RT MINERALS CORP.

(A Development Stage Company)

FINANCIAL STATEMENTS

November 30, 2009 AND 2008

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AUDITORS' REPORT

To the Shareholders,
RT Minerals Corp.
(A Development Stage Company)

We have audited the balance sheets of RT Minerals Corp. (A Development Stage Company) as at November 30, 2009 and 2008 and the statements of loss, comprehensive loss and deficit and cash flows 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 financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed) “BDO Canada LLP”

Chartered Accountants

Vancouver, Canada
March 9, 2010

RT MINERALS CORP.
(A Development Stage Company)
BALANCE SHEETS
November 30, 2009 and 2008

ASSETS	2009	2008
Current		
Cash	$ 31,089	$ 5,176
Amounts receivable	88,833	8,650
Prepaid expenses – Note 6	80,975	2,197
	200,897	16,023
Resource property costs – Notes 3 and 6	776,715	346,629
	$ 977,612	$ 362,652
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 138,161	$ 67,795
Due to related parties – Note 4	42,218	16,458
	180,379	84,253
SHAREHOLDERS' EQUITY		
Share capital – Notes 3 and 5	1,256,423	465,061
Contributed surplus – Note 5	119,201	35,200
Deficit	(578,391)	(221,862)
	797,233	278,399
	$ 977,612	$ 362,652

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Commitments – Notes 3, 5 and 9
Subsequent Events – Notes 5, 9 and 10

APPROVED BY THE DIRECTORS:

"Donald M. Clark" Director — *"Paul Antoniazzi"* Director
Donald M. Clark — Paul Antoniazzi

SEE ACCOMPANYING NOTES

RT MINERALS CORP.
(A Development Stage Company)
STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
for the years ended November 30, 2009 and 2008

	2009	2008
General and administration expenses		
Accounting and audit fees	$ 34,608	$ 22,227
Administrative and consulting fees – Note 6	67,049	7,610
Filing fees	6,995	2,816
Investor communications	17,444	1,576
Legal fees	6,995	5,897
Loan interest expense – Note 6	106	303
Management salaries – Note 6	126,100	84,235
Office Expenses	37,586	25,776
Part XII.6 Tax	1,712	-
Stock-based compensation – Note 5	111,857	11,200
Transfer Agent	7,555	3,912
Travel and automobile	8,415	20,918
Loss before other item	(426,422)	(186,470)
Other item:		
Interest income	143	907
Loss before income tax provision	(426,279)	(185,563)
Recovery of future income tax asset – Note 7	69,750	48,000
Net loss and comprehensive loss for the year	(356,529)	(137,563)
Deficit, beginning of the year	(221,862)	(84,299)
Deficit, end of the year	$ (578,391)	$ (221,862)
Basic and diluted loss per share	$ (0.03)	$ (0.02)
Weighted average number of shares outstanding	11,113,436	6,419,672

SEE ACCOMPANYING NOTES

RT MINERALS CORP.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
for the years ended November 30, 2009 and 2008

	2009	2008
Operating Activities		
Net loss for the year	$ (356,529)	$ (137,563)
Items not involving cash:		
Stock-based compensation	111,857	11,200
Recovery of future income tax asset	(69,750)	(48,000)
	(314,422)	(174,363)
Changes in non-cash working capital items related to operations:		
Amounts receivable	(11,096)	(2,706)
Prepaid expenses	(78,778)	11,803
Accounts payable and accrued liabilities	(24,533)	22,506
	(428,829)	(142,760)
Investing Activity		
Resource property costs, net of tax credit recovery – Note 3	(318,650)	(198,454)
Financing Activities		
Common shares issued for cash	765,625	450,000
Share issue costs	(9,869)	(192,939)
Due to related parties	17,636	1,585
	773,392	258,646
Increase (decrease) in cash during year	25,913	(82,568)
Cash, beginning of the year	5,176	87,744
Cash, end of the year	$ 31,089	$ 5,176
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 106	$ 303
Income taxes	$ -	$ -

Non-cash Transactions – Note 8

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations and Ability to Continue as a Going Concern

RT Minerals Corp. (the "Company") was incorporated on March 9, 2007 under the Business Corporations Act of British Columbia. The Company is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or developing these properties further. At November 30, 2009, the Company held under option a 100% interest in a resource property located near Timmins, Ontario and a 100% interest in a resource property located in the Baie Comeau Area in the Province of Quebec (Note 3).

