Stage Company)

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Consolidated Financial Statements

SmytheRatcliffe
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE SHAREHOLDERS OF WEALTH MINERALS LTD.
(An Exploration Stage Company)

We have audited the consolidated balance sheets of Wealth Minerals Ltd. (an exploration stage company) as at November 30, 2010 and 2009 and the consolidated statements of operations, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 at November 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
March 25, 2011

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WEALTH MINERALS LTD.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)
AS AT NOVEMBER 30

		2010		2009
ASSETS				
Current				
Cash	$	1,867,582	$	760,657
Subscriptions receivable (note 13)		743,400		-
Accounts receivable		41,893		34,801
Prepaid expenses		31,644		28,925
		2,684,519		824,383
Equipment (note 4)		21,666		27,032
Mineral properties (note 5)		7,867,634		9,640,457
	$	10,573,819	$	10,491,872
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	389,188	$	258,617
Due to related parties (note 8)		294,375		127,343
		683,563		385,960
Shareholders' equity				
Capital stock (note 6)		38,600,822		34,478,184
Contributed surplus		5,651,809		5,453,103
Deficit		(34,362,375)		(29,825,375)
		9,890,256		10,105,912
	$	10,573,819	$	10,491,872

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENTS (note 13)

On behalf of the Board:

(signed)*"Hendrik Van Alphen"*
Hendrik Van Alphen, Director

(signed) *"Jeffrey Pontius"*
Jeffrey A. Pontius, Director

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

WEALTH MINERALS LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars)
YEARS ENDED NOVEMBER 30

	2010	2009
Administrative Expenses		
Amortization	$ 8,754	$ 13,236
Consulting (notes 7 and 8)	845,746	1,263,617
Interest	701	-
Listing and transfer agent fees	6,620	30,320
Office and administration (note 8)	254,464	311,240
Professional fees (notes 7 and 8)	298,789	354,126
Property investigation	-	52,783
Rent (note 8)	38,059	49,414
Salaries and benefits (note 8)	117,088	214,770
Shareholders' communications (notes 7 and 8)	146,702	263,909
Travel	58,290	56,972
Loss Before Other Items	(1,775,213)	(2,610,387)
Other Items		
Interest income	1,017	15,687
Write-off of mineral properties (note 5)	(2,743,753)	(3,271,000)
Write-down of long-term asset	-	(15,000)
Write-down of investment	-	(1)
Gain (loss) on foreign exchange	(19,051)	44,210
	(2,761,787)	(3,226,104)
Net Loss and Comprehensive Loss for the Year	$ (4,537,000)	$ (5,836,491)
Basic and Diluted Loss per Share	$ (0.12)	$ (0.19)
Basic and Diluted Weighted Average Number of Common Shares Outstanding	38,756,594	31,444,302

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

WEALTH MINERALS LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEARS ENDED NOVEMBER 30

	2010	2009
Operating Activities		
Net loss for the year	$ (4,537,000)	$ (5,836,491)
Items not affecting cash:		
Amortization	8,754	13,236
Stock-based compensation	210,710	630,666
Write-down of long-term asset	-	15,000
Write-down of investment	-	1
Unrealized loss on foreign exchange	36,270	31,805
Write-off of mineral properties	2,743,753	3,271,000
Changes in non-cash working capital:		
Accounts receivable	(7,092)	226,751
Prepaid expenses	(2,719)	(344)
Accounts payable and accrued liabilities	(85,534)	85,969
Due to related parties	1,635	-
Cash Used in Operating Activities	(1,631,223)	(1,562,407)
Investing Activities		
Purchase of equipment	(3,388)	(2,631)
Expenditures on mineral properties	(772,575)	(324,365)
Cash Used in Investing Activities	(775,963)	(326,996)
Financing Activities		
Issuance of capital stock	3,382,472	2,467,100
Share issue costs	(15,238)	(15,520)
Advances and loans from related parties	528,147	1,121,147
Repayments of related party advances and loans	(345,000)	(1,117,106)
Cash Provided by Financing Activities	3,550,381	2,455,621
Foreign Exchange Effect on Cash	(36,270)	(31,805)
Increase in Cash	1,106,925	534,413
Cash, Beginning of Year	760,657	226,244
Cash, End of Year	$ 1,867,582	$ 760,657

Supplemental Disclosure with Respect to Cash Flows (note 10)

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

WEALTH MINERALS LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Common Shares	Common Shares Issued and Fully Paid	Contributed Surplus	Deficit Accumulated During Exploration Stage	Total
Balance: November 30, 2008	29,916,565	$ 31,913,429	$ 4,824,912	$ (23,988,884)	$ 12,749,457
Shares issued for non-cash consideration:					
Shares issued for property	410,000	110,700	-	-	110,700
Reclassification of contributed surplus on exercise of stock options	-	2,475	(2,475)	-	-
Issuance of shares for cash:					
Private placements (note 6)	7,386,953	2,456,600	-	-	2,456,600
Exercise of warrants (note 6)	15,000	6,000	-	-	6,000
Exercise of options (note 7)	15,000	4,500	-	-	4,500
Shares issuance costs (note 6)	-	(15,520)	-	-	(15,520)
Stock-based compensation	-	-	630,666	-	630,666
Net loss for the year	-	-	-	(5,836,491)	(5,836,491)
Balance: November 30, 2009	37,743,518	34,478,184	5,453,103	(29,825,375)	10,105,912
Shares issued for non-cash consideration:					
Reclassification of contributed surplus on exercise of stock options	-	12,004	(12,004)	-	-
Finders' fees (note 6)	28,000	10,080	-	-	10,080
Issuance of shares for cash:					
Private placements (note 6)	4,000,000	1,440,000	-	-	1,440,000
Exercise of warrants (note 6)	5,467,953	2,663,372	-	-	2,663,372
Exercise of options (note 7)	75,000	22,500	-	-	22,500
Shares issuance costs (note 6)	-	(25,318)	-	-	(25,318)
Stock-based compensation (note 7)	-	-	210,710	-	210,710
Net loss for the year	-	-	-	(4,537,000)	(4,537,000)
Balance: November 30, 2010	47,314,471	$ 38,600,822	$ 5,651,809	$ (34,362,375)	$ 9,890,256

