AMARIUM TECHNOLOGIES, INC

(A Development Stage Enterprise)

Consolidated Balance Sheets

Presented in US Dollars

	December 31, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash / Line of credit - mining operations	$ 600,000	$ 600,000
Total Current Assets	600,000	600,000
Property & Equipment	17,972	22,200
Mining resource property deposit	4,500,000	4,500,000
Total Long Term Assets	4,517,972	4,522,200
TOTAL ASSETS	**$ 5,117,972**	**$ 5,122,200**
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities		
Accts pay & accr'd liab	$ 278,366	$ 278,366
Consulting fees payable	190,000	190,000
Deferred revenue	50,000	50,000
Due to related company	11,810	10,619
Share subscription payable	400,000	400,000
Total Current Liabilities	930,176	928,985
Note Payable - GIM	667,500	622,500
Total Long Term Liabilities	667,500	622,500
Total Liabilities	1,597,676	1,551,485
Equity		
Preferred stock 25,000,000 share authorized $.001 par value - none issued		
Common stock 500,000,000 shares authorized, $.001 par value		
456,478,578 (2010 - 456,478,578) shares outstanding	456,479	456,479
Additional paid in capital	8,703,938	8,703,938
Deficit accumulated during the development stage	(5,640,121)	(5,589,702)
Total Equity	3,520,296	3,570,715
TOTAL LIABILITIES & EQUITY	**$ 5,117,972**	**$ 5,122,200**

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

AMARIUM TECHNOLOGIES, INC

(A Development Stage Enterprise)

Consolidated Statement of Operations

Presented in US Dollars

	Cumulative from inception April 6, 2000 to December 31, 2011	Year ended December 31, 2011	Year ended December 31, 2010
Income			
Sales	1,110,373	-	-
Total Income	1,110,373	-	-
Gross Profit	1,110,373	-	-
Expense			
Accretion of disc red conv pref	(124,658)	-	-
Advert & Promotion	438,395	-	-
Amortization	118,054	4,228	4,228
Consulting fees	2,033,140	-	-
Foreign Currency exch loss	9,320	-	-
Gain of recovery of acct pay	(50,000)	-	-
Gain on debt settlement	(11,389)	-	-
Interest	8,253	-	-
Interest Expense	74,348	46,191	23,691
Interest Income	(9,067)	-	-
Loss on disposal of equipment	4,105	-	-
Office & Administration	188,857	-	-
Professional Fees	508,084	-	-
Research & Development	1,826,945	-	-
Salaries & Benefits	576,504	-	-
Travel	415,632	-	-
Total Expense	6,006,523	50,419	27,919
Net and comprehensive loss	(4,896,150)	(50,419)	(27,919)
Weighted avg number of shs outstanding-basic and diluted		456,478,578	456,478,578
Loss per share basic and diluted		(0.00)	(0.00)

