

**Kat Exploration Limited  
Financial Statements  
(Unaudited)  
November 30, 2011**

**Kat Exploration Limited  
Financial Statements**

**( Unaudited )**  
**November 30, 2011**

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**November 30, 2011**

To the Directors

We have reviewed the balance sheet of Kat Exploration Ltd as at November 30, 2011 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

	2011	2010
<b>Assets</b>		
Current		
Bank	0	9,768
Accounts Receivable	0	34,633
Security Deposits	5,100	37,850
Prepaid Insurance	0	23,519
	<u>5,100</u>	<u>105,770</u>
Capital assets (Note 1 and 2)	35,070	48,373
Investment	<u>51,658</u>	<u>296,885</u>
	<u>91,828</u>	<u>451,028</u>

## Liabilities and Shareholders' Equity

Current		
Bank Overdraft	95	0
Accounts payable and accruals (Note 3)	249,524	270,817
Current Portion of loans (Note 5)	5,988	5,988
	<u>255,607</u>	<u>276,805</u>
Loans Payable (Note 5)	25,665	31,240
	<u>281,272</u>	<u>308,045</u>
Shareholders' Equity		
Shareholder Common Shares (Note 6)	2,742,410	2,486,768
Retained earnings	-2,931,854	-2,343,785
	<u>-189,444</u>	<u>142,983</u>
	<u>\$91,828</u>	<u>\$451,028</u>

On behalf of the Board:

Director: \_\_\_\_\_

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**Kat Exploration Limited**  
**Statement of Earnings**  
**November 30, 2011**  
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2011	2010
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<b>Revenue</b>	\$184,139	\$16,755
<b>Expenses</b>		
Accommodation	0	18,584
Advertising	45,819	64,175
Amortization	13,304	9,884
Assay	7,232	80,404
Consulting Fees	6,285	26,414
Courier & Postage	3,929	5,755
Drilling	-8,000	252,725
Excavator Equipment	567	16,362
Field Supplies	857	18,253
Geologist/Geophysics	14,000	112,099
Insurance	66,546	25,910
Interest and bank charges	76,793	17,904
Helicopter	0	8,186
Licence & Fees	39,893	11,084
Line Cutting & Trenching	1,800	35,400
Mapping	0	8,928
Office Supplies	1,050	9,183
Option Agreements	30,000	70,000
Professional fees	158,422	323,898
Recording Fees	3,029	2,237
Repairs and maintenance	0	20,455
Rent	11,464	16,062
Telephone	12,921	12,922
Travel / Entertainment	593	26,222
Vehicle operating	2,638	16,748
Wages and benefits	283,066	750,726
	<u>772,208</u>	<u>1,960,520</u>
<b>Net earnings for the period</b>	<u><u>(\$588,069)</u></u>	<u><u>(\$1,943,765)</u></u>

	2011	2010
Retained earnings, beginning of period	-2,343,785	-400,020
Net earnings for the period	-588,069	-1,943,765
Retained earnings, end of period	<u>(\$2,931,854)</u>	<u>(\$2,343,785)</u>

	2011	2010
Cash flows from operating activities		
Earnings from operations	-588,069	-1,943,765
Add item not involving an outlay of funds		
Amortization	13,304	9,884
	<u>-574,765</u>	<u>-1,933,881</u>
Changes in non-cash working capital		
Security Deposits	32,750	-33,800
Accounts Receivable	34,633	-26,428
Prepaid Insurance	23,519	-23,519
Accounts payable	-21,293	204,083
	<u>69,609</u>	<u>120,336</u>
Cash flows from investing activities		
Purchase of capital assets	255,642	-298,131
	<u>255,642</u>	<u>-298,131</u>
Cash flows from financing activities		
Shares	245,227	2,061,479
Debentures Payable	0	0
Increase in long term debt	-5,575	-10,227
	<u>239,652</u>	<u>2,051,252</u>
Net increase in cash	-9,862	-60,424
Cash at beginning of period	9,767	70,191
Cash at end of period	<u><u>-95</u></u>	<u><u>9,767</u></u>

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**Kat Exploration Limited**  
**Statement of Stockholders Equity**  
**November 30, 2011**  
**( Unaudited )**

Common	Purchase Common	Addition Common Retained	Total Stock
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	Stock	Stock	Stock	Earnings	Equity
Balance, at Nov 30, 2010	142,983	0	0	0	142,983
1st Quarter Addition		0		-25,864	-25,864
2nd Quarter Addition		255,642		-179,983	75,659
3th Quarter Addition		0		-83,124	-83,124
4th Quarter Addition		0		-299,098	-299,098
Net Income for the period					
Balance, at Nov 30, 2011	142,983	255,642	0	-588,069	-189,444

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

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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 policies 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	9,423	9,667	12,083
Computers	30%	16,925	5,089	8,286	11,836
Vehicle	30%	41,098	16,644	17,117	24,454
		<u>\$79,529</u>	<u>\$31,156</u>	<u>\$35,070</u>	<u>\$48,373</u>

### 3. Accounts Payable

	2011	2010
Accounts Payables	249,523	270,817
Net Payable	<u>\$249,523</u>	<u>\$270,817</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
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Indcom Leasing Inc. Capital lease. Repayable in monthly instalments of \$182. including interest. Secures by specific equipment. Matures June 2010.	\$0	\$0
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Loan due to Ford Credit, blended monthly installments of \$921.23, secured by 2010 F150 truck, maturing November 2015.	\$31,653	\$37,228
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Total Loans	31,653	37,228
Current Portion	5,988	5,988
Long Term Portion	\$25,665	\$31,240

#### 6. Shared Capital:

Authorized:  
Unlimited number of no par value common shares.

Issued:  
950,000,000 common shares authorized without any cash payment.  
784,424,081 outstanding common shares.  
30,000,000 preferred stock authorized  
11 class A preferred outstanding

Persons owning more than five percent (5%) of the issuer's securities.  
Ken Stead 132,262,784 shares 16.85%  
Tim Stead 127,394,168 shares 16.24%

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### Kat Exploration Limited Summary of Mineral Property Expenses November 30, 2011 ( Unaudited )

Mineral Property	Number of Claims	1st Qtr	2nd Qtr	3th Qtr	4th Qtr	Total
Cabot	56	0	0	0	0	0
Clifton	0	0	0	0	12,800	12,800
Collier's	20	0	0	0	0	0
Handcamp	149	7,786	66,024	0	49,128	122,938

Lucky	55	0	0	0	0	0
Rust Ridge	155	951	1,329	0	909	3,189
Shaylee	0	0	0	0	0	0
Twilite	20	0	0	0	2,000	2,000
Administration		117,127	198,097	83,125	232,932	631,281
Total	455	125,864	265,450	83,125	297,769	772,208