Spectrum Acquisition Holdings, Inc.

2010 Annual Report

Year ending December 31, 2010

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Part A. General Company Information

Item I. The exact name of the issuer and its predecessor

Current name is: Spectrum Acquisition Holdings, Inc. (SPAH)

Predecessor name: First American Railways, Inc. since March 16, 1987 to September 18, 2007

Item II. The address of the issuer's principal executive offices.

4301 W William Cannon, Suite B 150 #253
Austin, Texas 78749

Telephone: 512-924-9308
Fax: 512-532-0591

Item III. The jurisdiction and date of incorporation.

Incorporated in Nevada, March 16, 1987

Part B Share Structure and Issuance History

Item IV. The exact title and class of securities outstanding.

1. Common Stock
   (a) CUSIP number is 84762F 20 7
   (b) Ticker: SPAH
2. Preferred Stock
   (a) Super Preferred A
   (b) Super Preferred B

Item V. Par or stated value and description of the security.

A. Par value of Common Stock is $.001

B. Common or Preferred Stock.

1. **Common Equity:**

Dividend

Dividends will be payable when, as and if declared by our Board of Directors. No dividends will accrue unless declared by our Board of Directors.

Voting Rights

Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder, unless otherwise provided in the Certificate of Incorporation.

Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting, may vote or express such consent or dissent in person or may authorize another person or persons to vote or act for him by written proxy executed by the stockholder or his authorized agent and delivered to the secretary of the Corporation. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. No proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

Preemption Rights

Holders of the Common Stock will not be entitled to preemptive rights

2. **Preferred Equity**

Preferred Series "A": These shares shall have a par value of $0.001, and consist of a total authorized three (3) shares. The share shall have super voting rights equal to one hundred and fifty (150%) percent of the issued and outstanding shares of common stock at all times. These shares shall have no rights to conversion, nor any preference in liquidation, sale, or business combination, and shall be redeemable by the corporation upon the unanimous vote of the Board of Directors a face value of $1.00 not less than three (3) years from the date of their issue.

Preferred Series "B": These shares shall have a par value of $0.001 and consist of 5,000,000 shares of the total authorized preferred shares remaining after the Preferred Series "A". These Preferred Series "B" shares shall have rights of conversion, and the conversion price shall be the par value. The corporation shall at all times have sufficient common shares authorized at the time of conversion. If, in the event, there is insufficient common shares authorized the corporation shall, without further vote of the shareholders required, immediately amend its Articles of Incorporation to increase the authorized common shares so as to accommodate any conversion of the Preferred Series "B" shares. These shares shall have liquidation preferences over the common shares in any liquidation, sale, or business combination, except that any merger or business combination of $5MM dollars or more shall not be deemed a sale of the corporation. These shares may be redeemed by the corporation upon the unanimous vote of the Board of Directors, at the face value of $1.00 per share at any time.

3. **Other Material rights of Common or Preferred Shareholders**

None.

4. **Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the Issuer.**

None.

Item VI. The number of shares or total amount of securities outstanding for each class of securities authorized.

As of 12/31/2010 there are:

1,000,000,000 common shares authorized
195,078,626 common shares outstanding
160,331,602 shares in the float
1,067 registered shareholders

10,000,000 Preferred Shares Authorized

5,000,000 Preferred B Shares Outstanding
1 registered shareholder

3 Preferred A Shares Outstanding
3 registered shareholders

Item VII. The name and address of the transfer agent

Transfer Online, Inc.™
512 SE Salmon Street
Portland, OR 97214
Phone (503.227.2950)
Fax (503.227.6874)

Registered under the Exchange Act

Part C Business Information

Item VIII. The nature of the issuer's business

A. Business Development

1. Form of organization: Corporation
2. Year of Incorporation: 1987
3. Fiscal year end date: Dec 31
4. SPAH has not been in bankruptcy, receivership or any similar proceeding.
5. The company purchased Avalon Perspective LTD, LLC in September , 2010
6. There has been no default in any note, loan, lease or other indebtedness arrangement.
7. At its shareholder meeting April 5, 2010 the shareholders authorized 2 new series of preferred stock with additional voting rights.
8. The company increased its authorized common equity to 1,000,000,000 shares from 100,000,000
9. No stock split in occurred in 2010
10. The Issuer has not encountered any delisting from any securities exchange or deletion from the OTC Bulletin Board
11. There are no current legal proceedings against the Issuer.

B. Business of Issuer

At the core of its operations, the Issuer is a Green Mining Equipment Technologies Consortium with "Small footprint" technologies including, Laser Guidance Systems for Diamond Wire Cutting Apparatus, Continuous Refractory Ore Bioprocessing technology and new micro drilling technologies that will minimize the traditionally poisonous and toxic environmental threats poised by the mining and mining equipment industry.