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

AMARIUM TECHNOLOGIES, INC					**Total**
(A Development Stage Enterprise)			**Additional**		**stockholders'**
Consolidated Statement of Stockholders Equity	**Common Stock**		**paid-in**		**equity**
Presented in US Dollars	**Shares**	**Amount**	**capital**	**Deficit**	**(deficiency)**
Balance, December 31, 2002	**17,000,000**	**$ 1,700**	**$ 298,672**	**$ (503,500)**	**$ (203,128)**
Shares held by Cirond stockholders and effect of recapitalization transaction (note 3)	16,160,000	$ 1	-	$ (124,647)	$ (124,647)
Promissory notes converted to shares @ $.50 per share (note 3)	1,300,000	$ 130	$ 649,870	-	$ 650,000
Adjustment to capital stock to equal value of Cirond capital stock	-	$ 32,629	$ (32,629)	-	-
Comprehensive loss	-	-	-	$ (1,063,962)	$ (1,063,962)
Balance, December 31, 2003	**34,460,000**	**$ 34,460**	**$ 915,913**	**$ (1,692,109)**	**$ (741,737)**
Common shares issued for cash at $.50 per share (net of costs)	700,000	$ 700	$ 322,800	-	$ 323,500
Common shares for subscriptions	750,000	$ 750	$ 374,250	-	$ 375,000
Common shares issued for consulting services held in escrow (note 11)	1,200,000	$ 1,200	$ 228,776		$ 229,976
Financing cost assigned to warrants issued in connection with redeemable, convertible preferred shares less financing costs (note 10)	-	-	$ 569,000	-	$ 569,000
Beneficial conversion option on redeemable convertible preferred shares (note 10)	-	-	$ 1,185,000	-	$ 1,185,000
Accretion of discount on redeemable conv preferred shares (note 10)	-	-	-	$ (8,900)	$ (8,900)
Amort of deferred financing costs (note 10)	-	-	-	$ (600)	$ (600)
Dividend on redeemable, conv preferred shs	-	-	-	$ (2,466)	$ (2,466)
Comprehensive Loss:	-	-	-	$ (1,437,439)	$ (1,437,439)
Balance, December 31, 2004	**37,110,000**	**$ 37,110**	**$ 3,595,739**	**$ (3,141,514)**	**$ 491,334**
Common shares released from escrow in consideration of consulting services (note 8)	-	-	$ 109,368	-	$ 109,368
Deemed Dist. On redeemable, convertible preferred stock (note9)	-	-	$ 390,000	$ (390,000)	-
Accretion of disc on redeemable, conv preferred stock (note 9)	-	-	-	$ (63,100)	$ (63,100)
Amortization on deferred financing costs (note 9)	-	-	-	$ (4,400)	$ (4,400)
Dividends on redeemable, convertible preferred stock	-	-	-	$ (100,000)	$ (100,000)
Comprehensive loss:	-	-	-	$ (1,442,245)	$ (1,442,245)
Balance, December 31, 2005	**37,110,000**	**$ 37,110**	**$ 4,095,107**	**$ (5,141,259)**	**$ (1,009,043)**

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

AMARIUM TECHNOLOGIES, INC **(A Development Stage Enterprise)** **Consolidated Statement of Stockholders Equity** **Presented in US Dollars**	**Common Stock** **Shares**		**Amount**		**Additional paid-in capital**		**Deficit**		**Total stockholders' equity (deficiency)**
Accretion of disc on redeemable, convertible preferred stock (note 7)	-		-		-	$	(23,500)	$	(23,500)
Amort on deferred financing costs (note 7)	-		-		-	$	(1,700)	$	(1,700)
Dividend on redeemable, conv pref'd stock	-		-		-	$	(24,658)	$	(24,658)
Comprehensive Loss	-		-		-	$	(95,302)	$	(95,302)
Issuance of common stock to convert Series B 5% redem conv pref stock	50,000,000	$	50,000	$	113,200			$	163,200
Issuance of common stock to aquire net value of intellectual property	9,000,000	$	9,000	$	351,000			$	360,000
effect of rollback 65:1	(94,631,422)	$	(94,631)	$	94,631				-
Comprehensive loss						$	(4,064)	$	(4,064)
Balance at December 31, 2006	**1,478,578**	**$**	**1,479**	**$**	**4,653,938**	**$**	**(5,290,483)**	**$**	**(635,067)**
Comprehensive loss:						$	(5,419)	$	(5,419)
Balance at December 31, 2007	**1,478,578**	**$**	**1,479**	**$**	**4,653,938**	**$**	**(5,295,902)**	**$**	**(640,486)**
Comprehensive loss:						$	(5,419)	$	(5,419)
Balance at December 31, 2008	**1,478,578**	**$**	**1,479**	**$**	**4,653,938**	**$**	**(5,301,321)**	**$**	**(645,905)**
Common shares issued for consulting services	5,000,000	$	5,000	-				$	5,000
Comprehensive loss						$	(260,462)	$	(260,462)
Balance at December 31, 2009	**6,478,578**	**$**	**6,479**	**$**	**4,653,938**	**$**	**(5,561,783)**	**$**	**(901,367)**
Common shares issued to secure property int.	450,000,000	$	450,000	$	4,050,000	-		$	4,500,000
Comprehensive loss						$	(27,919)	$	(27,919)
Balance at December 31, 2010	**456,478,578**	**$**	**456,479**	**$**	**8,703,938**	**$**	**(5,589,702)**	**$**	**3,570,714**
Comprehensive loss						$	(50,419)	$	(50,419)
Balance at December 31, 2011	**456,478,578**	**$**	**456,479**	**$**	**8,703,938**	**$**	**(5,640,121)**	**$**	**3,520,295**