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The principal business activity of Wealth Minerals Ltd. (the "Company") is the exploration for and development of mineral properties, primarily in Argentina, Peru and Canada. The Company is an exploration stage company. These consolidated financial statements were prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred significant operating losses over past several fiscal years (2010 - $4,537,000; 2009 - $5,836,491). The Company is currently unable to self-finance operations, has working capital of $2,000,956 (2009 - $438,423), a deficit of $34,362,375 (2009 - $29,825,375), limited resources, no source of operating cash flow and no assurances that sufficient funding will be available to conduct further exploration and development of its mineral property projects.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral property interests. The recoverability of amounts shown for mineral properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Although these consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's business, results of operations and financial condition. These financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are reported in Canadian dollars. The consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Wealth Minerals Peru, S.A.C. (incorporated in Peru) and Madero Minerals S.A. ("Madero") (incorporated in Argentina). All significant inter-company balances and transactions have been eliminated.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Accounts specifically requiring the use of management's best estimates and assumptions in determining the collectability of accounts receivable, amortization rate of equipment, accounts payable and accrued liabilities, the carrying value of mineral properties, asset retirement obligations ("ARO") and reclamation costs, the variables used in the calculation of stock-based compensation and the determination of the valuation allowance for future income taxes. Management believes the estimates used are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mineral properties

The Company capitalizes all costs related to investment in mineral properties on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, the property is sold or the Company's mineral rights are allowed to lapse.

All capitalized costs are reviewed on a property-by-property basis to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company's assessment, it will be unable to sell the property for an amount greater than the deferred costs, the property is written down for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received. The amount shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Capitalized costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the applicable mineral rights are allowed to lapse.

Asset retirement obligations

The Company recognizes an estimate of the liability associated with an ARO in the consolidated financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Equipment

Equipment is recorded at cost and amortized over their estimated useful lives at the following rates:

Leasehold improvements	Four years straight line
Computer equipment	30% declining balance basis
Computer software	Two years straight line
Office furniture and equipment	20% declining balance basis

Additions during the year are amortized at one-half the annual rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

The functional and reporting currency of the Company is the Canadian dollar. Amounts recorded in foreign currencies are translated into Canadian dollars as follows:

(a) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;

(b) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

(c) Interest income and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the year.

Basic and diluted loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

Capital stock

Proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of the announcement of the placement and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stock-based compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the option is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached, or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For directors, employees and non-employees, the fair value of the options is accrued and charged either to operations or mineral property interests, with the offset credit to contributed surplus, over the vesting period. If and when the stock options are exercised, the applicable amounts from contributed surplus are transferred to capital stock.

Financial instruments and comprehensive income

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income (loss). Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments and amortized using the effective interest method.

Comprehensive income or loss is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from operations calculated in accordance with Canadian GAAP. The Company has no items of other comprehensive income in any period presented. Therefore, net loss as presented in the Company's statements of operations equals comprehensive loss.

Future accounting changes

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date of adoption is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The effective date will require the restatement for comparative purposes of amounts reported by the Company for interim periods and for the year ended November 30, 2012. The Company is currently evaluating the impact of the conversion on the Company's consolidated financial statements and is determining accounting policy choices available under IFRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future accounting changes (Continued)

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred.

Section 1601, "Consolidated Financial Statements", establishes the standards for preparing consolidated financial statements.

Section 1602, "Non-Controlling Interests", establishes the standards for the accounting for non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to IFRS on consolidated and separate financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company concluded that the adoption of these sections will have no significant effect on the consolidated financial statements.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; subscriptions receivable and accounts receivable as loans and receivables; and accounts payable and accrued liabilities and due to related parties as other financial liabilities.

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the expected maturity of these financial instruments. The fair values of amounts due to related parties have not been disclosed as there is no market for such instruments.

CICA Handbook Section 3862 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Canadian Dollars)

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

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

(a) Credit risk

In respect to accounts receivable, the Company is not exposed to significant credit risk as the majority are due from governmental agencies.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution and a major Argentinean financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

Cash	2010	2009
Held at a major Canadian financial institution	$ 1,757,362	$ 560,095
Held at a major Argentinean financial institution	110,220	200,562
	$ 1,867,582	$ 760,657

The credit risk associated with cash is minimized by ensuring that these financial assets are placed with major Canadian and Argentinean financial institutions with strong investment-grade ratings by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company normally maintains sufficient cash to meet the Company's business requirements. However, at November 30, 2010 the cash balance of $1,867,582 would be insufficient to meet the needs for the coming year. Therefore, the Company will likely be required to raise additional capital in order to fund its operations in 2011 and 2012.