The Company is in the exploration stage and is in the process of exploring and developing its resource property and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts shown for resource property costs is dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying resource property, as well as the ability of the Company to obtain the necessary financing to complete exploration and development of the property and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At November 30, 2009, the Company had not yet achieved profitable operations, has accumulated losses of $578,391 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations.

Note 2 Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles and are stated in Canadian dollars. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below:

Note 2 Significant Accounting Policies – (cont'd)

a) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from such estimates.

b) Resource Property Impairment

The Company accounts for its mineral properties whereby all direct costs related to the acquisition, exploration and development of these properties are capitalized. Acquisition costs include cash consideration and the value of common shares exchanged for mineral properties pursuant to the terms of the agreement. All sales and option proceeds received are first credited against the costs of the related property, with any excess credited to earnings. Once commercial production has commenced, the net costs of the applicable property will be charged to operations using the unit-of-production method based on estimated recoverable reserves. On an ongoing basis, the Company evaluates each property, based on the results to date, to determine the nature of exploration work that is warranted in the future. If there is little prospect of future work on a property being carried out, the deferred costs related to that property are written down to the estimated amounts recoverable.

c) Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Note 2 Significant Accounting Policies – (cont'd)

d) Asset Retirement Obligation

The liability for asset retirement obligations, such as site reclamation costs, is recognized in the period in which it is incurred. The Company is required to record the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increase the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs will be amortized to expense over the life of the related assets using the unit-of-production method. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial fair value measurements (additional asset retirement costs). As at November 30, 2009, the Company has determined that it does not have any asset retirement obligations.

e) Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at November 30, 2009.

f) Flow-Through Shares

Under the terms of flow-through share agreements, the related exploration expenditures are renounced to the subscribers of such shares. The Company records the tax effect related to the renounced deductions as a reduction of income tax expense in the statement of operations with a corresponding entry to share capital on the date that the Company renounces the deductions for investors.

g) Comprehensive Income

Canadian Institute of Chartered Accountants Handbook ("CICA") Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Note 2 Significant Accounting Policies – (cont'd)

h) Financial Instruments

The Company designated cash as a financial asset held for trading. Amounts receivable is designated as loans and receivables, which is measured at amortized cost. Accounts payable and accrued liabilities and due to related parties are designated as other financial liabilities, which are measured at amortized cost.

i) Future Income Taxes

The Company has adopted the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely-than-not that they can be realized.

j) Basic and Diluted Loss Per Share

Basic loss per share is calculated by dividing the net loss for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

For the year ended November 30, 2009, potentially dilutive common shares (relating to share purchase options and warrants outstanding) totalling 7,236,850 (2008: 3,410,000) were not included in the computation of loss per share because their effect was anti-dilutive.

k) Stock-Based Compensation

The fair value of share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Note 2 Significant Accounting Policies – (cont'd)

l) Flow Through Shares

The CICA issued Emerging Issue Committee Abstract No. 146, "Flow through Shares", which clarifies the recognition of previously unrecorded future income tax assets caused by renouncement of expenditures relating to flow through shares. The Company has adopted the recommendations for flow through shares issued and records the tax effect related to the renounced deductions as a reduction of income tax expense in the statement of loss and deficit on the date that the Company renounces the deductions for investors.

m) Adoption of New Accounting Standards

Effective December 1, 2007, the Company adopted four new Canadian Institute of Chartered Accountants ("CICA") accounting standards: (a) Handbook Section 1535, *Capital Disclosures*; (b) handbook Section 3862, *Financial Instruments – Disclosures*; and Handbook Section 3863, *Financial Instruments – Presentation*; (c) Handbook Section 1506, *Accounting Changes*; (d) Emerging Issues Committee of the CICA abstract No. 166, *Accounting Policy Choice for Transaction Costs*; and (e) Handbook Section 1540, *Cash Flow Statements*. The main requirements of these new standards and the resulting financial statement impact are described below.