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

AMARIUM TECHNOLOGIES, INC
(A Development Stage Enterprise)
Consolidated Statement of Cash Flows
Presented in US Dollars

	Cumulative from Inception April 6, 2000 to December 31, 2011	Year ended December 31, 2011	Year ended December 31, 2010
OPERATING ACTIVITIES			
Net Income	$ (4,896,150)	$ (50,419)	$ (27,919)
Adjustments to reconcile Net Income			
to net cash provided by operations:			
Accts pay & accr'd liab	278,366	-	-
Consulting fees payable	190,000	-	-
Deferred revenue	50,000	-	-
Due to related company	11,810	1,191	1,191
Share subscription payable	400,000	-	
Net cash provided by Operating Activities	(3,965,974)	(49,228)	(26,728)
INVESTING ACTIVITIES			
Mineral Resource Property deposit	(4,500,000)		(4,500,000)
Property & Equipment	(17,972)	4,228	4,228
Net cash provided by Investing Activities	(4,517,972)	4,228	(4,495,772)
FINANCING ACTIVITIES			
Note Payable - GIM	667,500	45,000	622,500
Additional paid in capital	8,703,938	-	4,050,000
Common stock	456,479	-	450,000
Retained Earnings	(743,971)	-	
Net cash provided by Financing Activities	9,083,946	45,000	5,122,500
Net cash increase for period	$ 600,000	$ 600,000	$ 600,000
Cash at end of period	**$ 600,000**	**$ 600,000**	**$ 600,000**

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

1. OPERATIONS:

Amarium Technologies Inc. ("Amarium" or the "Company") is incorporated under the laws of the State of Nevada. The Company develops software solutions and provides network security products and consulting services to governments and private sector businesses to combat the threat to wired networks represented by the deployment of unauthorized wireless networks. The Company's solutions can also be used to implement, secure and manage wireless networks.

CURRENT DEVELOPMENTS: As a result of the significant challenges facing the Company in the technology business, management has been in the process of winding-down its involvement in the technology sector over the past several years. At this time, the Company is considering a decision to transition its operations and focus its business efforts exclusively in the mining sector. The Company's recently acquired Jovita property covers a total of 250 hectares and is located in the municipality of Vialla Madero, Michoacán and 150 meters east of the town "La Carpinteria". Coordinates (UTM) 02, 56,719 East and 21, 32,971 North, and only 47 km from the city of Morelia Michoacán. The main access to the property is from highway number 14 that comes from Morelia, Michoacán going to Patzcuaro, Michoacán.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Development Stage Company

The Company is a development stage company as defined by section 915-10-20 of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification. Although the Company has recognized some nominal amount of income since inception, the Company is still devoting substantially all of its efforts on establishing the business and, therefore, still qualifies as a development stage company. All losses accumulated since inception has been considered as part of the Company's development stage activities.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the estimated useful lives of property and equipment. Actual results could differ from those estimates.

Cash equivalents The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair value of financial instruments The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Fair value of financial instruments cont'd

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.
The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company's notes payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at March 31, 2013.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis.

Equipment

Equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of seven (7) or ten (10) years. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Impairment of long-lived assets

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which includes computer equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Impairment of long-lived assets: cont'd

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company determined that there were no impairments of long-lived assets as of December 31, 2011 and December 31, 2010.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Income taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the fiscal years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25") with regards to uncertainty income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Net income (loss) per common share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average

Net income (loss) per common share cont'd

number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented.

There were no potentially dilutive shares outstanding as of December 31, 2011and December 31, 2011.

Cash flows reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification.

Advertising Costs

The Company expenses the cost of advertising and promotional materials when incurred. Total Advertising costs were zero for all periods.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its

Subsequent events cont'd

financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently issued accounting pronouncements

The following accounting standards were issued as of December 26, 2011:

ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements.

This ASU affects all entities that are required to make disclosures about recurring and nonrecurring fair value measurements under FASB ASC Topic 820, originally issued as FASB Statement No. 157, *Fair Value Measurements*. The ASU requires certain new disclosures and clarifies two existing disclosure requirements. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years.

ASU 2011-04, *Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*

This ASU supersedes most of the guidance in Topic 820, although many of the changes are clarifications of existing guidance or wording changes to align with IFRS 13. In addition, certain amendments in ASU 2011-04 change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The amendments in ASU 2011-04 are effective for public entities for interim and annual periods beginning after December 15, 2011.