	0 to 3 months	3 to 6 months	6 to 12 months	Total
Accounts payable and accrued liabilities	$ 329,188	$ 60,000	$ -	$ 389,188
Due to related parties	29,517	-	264,858	294,375
	$ 358,705	$ 60,000	$ 264,858	$ 683,563

(Expressed in Canadian Dollars)

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The interest income earned on cash is minimal; therefore, the Company is not subject to material interest rate risk.

ii. Foreign currency risk

The Company is exposed to foreign currency risk as certain monetary financial instruments are denominated in Argentinean currency. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the amount of cash held in this foreign jurisdiction. The Company's sensitivity analysis suggests that a consistent 15% change in the rate of exchange (i.e., from 1.00:1.00 to 1.15:1.00) would change foreign exchange gain or loss by approximately $61,700.

iii. Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

4. EQUIPMENT

	2010			2009		
	Cost	**Accumulated Amortization**	**Net**	**Cost**	**Accumulated Amortization**	**Net**
Computer equipment	$ 43,473	$ 32,900	$ 10,573	$ 40,085	$ 29,095	$ 10,990
Leasehold improvements	17,060	9,052	8,008	17,060	4,874	12,186
Office furniture and equipment	17,891	14,806	3,085	17,891	14,035	3,856
	$ 78,424	$ 56,758	$ 21,666	$ 75,036	$ 48,004	$ 27,032

(Expressed in Canadian Dollars)

5. MINERAL PROPERTIES

The Company incurred the following expenditures on its mineral properties:

	Argentina					Canada	Peru	
	Other Properties	**Diamante-Los Patos**	**San Jorge**	**San Luis**	**Total**	**Courville**		**Total**
Balance, November 30, 2008	$ 2,694,557	$ 3,634,532	$ 4,749,425	$ -	$ 11,078,514	$ 127,381	$ 1,289,801	$12,495,696
Acquisition costs								
Non-cash (note 10)	-	-	110,700	-	110,700	-	-	110,700
Exploration costs				-				
Field	-	-	9,856	-	9,856	-	-	9,856
Personnel	510	1,250	103,721	-	105,481	-	-	105,481
Land administration	4,252	8,098	64,262	-	76,612	-	12,095	88,707
Drilling	-	-	20,084	-	20,084	-	-	20,084
Surveying and mapping	10,665	2,079	32,239	-	44,983	-	-	44,983
Transportation	-	-	35,950	-	35,950	-	-	35,950
Total exploration costs	15,427	11,427	266,112	-	292,966	-	12,095	305,061
Total expenditures for year	15,427	11,427	376,812	-	403,666	-	12,095	415,761
Total before write-offs	2,709,984	3,645,959	5,126,237	-	11,482,180	127,381	1,301,896	12,911,457
Write-off of properties	(871,000)	(1,800,000)	-	-	(2,671,000)	-	(600,000)	(3,271,000)
Balance, November 30, 2009	1,838,984	1,845,959	5,126,237	-	8,811,180	127,381	701,896	9,640,457
Acquisition costs - cash	-	-	-	81,604	81,604	-	-	81,604
Exploration costs								
Field, net	(1,062)	213	8,597	93,781	101,529	-	-	101,529
Personnel	120	-	130,505	46,536	177,161	-	-	177,161
Land administration	41,807	9,627	249,507	459	301,400	-	11,851	313,251
Geology	-	-	16,426	36,008	52,434	-	-	52,434
Surveying and mapping	2,939	1,521	35,307	210	39,977	-	-	39,977
Transportation	-	1,372	57,820	15,810	75,002	-	-	75,002
Search rights	25,889	-	-	104,083	129,972	-	-	129,972
Total exploration costs	69,693	12,733	498,162	296,887	877,475	-	11,851	889,326
Total expenditures for year	69,693	12,733	498,162	378,491	959,079	-	11,851	970,930
Total before write-offs	1,908,677	1,858,692	5,624,399	378,491	9,770,259	127,381	713,747	10,611,387
Write-off of properties	(1,223,279)	(929,346)	-	-	(2,152,625)	(127,381)	(463,747)	(2,743,753)
Balance, November 30, 2010	$ 685,398	$ 929,346	$ 5,624,399	$ 378,491	$ 7,617,634	$ -	$ 250,000	$ 7,867,634

5. MINERAL PROPERTIES (Continued)

Argentina

Madero Uranium Project

Pursuant to an agreement dated July 11, 2005 ("LOI"), the Company completed the acquisition of all of the outstanding securities of Madero effective September 12, 2007.

At the time of the execution of the LOI, Madero held, or had applied for, 17 prospective uranium properties in Argentina. Based upon initial work completed by the Company, 15 of the properties have been abandoned, and further work has focused on the two remaining projects, Alemania and Amblayo. Subsequent to the execution of the LOI, Madero continued to actively seek and apply for/acquire additional prospective uranium properties, which would be acquired by the Company upon the exercise of the option to acquire Madero. Although Madero believes that the majority of such applications will be successful, there can be no assurance that all or any of such exploration concessions ("cateos") will be granted. Madero may determine to abandon some of such applications in order to secure title to other cateos for which it has applied. During the year ended November 30, 2010, the Company wrote-down its investment in the properties held by Madero by $1,223,279 (2009 - $871,000) to reflect management's estimate of the value of the properties. The carrying value of the properties at November 30, 2010 total $685,398 (2009 - $1,838,984), which includes the South Galan, Salta Province, Jujuy Province and Catamarca Province properties below.

<u>South Galan Property</u>
Pursuant to a LOI for Joint Venture dated March 22, 2006 (as amended by a letter dated August 12, 2006) between the Company and two individual prospectors, based upon information provided by the prospectors, the Company applied for five cateos in Salta and Catamarca provinces, Argentina, referred to as the "South Galan Property". Pursuant to the LOI and upon such applications having been made, the Company issued an aggregate 50,000 common shares (issued) to the prospectors. All cateos have been granted.

