

Kat Exploration Limited
Financial Statements
(Unaudited)
November 30, 2012

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Kat Exploration Limited
Review Engagement Report
(Unaudited)
November 30, 2012

To the Directors

We have reviewed the balance sheet of Kat Exploration Ltd as at November 30, 2012 and the statements of earnings, retained earnings, and cash flows for the proceeding twelve months. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

Ken's Accounting Services

Kat Exploration Limited
Balance Sheet
November 30, 2012
(Unaudited)

	2012	2011
Assets		
Current		
Bank	0	0
Accounts Receivable	0	0
Security Deposits	0	5,100
Prepaid Insurance	0	0
	0	5,100
Capital assets (Note 1 and 2)	25,515	35,070
Investment	0	51,658
	25,515	91,828
Liabilities and Shareholders' Equity		
Current		
Bank Overdraft	0	95
Accounts payable and accruals (Note 3)	390,349	249,524
Current Portion of loans (Note 5)	0	5,988
	390,349	255,607
Loans Payable (Note 5)	0	25,665
	390,349	281,272
Shareholders' Equity		
Shareholder Common Shares (Note 6)	2,742,410	2,742,410
Retained earnings	(3,107,244)	(2,931,854)

(364,834) (189,444)

\$25,515 \$91,828

On behalf of the Board:

Director: _____

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Kat Exploration Limited
Statement of Earnings
November 30, 2012
(Unaudited)

	2012	2011
Revenue	\$0	\$184,139
Expenses		
Advertising	20,984	45,819
Amortization	9,554	13,304
Assay	0	7,232
Consulting Fees	0	6,285
Contract Wages	90,000	0
Courier & Postage	0	3,929
Drilling	0	-8,000
Excavator Equipment	0	567
Field Supplies	0	857
Geologist/Geophysics	0	14,000
Insurance	0	66,546
Interest and bank charges	14,197	76,793
Licence & Fees	7,189	39,893
Line Cutting & Trenching	0	1,800
Office Supplies	0	1,050
Option Agreements	0	30,000
Professional fees	12,320	158,422
Recording Fees	0	3,029
Rent	11,364	11,464
Telephone	5,222	12,921
Travel / Entertainment	0	593
Vehicle operating	0	2,638
Wages and benefits	4,560	283,066
	<hr/> 175,390	<hr/> 772,208

Net earnings for the period

(\$175,390) (\$588,069)

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Kat Exploration Limited
Statement of Retained Earnings
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	<u>2012</u>	<u>2011</u>
Retained earnings, beginning of period	(2,931,854)	(2,343,785)
Net earnings for the period	(175,390)	(588,069)
Retained earnings, end of period	<u>(\$3,107,244)</u>	<u>(\$2,931,854)</u>

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Kat Exploration Limited
Statement of Cash Flows
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	2012	2011
Cash flows from operating activities		
Earnings from operations	(175,390)	(588,069)
Add item not involving an outlay of funds		
Amortization	9,554	13,304
	(165,836)	(574,765)
Changes in non-cash working capital		
Security Deposits	5,100	32,750
Accounts Receivable	3,536	34,633
Prepaid Insurance	0	23,519
Accounts payable	94,659	(21,293)
	103,295	69,609
Cash flows from investing activities		
Purchase of capital assets	0	255,642
	0	255,642
Cash flows from financing activities		
Shares	0	245,227
Investment	62,636	0
Increase in long term debt	0	(5,575)

	62,636	239,652
Net increase in cash	95	(9,862)
Cash at beginning of period	-95	9,767
Cash at end of period	<u>0</u>	<u>(95)</u>

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Kat Exploration Limited
Statement of Stockholders Equity
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	Common Stock	Purchase Common Stock	Addition Common Stock	Retained Earnings	Total Stock Equity
Balance, at Nov 30, 2011	-189,444	0	0	0	(189,444)
1st Quarter Addition		0		(43,127)	(43,127)
2nd Quarter Addition		0		(85,453)	(85,453)
3th Quarter Addition		0		(36,827)	(36,827)
4th Quarter Addition		0		(9,983)	(9,983)
Net Income for the period					
Balance, at Aug 31, 2012	<u>-189,444</u>	<u>0</u>	<u>0</u>	<u>-175,390</u>	<u>-364,834</u>

Note: The common stock issued has a par value of \$0.001.

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Notes to Financial Statements
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The Company was incorporated under the laws of the Province of Newfoundland and Labrador on December 02, 2005. The company explores for mineral deposits.

1. Summary of significant accounting polices

The accounting polices of the company are in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

Capital Assets and Amortization

Capital assets are recorded at cost. Amortization has been calculated using the declining balance method with rates as follows, except in the year of acquisition when one half of the rate is used.

Equipment	20%
Computer	30%
Vehicle	30%

2. Capital Assets

	Rate	Cost	Accum Amort	Net Book Value	Net Book Value
Equipment	20%	21,506	13,773	7,733	9,667
Computers	30%	16,925	11,125	5,800	8,286
Vehicle	30%	41,098	29,116	11,982	17,117
		<u>\$79,529</u>	<u>\$54,014</u>	<u>\$25,515</u>	<u>\$35,070</u>

3. Accounts Payable

	2012	2011
Accounts Payables	390,349	249,523
Net Payable	<u>\$390,349</u>	<u>\$249,523</u>

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4. Security Deposits

This represents a \$60. refundable deposit to government for each claim staked. Once an assessment report has been submitted to the Department of Mines and Energy the company is eligible for a refund of \$50. per claim.

5. Long Term Debt:

The issue of a debenture bond payable and no set interest rate or period of time issued for.	\$0	\$0
Indcom Leasing Inc. Capital lease. Repayable in monthly instalments of \$182. including interest. Secures by specific equipment. Matures June 2010.	\$0	\$0
Loan due to Ford Credit, blended monthly installments of \$921.23, secured by 2010 F150 truck, maturing November 2015.	\$0	\$31,653
Total Loans	<u>0</u>	<u>31,653</u>

Current Portion	0	5,988
Long Term Portion	<u>\$0</u>	<u>\$25,665</u>

6. Shared Capital:

Authorized:

Limited number of no par value common shares of 950,000,000.

Issued:

1,027,424,081 common shares without any cash payment.

592,767,129 outstanding common shares.

30,000,000 preferred stock authorized

9 class A preferred outstanding

Persons owning more than five percent (5%) of the issuer's securities.

Ken Stead 132,262,784 shares 15.52%

Tim Stead 127,394,168 shares 14.94%

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Kat Exploration Limited
Summary of Mineral Property Expenses
November 30, 2012
(Unaudited)

Mineral Property	Number of Claims	1st Qtr	2nd Qtr	3th Qtr	4th Qtr	Total
Lucky	90	0.00	0.00	0.00	0.00	0.00
Shaylee	24	0.00	0.00	0.00	0.00	0.00
Administration		-	-	-	-	-
		43,127.00	85,453.00	36,827.00	-9,983.00	-175,390.00
Total	114.00	43,127.00	85,453.00	36,827.00	-9,983.00	-175,390.00