Consistent with the requirements of the new accounting standards, the Company has not restated any prior period amounts as a result of adopting the accounting changes. The effect of the adoption of these standards is summarized below:

i) Capital Disclosure, Section 1535

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

Note 2 Significant Accounting Policies – (cont'd)

m) Adoption of New Accounting Standards – (cont'd)

i) Capital Disclosure, Section 1535 – (cont'd)

The Company's investment policy is to hold excess cash in interest bearing bank accounts.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended November 30, 2009.

ii) Financial Instruments – Disclosure and Presentation, Section 3862 and 3863

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is not exposed to major credit risk as it has no customers. Additionally, the majority of the Company's cash is held with a high rated Canadian financial institution in Canada.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

Note 2 Significant Accounting Policies – (cont'd)

m) Adoption of New Accounting Standards – (cont'd)

ii) Financial Instruments – Disclosure and Presentation, Section 3862 and 3863 – (cont'd)

b) Liquidity Risk – (cont'd)

As at November 30, 2009, the Company's financial liabilities were comprised of accounts payable and accrued liabilities and due to related parties. As at November 30, 2009, the Company had current assets of $200,897 (2008 - $16,023) and current liabilities of $180,379 (2008 - $84,253). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital surplus of the Company is $20,518 (2008 – working capital deficit $68,230).

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

d) Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

e) Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

Note 2 Significant Accounting Policies – (cont'd)

m) Adoption of New Accounting Standards – (cont'd)

ii) Financial Instruments – Disclosure and Presentation, Section 3862 and 3863 – (cont'd)

f) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company has no interest-bearing investments or debt, it is not exposed to interest rate risk at this time.

n) New Accounting Pronouncements

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 generally accepted accounting principles ("GAAP") and 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 is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of November 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2012, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062.

The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal year beginning November 1, 2008. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this new Section had no impact on the Company's financial statements.

Note 2 Significant Accounting Policies – (cont'd)

n) New Accounting Pronouncements – (cont'd)

General Standards of Financial Statement Presentation

The Canadian Accountability Standards Board ("AcSB") amended CICA Handbook Section 1400, General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008 and was adopted by the Company on October 1, 2008. The implementation of this standard did not have a material effect on the Company's financial statements.

Financial Statement Concepts

Handbook section 1000 has been amended to focus on the capitalization of costs that meet the definition of an asset and de-emphasizes the matching principle. The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The implementation of this standard did not have a material effect on the Company's financial statements.

Business Combinations

In January 2009, the CICA issued the new handbook Section 1582, "Business Combinations" effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact of adopting this pronouncement on the financial statements, it will be limited to any future acquisitions beginning in fiscal 2011.