<u>Salta Province</u>
Pursuant to an option agreement dated May 29, 2007 between the Company and an Uruguayan corporation, as accepted by the optionor on July 30, 2007, the Company has an option to acquire a 100% interest in and to one cateo in Salta Province, referred to as the Byward concession, in consideration for the issuance of an aggregate of 200,000 common shares, as to 100,000 common shares 30 days after TSX-V acceptance of the agreement (September 20, 2007) (issued) and the balance of 100,000 common shares on or before September 20, 2008 (issued).

Pursuant to a LOI for Joint Venture dated March 22, 2006 (as amended by a letter dated August 12, 2006) between the Company and two individual prospectors, based upon information provided by the prospectors, the Company has applied for three cateos in Salta Province referred to as the Pampa Coria Property.

Pursuant to the LOI, and upon such applications having been made, the Company is required to pay $20,000 (paid) and issue an aggregate 50,000 common shares to the prospectors, subject to TSX-V acceptance (received March 13, 2008) (issued).

5. MINERAL PROPERTIES (Continued)

Argentina (Continued)

Madero Uranium Project (Continued)

Jujuy Province
Pursuant to an option agreement dated May 29, 2007 between the Company and two South American individuals, as accepted by the vendors on May 30, 2007, the Company has the option to acquire a 100% interest in and to one cateo in Jujuy Province, referred to as the Peralta concession, in consideration for the issuance of an aggregate of 200,000 common shares, as to 100,000 common shares 30 days after TSX-V acceptance of the agreement (September 20, 2007) (issued) and the balance of 100,000 common shares on or before September 20, 2008 (issued).

Catamarca Province
Pursuant to a LOI for Joint Venture dated March 22, 2006 (as amended by a letter dated August 12, 2006) between the Company and two individual prospectors, based upon information provided by the prospectors, the Company has applied for three cateos in Catamarca Province referred to as the Vientos Property. Pursuant to the LOI and upon such applications having been made, the Company is required to pay $20,000 (paid) and issue an aggregate 50,000 common shares to the prospectors, subject to TSX-V acceptance (received March 13, 2008) (issued).

Diamante-Los Patos Project

The Diamante-Los Patos property consists of 16 cateos and 13 minas (“exploitation concessions”) covering an area of approximately 156,361 hectares, which have been applied for by Madero on behalf of the Company. Of these, eight cateos (approximately 56,816 hectares) have been granted, while the balance of the cateos and the minas have been applied for but not yet granted. The minas cover portions of the property subject to four of the granted cateos (which cateos will be dropped in conjunction with the grant of the minas, leaving an aggregate of 12 cateos and 13 minas). The data that led to the discovery of the Diamante-Los Patos Project was supplied by two prospectors and, in consideration of being provided with such data, the Company agreed to issue to the prospectors an aggregate of 100,000 common shares (issued). During the year ended November 30, 2010, the Company wrote-down its investment in the property by $929,346 (2009 - $1,800,000) to reflect management’s estimate of the value of the property. The carrying value of the property to November 30, 2010 totals $929,346 (2009 - $1,845,959).

San Jorge Basin Properties

Expenditures on the San Jorge Basin Properties, which are comprised of the undernoted concessions, total $5,624,399 to November 30, 2010 (2009 - $5,126,237).

Ramirez concession
Pursuant to an option agreement dated March 13, 2007 between the Company and two Peruvian individuals, the Company has the option to acquire a 100% interest in and to 20 cateos located in the province of Chubut, Argentina (the “Ramirez” concessions). In order to exercise the option, the Company is required to issue an aggregate 50,000 common shares as follows: 10,000 shares 21 days following TSX-V acceptance (May 23, 2007) of the agreement (issued), and an additional 10,000 shares on each of the first (issued), second (issued), third (pending) and fourth anniversaries of the date of execution of the agreement (March 28, 2007) (amended option agreement pending execution by the optionor).

Castelli concessions
Pursuant to an option agreement dated May 29, 2007 between the Company and two South American individuals, as accepted by the optionors on July 30, 2007, the Company has the option to acquire a 100% interest in and to three cateos in Chubut Province in consideration of the issuance of an aggregate of 160,000 shares, as to 80,000 shares 30 days after TSX-V acceptance (September 20, 2007) of the agreement (issued) and the balance of 80,000 common shares on or before September 20, 2008 (issued).

5. MINERAL PROPERTIES (Continued)

Argentina (Continued)

San Jorge Basin Properties (Continued)

Paniagua concessions
Pursuant to an option agreement dated March 13, 2007 between the Company and two Peruvian individuals, the Company has the option to acquire a 100% interest in and to 20 cateos located in the province of Chubut, Argentina (the "Paniagua" concessions). In order to exercise the option, the Company is required to issue an aggregate 50,000 common shares as follows: 10,000 shares 21 days following TSX-V acceptance (May 23, 2007) of the agreement (issued), and an additional 10,000 shares on each of the first (issued), second (issued), third (pending) and fourth anniversaries of the date of execution of the agreement (March 28, 2007) (amended option agreement pending execution by the optionor).