NOTE 3 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit of $(5,640,121) from inception to December 31, 2011 and had a net loss of $(50,419) for the year ended December 31, 2011. From inception to December 31, 2010 the Company had an accumulated deficit of $(5,589,702) and a net loss for of $(27,919) for the year ending December 31, 2010.

While the Company is attempting to commence operations and generate revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

4. RELATED PARTY TRANSACTIONS:

During the year ended December 31, 2011 there were no related party transactions.

5. DEFERRED REVENUE:

Effective, January 19, 2006, the Company negotiated a licensing agreement for the Air Patrol product line with a company in which the Company's former President has an equity interest. In connection with the agreement, the entity agreed to pay the Company royalties equal to 20% of gross sales of Air Patrol products on or before January 19, 2007, 15% of gross sales of Air Patrol products between January 20, 2007 and January 19, 2008, 10% of gross sales of Air Patrol products between January 20, 2008 and January 19, 2009, 8% of gross sales of Air Patrol products between January 20, 2009 and January 19, 2010 and 5% of gross sales of Air Patrol products thereafter In addition, the Company will receive royalties equal to 5% of gross sales from derivative versions of the Air Patrol products. On the effective date of the transaction, the Company received an advance payment of $50,000 in consideration of future royalties as provide above. To March 31, 2006, the Company did not realize any royalties revenue in connection with the agreement and, accordingly, the full amount of the cash consideration has been included in deferred revenue. As of December 31, 2011 the Company has not repaid the advanced amount of $50,000 USD.

6. SHARE SUBSCRIPTIONS PAYABLE:

In April 2004, the Company received a subscription for 4,000,000 common shares and common share purchase warrants for aggregate cash proceeds of $2 million pursuant to an irrevocable subscription agreement. The subscriber was granted common share purchase warrants as follows:

(Presented in US dollars)

SHARE SUBSCRIPTIONS PAYABLE:

No. of common shares	Exercise price	Expiry date
1,000,000	$ 0.50	April 19, 2005
1,000,000	$ 0.75	April 19, 2005
1,000,000	$ 1.00	April 19, 2006
1,000,000	$ 1.25	April 19, 2006

In May 2004, the subscriber requested that his investment be rescinded and, without waiving any of its rights it may have against the subscriber, the Company returned $1.5 million, and subsequently repaid $100,000, of the $2.0 million share subscription to the subscriber. As at March 31, 2005 and subsequent to March 31, 2005, the Company offered to return the remaining $400,000 to the subscriber upon execution of a mutual settlement agreement. The subscriber has refused the offer. If such refusal continues, the Company intends to issue common shares and common share purchase warrants under the terms initially agreed to. The outcome of this matter, including the settlement of the liability through the payment of cash or issuance of common shares and common share purchase warrants and if additional costs will be incurred on the settlement of the liability, cannot be determined at this time. As of December 31, 2011 this matter remain unresolved with the Share Subscription of $400,000 still being payable.

7. DUE TO RELATED COMPANY:

The amount due to a company controlled by the Company's former President, totaling $4,962, is unsecured, bears interest at 2% per month, and has no fixed terms of repayment. At December 31, 2011 the total amount owing was $11,810 which included accrued interest of $6,848. At December 31, 2010 the total amount owing was $10,619 which included accrued interest of $5,657.

7. SHARES ISSUED FOR LINE OF CREDIT

On June 30, 2010 the Company entered into an agreement with Global Infinitum Market SA de CV for a line of credit to secure funding for mining operations. Under the terms of this agreement $600,000 is made available for a four year term at an interest rate of 7.5%, with an option to extend. The amount outstanding and payable including accrued interest at December 31, 2011 is $667,500 as compared to the amount outstanding and payable with accrued interest at December 31, 2010 of $622,500.

8. SHARES ISSUED FOR DEPOSIT ON MINERAL PROPERTY

On June 30, 2010 the Company entered into an agreement with Industrias Calissio SUR SA for a total of 450,000,000 million shares to be issued at a cost basis of $.01. This is to provide the Company with a deposit on a mineral resource property with a value of $4,500,000 minimum in situ value.

9. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued and has determined that there are no additional events to disclose.