Note 3 Resource Property Costs

	Baie Comeau	Timmins	Total
Balance, November 30, 2007	$ 99,237	$ -	$ 99,237
Acquisition costs			
Cash	50,000	-	50,000
Deferred exploration costs			
Assaying and development	109	-	109
Drilling and geophysics	54,627	-	54,627
Equipment rental & repairs	14,734	-	14,734
Field crew expenses	5,235	-	5,235
Project management – Note 6	114,516	-	114,516
Site meals, lodging and travel	15,708	-	15,708
Surveying	4,696	-	4,696
Technical report	5,000	-	5,000
	214,625	-	214,625
Less: tax credit recovery	(17,233)	-	(17,233)
	197,392	-	197,392
Balance, November 30, 2008	$ 346,629	$ -	$ 346,629
Acquisition costs			
Cash	$ -	$ 60,000	$ 60,000
Shares	-	77,500	77,500
	-	137,500	137,500
Deferred exploration costs			
Administration	50	7,654	7,704
Assaying and development	154	2,023	2,177
Drilling and geophysics	2,500	202,241	204,741
Facility rental	-	2,300	2,300
Field crew expenses	-	894	894
Project management – Note 6	37,817	67,583	105,400
Site meals, lodging and travel	-	38,457	38,457
	40,521	321,152	361,673
Less: tax credit recovery	(69,087)	-	(69,087)
	(28,566)	321,152	292,586
Balance, November 30, 2009	$ 318,063	$ 458,652	$ 776,715

Note 3 Resource Property Costs – (cont'd)

a) Baie Comeau Property (Quebec)

By an option agreement dated March 27, 2007 and amended on August 29, 2008, the Company has acquired a 100% interest in a property (the "Baie Comeau Property") located in the district of Baie Comeau, Province of Quebec, in consideration for the payment of $75,000 (paid), the issuance of 500,000 common shares (issued) of the Company and the conclusion of a work program and expenditures consisting solely of a NI 43-101 report on the property and any work related thereto.

The Company's interest in the Baie Comeau Property is subject to a 3% net smelter return royalty, one half of which may be repurchased at any time for $1,000,000.

b) Timmins Property (Ontario)

By an option agreement dated July 31, 2009, the Company has acquired a 100% interest in a gold property ("the Timmins Property") located in the district of Timmins, Ontario, in consideration for the payment of $1,030,000, the issuance of 500,000 common shares of the Company, and the expenditure of an aggregate of $2,100,000 in exploration expenditures over four years as follows:

Cash	$60,000 upon signing (paid);
	$20,000 on or before January 1, 2010;
	$100,000 on or before August 10, 2010
	$150,000 on or before August 10, 2011
	$200,000 on or before August 10, 2012
	$500,000 on or before August 10, 2013
Shares	500,000 upon signing (issued);
Exploration expenditures	$250,000 on or before August 10, 2010
	$350,000 on or before August 10, 2011
	$500,000 on or before August 10, 2012
	$1,000,000 on or before August 10, 2013

The Company's interest in the Timmins Property is subject to a 3% net smelter return royalty, one half of which may be repurchased at any time for $1,000,000.

Note 4 Due to Related Parties

Due to related parties represents amounts owing to directors, companies with common directors, and officers for unpaid project management services, expenses and salaries, which are unsecured, non-interest bearing and payable on demand.

Note 5 Share Capital – Notes 3 and 10

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Issued: common shares

		Number	Amount
Balance, November 30, 2007		5,600,000	$ 280,000
For cash:			
Pursuant to a private placement	– at $0.15	3,000,000	450,000
Share issue costs		-	(216,939)
Recovery of future income tax asset – Note 7		-	(48,000)
Balance, November 30, 2008		8,600,000	465,061
For cash:			
Option exercise		1,000,000	50,000
Transfer from contributed surplus on exercise of options		-	23,200
Warrant exercise		1,712,500	165,626
Transfer from contributed surplus on exercise of warrants		-	12,552
Pursuant to a private placement	– at $0.05	5,000,000	250,000
Pursuant to a private placement	– at $0.20	1,500,000	300,000
Share issue costs		-	(17,766)
Recovery of future income tax asset – Note 7		-	(69,750)
For Timmins property acquisition	– at $0.155	500,000	77,500
Balance, November 30, 2009		18,312,500	$ 1,256,423

a) In November 2009, the Company raised gross proceeds of $300,000 pursuant to a non-brokered private placement of 300 units at $1,000 per unit. Each unit consists of a total of five thousand (5,000) shares consisting of four thousand (4,000) flow through shares at $0.20 per share and one thousand (1,000) non-flow through shares at $0.20 per share and two thousand five hundred (2,500) warrants. Each warrant entitles the holder to acquire one further non-flow through common share of the Company at $0.25 per share until November 5, 2010. Insiders subscribed to 44 units of the offering. A finder's fee of $9,870 cash and 49,350 agent warrants exercisable at $0.20 per share until November 5, 2010 was paid on units not subscribed for by insiders of the Company.