Drago concessions
Pursuant to an option agreement dated March 13, 2007 between the Company and a Peruvian individual, the Company has the option to acquire a 100% interest in and to 11 cateos located in the province of Chubut, Argentina (the "Drago" concessions). In order to exercise the option, the Company must issue an aggregate 50,000 common shares as follows: 10,000 shares 21 days following TSX-V acceptance (May 23, 2007) of the agreement (issued), and an additional 10,000 shares on each of the first (issued), second (issued), third (pending) and fourth anniversaries of the date of execution of the agreement (March 28, 2007) (amended option agreement pending execution by the optionor).

Explomin Properties
Pursuant to an option agreement dated May 29, 2007 (as amended October 20, 2009) between the Company and the individual shareholders of Exploraciones Mineras, S.A. ("Explomin"), a private Argentinean corporation, the Company has the sole irrevocable option to acquire all of the outstanding securities of Explomin from its shareholders. In order to exercise the option, the Company is required to pay the shareholders US $50,000 (paid) and issue the shareholders an aggregate of 1,000,000 common shares, as follows: 100,000 common shares 30 days following TSX-V acceptance (issued), 100,000 common shares on or before March 21, 2008 (issued), 100,000 common shares on or before September 21, 2008 (issued), 250,000 common shares on or before March 21, 2009 (issued), 200,000 common shares on or before October 21, 2010 (pending) and 250,000 common shares on or before October 21, 2011. At the time of the execution of the option, Explomin was the owner of five applications for cateos located in the province of Chubut, Argentina, aggregating 48,306 hectares and covering a number of known uranium occurrences (amended option agreement pending execution by the optionor).

San Luis Province Property

Rodeo de Los Molles, Rare Earth Element/Uranium project
Pursuant to an option agreement dated May 21, 2010 between the Company and a private arm's-length Argentinian company, the Company has the sole irrevocable option to acquire a 100% interest in the Rodeo de Los Molles ("RdlM") rare earth element ("REE") and uranium deposit, located in San Luis Province, Argentina. Under the terms of the agreement, the Company must spend US $150,000 on exploration within 12 months and make the following payments:

- US $75,000 upon signing (paid)
- US $100,000 on the sixth month anniversary (subsequently paid)
- US $175,000 on the first anniversary
- US $250,000 on the second anniversary
- US $1,000,000 on the third anniversary
- US $2,000,000 on the fifth anniversary

5. MINERAL PROPERTIES (Continued)

Canada

Courville, Quebec
Pursuant to an agreement dated December 14, 2007, the Company was granted an option by GFK Resources Inc. ("GFK") (formerly Noise Media Inc.) to acquire up to an undivided 20% interest in the Courville property, located in the township of Courville, Quebec.

The Company acquired its interest in the Courville property subject to a 1.5% net smelter returns royalty ("NSR") in favour of the Vendor and a further 1.5% NSR in favour of a third party.

During the year ended November 30, 2010, the Company wrote-off its investment in the property.

Peru

Radiante I Property, Peru
Pursuant to an agreement dated April 7, 2006, the Company acquired a 100% interest in the Radiante I Property, comprised of one mining concession in the Province of Carabaya, Peru, from Minera San Isidro S.A.C., a private Peruvian corporation, for 200,000 common shares (issued).

Radiante II Property, Peru
Pursuant to an agreement dated April 7, 2006, the Company acquired a 100% interest in the Radiante II Property, comprised of one mining concession in the Province of Carabaya, Peru, from Minera San Isidro S.A.C., a private Peruvian corporation, for 200,000 common shares (issued).

Hilton Property, Peru
Pursuant to an agreement dated April 7, 2006, the Company acquired a 100% interest in the Hilton Property, comprised of one mining concession in the Province of Carabaya, Peru, from Minera San Isidro S.A.C., a private Peruvian corporation, for 200,000 common shares (issued).

Voluptuosa Property, Peru
Pursuant to an agreement dated April 7, 2006, the Company acquired a 100% interest in the Voluptuosa Property, comprised of three mining concessions (800 hectares) in the Province of Carabaya, Peru, from Minera Koripampa del Peru S.A. ("Koripampa"), a private Peruvian corporation, for US $167,000 (paid).

As of August 31, 2010, the Company wrote-down these properties by $463,747 (2009 - $600,000), representing management's estimate of their fair value, which includes the Radiante I, Radiante II, Hilton and Voluptuosa properties above. Net expenditures on the properties to November 30, 2010 total $250,000 (2009 - $701,896).

Title to mineral properties

Title to mineral properties 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 properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing. Although the Company has taken steps to verify the title to mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

5. MINERAL PROPERTIES (Continued)

Environmental protection and reclamation costs

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company may vary from region to region and are not predictable.

The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures. Environmental expenditures that relate to ongoing environmental and reclamation programs will be recognized as a charge in the statements of operations as incurred or capitalized and amortized depending upon their future economic benefits. The Company does not currently anticipate any material capital expenditures for environmental control facilities because all property holdings are at early stages of exploration. Therefore, estimated future removal and site restoration costs are presently considered minimal.

All phases of the Company's operations are subject to environmental regulations. Environmental legislation in the countries in which the Company is currently performing exploration work is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened degree of responsibilities for companies and their officers, directors and employees. Although, presently, compliance with such laws is not a significant factor in the Company's operations, there is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations.

Realization

The recorded cost of mineral exploration interests is based on cash paid, the value of share considerations, and exploration and development costs incurred. The recorded amount does not reflect present or future values as this will be dependent on any production decision and associated development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production, or realize proceeds from disposition.