The Issuer has interests in established mining equipment and drilling technologies specific to the exploration, extraction and environmentally conscious mining and mining equipment of Gold, Silver and Platinum.

As a business, the Issuer functions from the perspective of an engineering firm. This is the nucleolus that directs what technology is developed and which acquisitions are made, creates strategic alliances, develops proprietary technology and patents that bring the expertise and creates the real value for Spectrum Acquisition Holdings.

The Company is currently holding interests in 2 gold producing mining operations. One is in Pataz, Peru and is in the richest gold region in the world, the second gold mining operation is on the South Fork of the Salmon River with 400 combined acres on three connecting gold properties located in the heart of the ancient Californian river channel within a section that is world renowned.

To capitalize on its gold mining interests, Spectrum Acquisition through its fully owned subsidiary Western American Mining is developing its proprietary Continuous Refractory Ore Bioprocessing technology. The bioprocessor monitors the digestion of metal ore for silver, gold and platinum using bacteria in a controlled agitation tank.

This technology will increase production and provides multiple benefits including a safer, environmentally friendly solution to the poisonous chemicals currently used in the processing of ore for minerals that removes the usage of arsenic and prevents mercury poisoning and mining waste from polluting the watershed.

This could have a major impact on the mining of precious metals since the industry has become recognized and restricted as the source of arsenic and mercury poisoning which causes learning disabilities in children, birth defects, increased cancer and dead rivers streams and lakes.

1. SIC code is 1081

2. The Issuer is currently a development stage Issuer as described under Footnote 172 of Rule 144, promoting and developing an assigned patent.

3. The Issuer is not a Shell Issuer under Rule 405 of the Securities Act

4. The Issuer has no parent Issuer. The Issuer has one wholly owned subsidiary, "Avalon Perspective LTD, LLC" and is included in the financial statement attached to this disclosure statement.

5. The effect of existing or probable governmental regulations on the business. The company has a gold mine claim in California. California enacted SB 670 which placed a moratorium on dredging until an environmental study is completed. It is expected that the study will be completed in Spring, 2011. This has an effect on the proposed mining operations of Graham Gulch.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers.

   The Company spent approximately $8,251.00 on development its patent this last two fiscal years. None of this cost has been borne directly to the customers. For 2008, the Company spent $205,980.00 on the development of the technology.

   SPAH holds one patent pending and is currently developing it:

   Mixing, Milling and Aeration Apparatus for Digesting Metal Ore with Bacteria

   SPAH was issued 2 patents in 2010:

   Laser Guidance System for Diamond Wire Cutting Apparatus
   Continuous Refractory Ore Bioprocessing Apparatus

7. The mining and mining equipment industry is regulated by the National Environmental Policy Act, Federal Land Policy and Management Act, Clean Air Act, Federal Water Pollution Control Act, Safe Drinking Water Act, Solid Waste Disposal Act, Comprehensive Environmental response, Compensation and Liability Act, Toxic Substance Control Act, Endangered Species Act, and Migratory Bird Treaty Act. Currently, the Issuer is not effected by these regulations.

8. The Issuer has 0 employees. All personnel are paid as independent contractors.

Item IX. The nature of products or services offered.

A. SPAH is a start-up Issuer focused on the development of products that are environmentally responsible for use by customers in the mining and mining equipment industries. SPAH will grow through the acquisition of companies using innovative technologies that leave a minimal footprint.

B. SPAH is a start-up Issuer working on developing its technology for use in the mining and mining equipment fields.

C. There have been no publicly announced new product or service.

D. Competition

Joy Global Inc.
Manufactures and services mining equipment for the extraction of coal and other minerals and ores. Its equipment is used in mining regions to mine coal, copper, iron ore, oil sands and other minerals. It operates in two business segments: underground mining machinery (Joy Mining Machinery or Joy) and surface mining equipment (P&H Mining Equipment or P&H). Joy is a manufacturer of underground mining equipment for the extraction of coal and other bedded minerals and offers service locations near major mining regions worldwide. P&H is a major producer of surface mining equipment for the extraction of ores and minerals and provides operational support for many types of equipment used in surface mining. Sales of original equipment for the mining industry, as a class of products, accounted for 37% of Joy's consolidated sales for fiscal year ended October 26, 2007. In February 2008, Joy acquired N.E.S. Investment Co., and its subsidiary, Continental Global Group, Inc.

Bucyrus International, Inc.
Designs, manufactures mining equipment for the extraction of coal, copper, oil sands, iron ore and other minerals in mining centers throughout the world. In addition to the manufacture of original equipment, the Company also provides the aftermarket replacement parts and service for equipment. The Company operates in two business segments: surface mining and underground mining. The Company's manufacturing facilities include Australia, China, Germany, Poland and the United States, and service and sales centers include Australia, Brazil, Canada, Chile, China, England, India, Mexico, Peru, Russia, South Africa and the United States. The Company's surface mining equipment includes draglines, electric mining shovels and rotary blasthole drills. In May 2007, the Company completed the acquisition of DBT GmbH, a subsidiary of RAG Coal International AG.