b) In August 2009, the Company raised gross proceeds of $250,000 pursuant to a non-brokered private placement of 5,000,000 units at $0.05 per unit. Each unit consists of one common share and one non-transferrable share purchase warrant, each warrant entitling the holder to acquire one common share at $0.05 until August 11, 2010. Insiders subscribed to 1,425,000 units of the offering.

Note 5 Share Capital – Notes 3 and 10 – (cont'd)

Issued: – (cont'd)

c) In August 2009, the Company issued 500,000 common shares at a deemed price of $0.155 (Fair value on issue date) per share pursuant to the Timmins Property option agreement described under Note 3(b) above.

d) In January 2009, the Company issued 100,000 common shares at a deemed price of $0.02 per share pursuant to a property option agreement. The Company did not proceed with the property option agreement and accordingly the common shares were cancelled and returned to treasury on March 16, 2009.

e) In August 2008, the Company completed its initial public offering of 3,000,000 units at $0.15 per unit for gross proceeds of $450,000. Each unit was comprised of one half of a common share and one half of a flow-through common share, pursuant to a prospectus dated July 17, 2008. The agent for the offering received a cash commission of 8% of the gross proceeds of the offering and 300,000 agent's warrants, each warrant exercisable into one common share of the Company at a price of $0.15 until August 22, 2009. The Company's common shares have been approved for listing on the Canadian National Stock Exchange (formerly CNQ Trading and Quotation System Inc.) and commenced trading on Tuesday, August 26, 2008 under the symbol RTMC, later changed to RTM. Insiders of the Company subscribed for 145,000 units of the offering.

For the units issued in 5(a), (b) and (e) the Company used the residual value method to allocate values to common shares and warrants issued. Proceeds from the private placements and initial public offering have been allocated all to the common shares and none to warrants.

Proceeds of the issued flow-through common shares on Canadian (flow-though) qualifying exploration expenditures. The Company has indemnified the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

The Company is committed to spending the flow-through unit proceeds on exploration activities and to renouncing $464,400 of eligible Canadian Exploration Expenditures to the subscribers of the flow-through shares. This amount will not be available to the Company for future deduction from taxable income.

As a result of the $225,000 flow-through unit proceeds raised in August 2008, $225,000 in exploration expenses was renounced subsequent to year end in December 2008. During the period from August 2008 to November 2009, the Company incurred $225,000 of qualifying exploration expenses, of which $105,934 of expenditures was incurred in 2009 under the look-back rule.

Note 5 Share Capital – Notes 3 and 10 – (cont'd)

Issued: – (cont'd)

e) – (cont'd)

As a result of the $240,000 flow-through unit proceeds raised in November 2009, $239,400 in exploration expenses was renounced subsequent to year end in January 2010. The Company is required to incur $239,400 in qualifying exploration expenses before December 31, 2010.

Stock-based Compensation Plan:

On December 11, 2007, the Company adopted a stock based compensation plan for its employees. Pursuant to the terms of this plan, the aggregate number of share purchase options granted in any 12-month period to any one consultant or service provider conducting investor relations activities cannot exceed 2% of the outstanding shares calculated at the time of grant, without prior consent of the TSX-V. The maximum number of shares that can be reserved for issuance under the plan at any time is 1,000,000.