6. CAPITAL STOCK

Authorized

Unlimited number of common voting shares without par value
Unlimited number of preferred shares, issuable in series

Private placements

On September 9, 2009, the Company completed a non-brokered private placement of 4,037,000 units at a price of $0.26 per unit for gross proceeds of $1,049,620. Each unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company until September 9, 2011 at an exercise price of $0.40. The warrants carry an accelerated expiry feature such that if at any time between January 10, 2010 and September 9, 2011 the daily volume-weighted average trading price of the Company's shares trade above

(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

Private Placements (Continued)

$1.50 for at least 10 consecutive trading days, the Company may, within 30 days, issue an expiry acceleration notice to the holders of the warrants and, if it does so, the warrants will expire 30 days from the date after the expiry acceleration notice is given (unless exercised). The Company paid $7,563 in legal and filing fees in connection with the private placement. During the year ended November 30, 2010, 300,000 warrants were exercised for total proceeds of $120,000 (2009 - $Nil).

On October 23, 2009, the Company completed a non-brokered private placement of 3,349,953 units at a price of $0.42 per unit for gross proceeds of $1,406,980. Each unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company until October 23, 2011 at an exercise price of $0.60. The warrants carry an accelerated expiry feature such that if at any time between February 24, 2010 and October 23, 2011 the daily volume-weighted average trading price of the Company's shares trade above $1.80 for at least 10 consecutive trading days, the Company may, within 30 days, issue an expiry acceleration notice to the holders of the warrants and, if it does so, the warrants will expire 30 days from the date after the expiry acceleration notice is given (unless exercised). The Company paid $7,957 in legal and filing fees in connection with the private placement. During the year ended November 30, 2010, 2,380,953 warrants were exercised for total proceeds of $1,428,572 (2009 - $Nil).

On November 30, 2010, the Company completed a non-brokered private placement of 4,000,000 units at a price of $0.36 per unit for gross proceeds of $1,440,000. Each unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company until November 30, 2012 at an exercise price of $0.50. The warrants carry an accelerated expiry feature such that if at any time between March 31, 2010 and November 30, 2012 the daily volume-weighted average trading price of the Company's shares trade above $1.00 for at least 10 consecutive trading days, the Company may, within 30 days, issue an expiry acceleration notice to the holders of the warrants and, if it does so, the warrants will expire 30 days from the date after the expiry acceleration notice is given (unless exercised). The Company issued 28,000 finders units valued at $10,080 and paid $15,238 in legal and filing fees in connection with the private placement. During the year ended November 30, 2010, no warrants were exercised.

Warrants

	Number of Warrants
Balance, November 30, 2008	4,654,852
Issued:	
Exercisable at $0.40	4,037,000
Exercisable at $0.60	3,349,953
Exercised at $0.40	(15,000)
Expired	(1,852,852)
Balance, November 30, 2009	10,173,953
Issued:	
Exercisable at $0.50	4,000,000
Exercised at $0.40	(3,087,000)
Exercised at $0.60	(2,380,953)
Balance, November 30, 2010	8,706,000

(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

Warrants (Continued)

The following warrants were outstanding at November 30, 2010:

Number of Warrants	Exercise Price	Expiry Date
3,737,000	$0.40	September 9, 2011 (Note 13 (d))
969,000	$0.60	October 23, 2011 (Note 13 (e))
4,000,000	$0.50	November 30, 2012
8,706,000		

The following warrants were outstanding at November 30, 2009:

Number of Warrants	Exercise Price	Expiry Date
2,787,000	$0.40	November 12, 2010
4,037,000	$0.40	September 9, 2011
3,349,953	$0.60	October 23, 2011
10,173,953		

7. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

The Company has adopted an incentive stock option plan (the “2004 Plan”). The essential elements of the 2004 Plan provide that the aggregate number of common shares of the Company’s capital stock issuable pursuant to options granted under the 2004 Plan may not exceed 10% of the number of issued shares of the Company at the time of granting of the options. Options granted under the 2004 Plan will have a maximum term of five years. The exercise price of options granted under the 2004 Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company’s common shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted under TSX-V policies), or such other price as may be agreed to by the Company and accepted by the TSX-V. Unless otherwise determined by the directors at the date of grant, options granted under the 2004 Plan vest immediately, except for options granted to consultants conducting investor relation activities, which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of grant of the option.

On January 23, 2009, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 1,000,000 common shares in the capital stock of the Company. The options are exercisable on or before January 23, 2011 at a price of $0.30 per share. The grant incurred stock-based compensation charges of $150,160.

On March 6, 2009, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 500,000 common shares in the capital stock of the Company. The options are exercisable on or before March 6, 2011 at a price of $0.30 per share. The grant incurred stock-based compensation charges of $82,490.

On May 29, 2009, the Company granted incentive stock options to directors, officers and consultants of the Company to purchase up to an aggregate of 690,000 common shares in the capital stock of the Company. The options are exercisable on or before May 29, 2011 at a price of $0.32 per share. The grant incurred stock-based compensation charges of $136,075.

(Expressed in Canadian Dollars)

7. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (Continued)

On October 26, 2009, the Company granted incentive stock options to directors, officers and consultants of the Company to purchase up to an aggregate of 1,055,000 common shares in the capital stock of the Company. The options are exercisable on or before October 26, 2011 at a price of $0.60 per share. The grant incurred stock-based compensation charges of $381,315.

On October 18, 2010, the Company granted incentive stock options to consultants of the Company to purchase up to an aggregate of 500,000 common shares in the capital stock of the Company. The options are exercisable on or before October 18, 2012 at a price of $0.50 per share. The grant incurred stock-based compensation charges of $140,514, of which $91,336 has been expensed as of November 30, 2010.