As at November 30, 2009, there were 300,000 share purchase options outstanding, as per the following table:

	November 30, 2009		November 30, 2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	560,000	$0.15	-	-
Granted	1,400,000	$0.08	560,000	$0.15
Exercised	(1,000,000)	$0.05	-	-
Expired/Cancelled	(660,000)	$0.15	-	-
Outstanding and exercisable, end of year	300,000	$0.20	560,000	$0.15

At November 30, 2009, the Company had the following stock options outstanding:

Number	Exercise Price	Expiry Date
300,000	$0.20	October 15, 2010

The weighted average life of options outstanding at November 30, 2009 is .87 years

Note 5 Share Capital – Notes 3 and 10 – (cont'd)

Stock-based Compensation Plan: – (cont'd)

On December 11, 2007, the Company granted an aggregate of 560,000 options to its directors and officers at an exercise price of $0.15 per share, exercisable up to December 11, 2009. These options were cancelled on March 23, 2009.

On January 7, 2009, the Company granted an aggregate of 340,000 options to its consultants at an exercise price of $0.05 per share, exercisable up to January 7, 2011.

Also on January 7, 2009, the Company granted 100,000 options to a consultant performing investor relations activities for the Company, at an exercise price of $0.05 per share, exercisable up to January 7, 2011. The options vest over a period of 12 months as to 25% on the date that is three months from the date of the grant, and a further 25% on each successive date that is three months from the date of the previous vesting. The investor relations consultant's tenure was not continued and accordingly his options were forfeited unvested on February 7, 2009.

On June 29, 2009, the Company granted an aggregate of 660,000 options to its directors and a consultant at an exercise price of $0.05 per share, exercisable up to June 29, 2010.

In August 2009, 1,000,000 outstanding stock options were exercised for gross proceeds of $50,000.

In October 2009, the Company granted an aggregate of 300,000 options to consultants at an exercise price of $0.20 per share, exercisable up to October 15, 2010.

The fair value of share purchase options granted during the year and included in expenses and contributed surplus was $74,200 (2008: $11,200). The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	2009	2008
Stock price volatility	124% - 256%	107%
Risk-free interest rate	0.49% - 1.19%	3.64%
Dividend yield	-	-
Expected life of options	1 - 2 years	2 years
Fair value of options granted	$0.01 - $0.17	$0.02

Share Purchase Warrants:

As at November 30, 2009, 6,936,850 share purchase warrants were outstanding as per the following tables (November 30, 2008: 2,850,000).

Note 5 Share Capital – Notes 3 and 10 – (cont'd)

Share Purchase Warrants: – (cont'd)

Exercise Price	Number of Shares	Expiry Date
$0.05	4,475,000	August 12, 2010
$0.25	712,500	November 5, 2010
$0.20	49,350	November 5, 2010
$0.10	1,700,000	March 9, 2012
	6,936,850	

	November 30, 2009		November 30, 2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	2,850,000	$0.11	2,550,000	$0.10
Issued	5,799,350	$0.08	300,000	$0.15
Exercised	(1,712,500)	$0.10	-	-
Outstanding, end of year	6,936,850	$0.08	2,850,000	$0.11

Subsequent to year-end, share purchase warrants to acquire 3,750,000 common shares were exercised for gross proceeds of $236,250.

In November 2009, pursuant to a non-brokered unit private placement (Note 5 "Issued"), the Company issued 750,000 share purchase warrants exercisable at $0.25 per share until November 5, 2010.

In August 2009, pursuant to a non-brokered unit private placement (Note 5 "Issued"), the Company issued 5,000,000 share purchase warrants exercisable at $0.05 per share until August 12, 2010.

In February 2009, the Company extended the expiry date of 2,550,000 warrants from March 9, 2009 to March 9, 2012. The remaining terms of the warrants, including the exercise price of $0.10 per share, remain the same. In August 2009, 850,000 of these warrants were exercised for proceeds of $85,000. The fair value of the extended purchase warrants which has been recorded as stock based compensation was determined to be $37,657 using the Black-Scholes option-pricing model using the following assumptions:

Note 5 Share Capital – Notes 3 and 10 – (cont'd)

Share Purchase Warrants: – (cont'd)

	2009
Stock price volatility[1]	117%
Risk-free interest rate	0.57%
Dividend yield	-
Expected life of warrants	3 year
Fair value of warrants granted	$0.01

In November 2009, the Company issued 49,350 warrants exercisable at $0.20 per share for one year to the agents of a private placement (Note 5 "Issued"). The Company recorded share issue costs of $17,766 and credited $7,896 to contributed surplus. In August 2008, the Company issued 300,000 warrants exercisable at $0.15 per share for one year to the agents of a private placement (Note 5 "Issued"). The Company recorded share issue costs of $216,939 and credited $24,000 to contributed surplus. The Company uses the Black-Scholes option pricing model to calculate the fair value of these warrants issued. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions cam materially affect estimates of fair value. For purpose of the calculation, the following assumptions were used:

	2009	2008
Stock price volatility[1]	256%	[1]151%
Risk-free interest rate	0.56%	2.82%
Dividend yield	-	-
Expected life of warrants	1 year	1 year
Fair value of warrants granted	$0.16	$0.08

(1) At grant date on August 12, 2008, there was no market for the Company's shares so volatility was estimated using the average volatility of two similar publicly traded companies.

Escrow Shares:

On March 9, 2007, the Company issued 5,100,000 seed capital common shares at $0.05 per share to investors and directors of the Company for gross proceeds of $255,000. Of these shares, 4,600,000, which are owned by officers and directors of the Company, were held in escrow, subject to National Policy 46-201 and pursuant to an escrow agreement dated January 10, 2008. The escrow shares will be released pro rata to the escrow shareholders as follows:

Note 5 Share Capital – Notes 3 and 10 – (cont'd)

Escrow Shares: – (cont'd)

i) 10% upon the date the Company's securities are listed on a Canadian exchange (released August 26, 2008);
ii) 15% six months following the initial release (released);
iii) 15% twelve months following the initial release (released);
iv) 15% eighteen months following the initial release;
v) 15% twenty four months following the initial release;
vi) 15% thirty months following the initial release; and
vii) 15% thirty six months following the initial release.

As at November 30, 2009, 2,760,000 shares are held in escrow (2008: 4,140,000).

Contributed Surplus:

Continuity of contributed surplus is as follows:

Balance - November 30, 2007	$ -
Stock-based compensation	35,200
Balance – November 30, 2008	35,200
Stock-based compensation	111,857
Warrants exercised	(12,552)
Stock options exercised	(23,200)
Agent compensation	7,896
Balance – November 30, 2009	$ 119,201

Note 6 Related Party Transactions – Notes 4 and 8

The Company incurred the following charges with directors of the Company and companies with common directors:

	2009	2008
Administrative and consulting fees	$ 55,000	$ 5,000
Management salaries	109,344	81,000
Loan interest	106	303
	$ 164,450	$ 86,303

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

Note 6 Related Party Transactions – Notes 4 and 8 – (cont'd)

Prepaid expenses at November 30, 2009 include $5,250 (2008: $nil) in consulting fees paid to a company related by virtue of a common director.

Resource property costs for the year ended November 30, 2009 include $93,469 paid to a director of the Company and a company with a common director for project management services (2008 - $103,130).

Due to related party at November 30, 2009 includes amounts owing to directors and companies with common directors for unpaid project management services, expenses and salaries (Note 4.)

Note 7 Income Taxes

The provision for income taxes differs from the amount computed by applying the basic statutory rates to the loss before income taxes as follows:

	2009	2008
Losses before income taxes	$ 426,279	$ 185,563
Statutory income tax rate	30.04%	31.30%
Expected income tax recovery	$ 128,000	$ 58,000
Permanent differences	(35,000)	(5,000)
Effect of reduction in statutory rates	(5,000)	(8,000)
Share issue costs	3,000	50,000
(Decrease) increase in valuation allowance	(21,000)	(47,000)
Income tax recovery	$ 70,000	$ 48,000

Significant components of the Company's future tax assets are as follows:

	2009	2008
Non-capital losses carry forward	$ 161,000	$ 76,000
Canadian development and exploration expenditures	(95,000)	(40,000)
Share issue costs	31,000	40,000
	-	76,000
Less: valuation allowance	(97,000)	(76,000)
	$ -	$ -

Note 7 Income Taxes – (cont'd)

The Company has recorded a valuation allowance against its future income taxes based on the extent to which it is more likely than not that sufficient taxable income will be realized during the carry forward period to utilize all the future tax assets.