The Company uses the Black-Scholes option pricing model to value stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation and disclosures, the following assumptions were used:

Options Granted	Risk-Free Interest Rate	Expected Life	Expected Volatility	Expected Dividends
October 18, 2010	1.34%	2 years	120.26%	-
October 26, 2009	1.54%	2 years	136.80%	-
May 29, 2009	1.23%	2 years	128.77%	-
March 6, 2009	0.96%	2 years	126.05%	-
January 23, 2009	1.24%	2 years	126.83%	-

Stock-based compensation, for all options vesting in the current year, was charged against operations as follows:

	2010	2009
Professional fees	$ -	$ 11,550
Consulting	84,309	512,126
Shareholders' communications	126,401	41,865
Salaries and benefits	-	65,125
	$ 210,710	$ 630,666

(Expressed in Canadian Dollars)

7. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (Continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, November 30, 2008	2,328,325	$2.62
Granted:		
Exercisable at $0.30	1,000,000	$0.30
Exercisable at $0.30	500,000	$0.30
Exercisable at $0.32	690,000	$0.32
Exercisable at $0.60	1,055,000	$0.60
Exercised	(15,000)	$0.30
Expired	(1,488,325)	$2.98
Cancelled	(315,000)	$2.97
Outstanding, November 30, 2009	3,755,000	$0.54
Granted:		
Exercisable at $0.50	500,000	$0.50
Exercised	(75,000)	$0.30
Expired	(540,000)	$0.95
Outstanding, November 30, 2010	3,640,000	$0.48

The following incentive stock options were outstanding at November 30, 2010:

Number of Options	**Exercisable**	**Exercise Price**	**Expiry Date**	**Weighted Average Remaining Contractual Life (years)**
975,000	975,000	$0.30	January 23, 2011 (Note 13(a))	0.15
420,000	420,000	$0.30	March 6, 2011 (Note 13 (b))	0.26
690,000	690,000	$0.32	May 29, 2011	0.49
1,055,000	1,055,000	$0.60	October 26, 2011 (Note 13 (c))	0.90
500,000	325,000	$0.50	October 18, 2012	1.88
3,640,000	3,465,000			

(Expressed in Canadian Dollars)

7. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (Continued)

The following incentive stock options were outstanding at November 30, 2009:

Number of Options	Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (years)
540,000	540,000	$0.95	May 5, 2010	0.43
1,000,000	975,000	$0.30	January 23, 2011	1.15
470,000	470,000	$0.30	March 6, 2011	1.26
690,000	665,000	$0.32	May 29, 2011	1.49
1,055,000	748,750	$0.60	October 26, 2011	1.90
3,755,000	3,398,750			

8. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties. These consolidated financial statements include transactions with related parties in addition to those disclosed elsewhere as follows:

(a) The Company paid or accrued consulting fees of $180,000 (2009 - $265,900) to a company controlled by a director of the Company, which includes stock-based compensation of $Nil (2009 - $85,900), and $417,149 (2009 - $522,350) to officers and consultants of the Company, companies owned or controlled by officers of the Company, and a former officer, which includes stock-based compensation of $28,103 (2009 - $135,593).

(b) The Company paid directors' fees included in consulting fees of $124,000 (2009 - $376,258), which includes stock-based compensation of $Nil (2009 - $278,258) to directors of the Company.

(c) The Company has entered into a month-to-month arrangement for the rental of office premises and provision of administrative services with Cardero Resource Corp. ("Cardero"), a company with common officers and directors. During the year, the Company paid Cardero $72,806 (2009 - $74,284) in rent pursuant to this arrangement.

(d) Amounts due to related parties include directors, officers, companies they control, and companies with common directors and/or officers. The amounts are unsecured, without interest, due on demand and expected to be repaid within one year. Amounts due to related parties of $294,375 (2009 - $127,343) are comprised of $11,302 (2009 - $18,395) to officers and a consultant of the Company for consulting and expense reimbursements, $Nil (2009 - $2,000) to directors and $283,073 (2009 - $106,948) to Cardero for expense reimbursements and short-term loans (note 8(e)).

(e) The Company has received short-term loans from Cardero, which are unsecured, represented by a grid promissory note, bearing simple interest at 1% (commencing December 1, 2008) and are repayable 30 days after demand.

(f) The Company has entered into a mineral property option agreement with GFK, a company whose president is also a former officer of the Company (note 5).

(g) The Company has entered into a retainer agreement dated May 1, 2007 with Lawrence W. Talbot Law Corporation ("LWTLC"), a company owned by an officer, pursuant to which LWTLC agrees to provide legal services to the Company. The Company is required to pay LWTLC a minimum annual retainer of $67,500, payable as to the sum of $5,625 per month. The retainer agreement may be terminated by LWTLC on reasonable notice (which would not normally be expected to be less than 60 days), and by the Company on one year's notice (or payment of one year's retainer in lieu of notice). During the year, the Company paid professional fees of $70,256 (2009 - $72,225) to LWTLC.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (Continued)

(h) The Company has entered into a consulting agreement dated March 1, 2007 with Bosch Management Inc. ("Bosch"), a company owned by a director, pursuant to which Bosch agrees to provide management consulting services to the Company. The Company is required to pay Bosch a monthly fee of $15,000. The agreement may be terminated by Bosch with not less than 30 days' notice and by the Company on one year's notice (or payment of one year's consulting fee in lieu of notice).