Subject to certain restrictions, the Company has accumulated $399,000 of Canadian development and exploration expenditures available to reduce taxable income of future years. In addition, the Company has accumulated non-capital losses totalling $644,000 that are available to reduce taxable income of future years. The non-capital losses expire as follows:

2027	$ 84,000
2028	209,000
2029	351,000
	$ 644,000

Note 8 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. The following transactions have been excluded from the statement of cash flows:

a) Resource property tax credit recovery of $69,087 was included in accounts receivable.

b) Resource property costs of $94,899 were included in accounts payable and accrued liabilities and $8,124 were included in due to related parties at November 30, 2009.

During the year ended November 30, 2008, resource property costs in investing activities were net of mining tax credits of $17,233. The Company issued 300,000 warrants as a finder's fee valued at $24,000. Resources property costs of $34,065 and $14,873 were included in accounts payable and due to related parties.

Note 9 Commitments – Notes 3 and 4

Effective January 1, 2010, the Company signed a management agreement to pay the President of the Company a salary of $2,000 per month for the term of the contract expiring December 31, 2010.

Effective January 1, 2010, the Company signed an administrative and consulting services contract to pay $8,000 per month to a company with a common director for the term of the contract expiring December 31, 2010.

Note 10 Subsequent Events

a) Subsequent to November 30, 2009, the Company completed a private placement of 7,500,000 units (the "Units") at $0.20 per Unit for gross proceeds of $1,500,000. Each Unit is comprised of one common share and one share purchase warrant, with each such warrant entitling the holder to acquire a further common share of the Company at $0.20 for a term of two years. 6,000,000 of the Units were issued on a flow-through basis.

   As a result of the above private placement, Lake Shore Gold Corp. ("Lake Shore Gold") owns 25% of the issued and outstanding common shares of the Company.

   The Company and Lake Shore Gold have entered into a strategic alliance agreement (the "Strategic Alliance Agreement") whereby Lake Shore Gold has been granted the right to appoint two persons to the board of directors of the Company and the right to participate, on a pro rata basis, in any subsequent equity financings of the Company. Under the terms of the Strategic Alliance Agreement, Lake Shore Gold has also been granted rights of first refusal in connection with any property transactions or project financings to be undertaken by the Company.

   The Strategic Alliance Agreement also provides Lake Shore Gold with the right, to take effect one year from the closing of the private placement, to acquire a 50% interest in the Company's Golden Property by incurring $5,000,000 of exploration expenditures on the property within a five year period.

   The Company has engaged an agent to act as the Company's advisor and sponsoring agent for the proposed listing of the Company on the TSX Venture Exchange. As consideration for all of these services, the Company, subsequent to November 30, 2009, agreed to pay the agent the sum of $30,000 and issued 100,000 shares of the Company and 375,000 compensation warrants entitling them to acquire 375,000 shares of the Company at a price of $0.20 per share for a period of 12 months.

b) In December 2009, the Company paid $20,000 cash pursuant to the Timmins Property option agreement.

c) On February 26, 2010, there was an escrow release of 690,000 shares; 2,070,000 shares remain in escrow.

d) On March 1, 2010, the Company granted 2,150,000 stock options to insiders and 150,000 stock options to employees and consultants.

e) On March 1, 2010 the Company amended its Stock Option Compensation Plan to provide for the issuance of options to acquire shares of the Company equal to 10% of the then issued and outstanding shares of the Company.