(i) The Company has entered into a consulting agreement dated March 13, 2007 with Winslow Associates Management & Communications Inc. ("Winslow"), a company owned by a former officer, pursuant to which Winslow agrees to provide financial accounting and financial reporting services to the Company. The Company is required to pay Winslow a monthly fee of $5,000. The term of the agreement shall be for 24 months and will automatically be extended for an additional 12 months. The agreement may be terminated by either party upon 30 days' written notice to the other party.

(j) The president of Madero provides management services for US $3,750 per month, which is expensed to consulting fees.

9. INCOME TAXES

A reconciliation of the income tax benefit (provisions) with amounts determined by applying the Canadian income tax rates to the consolidated loss for each fiscal year ended November 30:

	2010	2009
Loss before income taxes	$ 4,537,000	$ 5,836,491
Income tax recovery at statutory rates	$ (1,298,717)	$ (1,755,811)
Non-deductible items	60,316	189,725
Other temporary differences	818,188	953,199
Effect of tax rates in other jurisdictions	(21,470)	(12,678)
Effect of rate reduction	55,474	(815,108)
Changes in valuation allowance	386,209	1,440,673
Future income tax recovery	$ -	$ -

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

	2010	2009
Future income tax assets:		
Property, plant and equipment	17,826	$ 15,638
Long-term asset and investment	30,359	30,359
Mineral properties	1,745,628	1,713,685
Share issuance costs	35,513	70,954
Losses available for future periods	3,087,425	2,699,906
	4,916,751	4,530,542
Valuation allowance	(4,916,751)	(4,530,542)
	$ -	$ -

(Expressed in Canadian Dollars)

9. INCOME TAXES (Continued)

The above losses available for future years have been determined by applying the income tax rate of 28.79% (2009 – 28.29%). These tax benefits have not been recognized in the consolidated financial statements, as the benefits are not, more likely than not, going to be realized.

Subject to certain restrictions, the Company has exploration and development expenditures of approximately $15,531,000, net capital losses of $274,000 and operating losses of approximately $11,507,000 available to reduce future taxable income as follows:

	Canada	Foreign	Total
2011	$ -	$ 276,000	$ 276,000
2012	-	302,000	302,000
2013	-	616,000	616,000
2014	539,000	235,000	774,000
2015	787,000	337,000	1,124,000
2026	1,016,000	-	1,016,000
2027	1,968,000	-	1,968,000
2028	2,102,000	-	2,102,000
2029	1,799,000	-	1,799,000
2030	1,530,000	-	1,530,000
	$ 9,741,000	$ 1,766,000	$ 11,507,000

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2010	2009
Cash paid during the year for:		
Interest	$ 701	$ 3,943
Income taxes	$ -	$ -
Accounts payable related to mineral property expenditures	$ 243,167	$ 27,060
Due to related parties relating to mineral property expenditures	$ 94,342	$ 112,093

The Company has issued common shares for non-cash consideration as follows:

Year	Number of Shares	Amount	Consideration
2010	28,000	$ 10,080	Finders' fees on private placement
2009	410,000	$ 110,700	Acquisition of mineral properties

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

(Expressed in Canadian Dollars)

11. CAPITAL MANAGEMENT (Continued)

The Company currently has no source of revenues; as such, the Company is dependent upon external financings or the sale of assets (or an interest therein) to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended November 30, 2010. The Company is not subject to externally imposed capital requirements.

12. GEOGRAPHIC SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral resources industry, and in three geographical segments, Canada, Peru, and Argentina. All current exploration activities are conducted in the affected jurisdictions outside of Canada. The significant asset categories identifiable with these geographical areas are as follows:

	Canada	Peru	Argentina	Total
November 30, 2010				
Mineral properties	$ -	$ 250,000	$ 7,617,634	$ 7,867,634
Cash	1,757,362	-	110,220	1,867,582
Other	806,644	-	31,959	838,603
	$ 2,564,006	$ 250,000	$ 7,759,813	$ 10,573,819
November 30, 2009				
Mineral properties	$ 127,381	$ 701,896	$ 8,811,180	$ 9,640,457
Cash	560,095	-	200,562	760,657
Other	66,454	-	24,304	90,758
	$ 753,930	$ 701,896	$ 9,036,046	$ 10,491,872

13. SUBSEQUENT EVENTS

Subsequent to November 30, 2010, the Company:

(a) issued 975,000 common shares at a price of $0.30 per share for proceeds of $292,500 pursuant to the exercise of stock options with an original expiry date of January 23, 2011.

(b) issued 380,000 common shares at a price of $0.30 per share for proceeds of $114,000 pursuant to the exercise of stock options with an original expiry date of March 6, 2011. An additional 40,000 stock options expired unexercised.

(c) issued 50,000 common shares at a price of $0.60 per share for proceeds of $15,000 pursuant to the exercise of stock options with an original expiry of October 26, 2011.

(d) issued 1,200,000 common shares at a price of $0.40 per share for proceeds of $480,000 pursuant to the exercise of warrants with an original expiry date of September 9, 2011.

(e) issued 50,000 common shares at a price of $0.60 per share for proceeds of $30,000 pursuant to the exercise of warrants with an original expiry date of October 23, 2011.

13. SUBSEQUENT EVENTS (Continued)

(f) entered into an agreement dated December 17, 2010 with Uranio del Sur S.A., a private arm's length Argentinean company, to acquire a 100% interest in two exploration concessions (totalling 5,928 hectares) surrounding the Rodeo de Los Molles property for US$22,500.

(g) collected share subscriptions receivable of $743,400.

(h) granted 2,000,000 stock options to directors, officers, employees and consultants to purchase up to 2,000,000 common shares of the Company. The options are exercisable on or before March 25, 2013 at a price of $0.68 per share.