Newmont Mining and mining equipment Corporation (NYSE: NEM)
Based in Denver, Colorado, USA, is one of the world's largest producers of gold, with active mines in, Nevada, Indonesia, Australia, New Zealand, Ghana, and Peru. Some smaller operations include Bolivia, Mexico, and Canada. Holdings include Battle Mountain Gold, Normandy Mining and mining equipment, and Franco-Nevada Corp. Newmont also has many joint venture relationships. As of December 31, 2006, Newmont produced approximately 5.9 million equity ounces of gold annually and held reserves of about 94 million of those equity ounces. Production in the Americas accounts for about 70% of the company's equity ounces, but even so, Newmont is the largest gold mining and mining equipment company in Australia. Newmont employs approximately 15,000 people worldwide and the company says it is committed to the highest standards for environmental protection, worker health and safety, and benefiting host communities. Other metals that the company mines include copper and silver.

Doe Run Company
Based in St. Louis, Mo., is a wholly owned subsidiary of the Renco Group, and one of the largest mining and mining equipment, smelting, and refining operations in the world.[1] Doe Run operates the largest lead smelter in the United States in Herculaneum, Missouri, as well as smelters and refineries in La Oroya, Peru and a copper mine in Cobriza, Peru. The Doe Run Company is owned by Ira Rennert.

Kennecott Utah Copper Corporation (KUCC)
A division of Rio Tinto Group, is a mining and mining equipment, smelting, and refining company. Its corporate headquarters are located in Magna, Utah, USA. Kennecott operates one of the largest open-pit copper mines in the world in Bingham Canyon, Salt Lake County, Utah. The company was first

formed as 1898 as the Boston Consolidated Mining and mining equipment Company. The company first used the name Kennecott in 1936. The current corporation was formed in 1989.

North Bloomfield Mining and mining equipment and Gravel Company
Established in 1866 and operated a hydraulic gold-mining and mining equipment operation at the Malakoff Mine subsequent to the California Gold Rush. In its day, no other company's operations matched North Bloomfield Mining and mining equipment and Gravel Company in size or expense. The mine is located within Malakoff Diggins State Historic Park, 16 miles (26 km) east of Highway 49 on Tyler Foote's Crossing Road, and 28 miles (45 km) north of Nevada City, California.

E. Raw materials / suppliers – The Issuer is currently a start-up Issuer and has no major raw materials suppliers to date.

F. The Issuer is not dependent upon any major customers.

G. SPAH holds two patents and is currently developing a third one:

Laser Guidance System for Diamond Wire Cutting Apparatus US 7,755,013 B1expiring July, 2030
Continuous Refractory Ore Bioprocessing Apparatus US 7,842,228 B1 expiring November, 2030

Patent Pending:

Mixing, Milling and Aeration Apparatus for Digesting Metal Ore with Bacteria

H. There are no approvals needed by any government agencies for the use of the Issuer's products.

Item X. The nature and extent of the issuer's facilities.

4301 W William Cannon,
Suite B 150 #253
Austin, Texas 78749

Part D Management Structure and Financial Information

Item XI. The Officers and Control Persons.

A. Officers and Directors.

CEO, President, Treasurer

1) Dale Henry
2) Same as Corporate Address
3) Employment History

The Parking Network and Focus Point Parking, Austin, TX (2007-2009)
Controller
Responsible for all areas of the Accounting Department including payroll, multi-state tax reporting, staff supervision, financial reporting, general and subsidiary ledger, and drafting service agreements.

Austin Travis County MHMR, Austin, TX (2006-2007)
Accounting Services Director

Responsible for all areas of the Accounting Department including benefits and payroll processing for 450+ employees, preparing operating statements for Board of Trustees, and supervising eight assistants. Acted as audit liaison and center's Chief Investment Officer managing $12 million portfolio.

A World for Children, Round Rock (2004-2006)
Finance Director
Directed Accounting and Finance Department. Responsible for human resources and payroll functions including benefits and payroll processing for 100+ employees. Prepared operating statements for Board of Directors. Supervised staff and trained managers. Prepared ad hoc analysis of operations.

Agility Capital, Inc. (aka AutoBond Acceptance Corporation), Austin (1998-2003)
Controller/Principal Accounting Officer
Prepared financial statements for SEC reporting. Maintained general and subsidiary ledger. Audit liaison among independent auditors, attorneys, and other company officers. Analyzed internally-developed software and made recommendations for improvement. Assisted portfolio companies with accounting software and procedures. Responsible for human resources and payroll functions and well as preparing documentation related to trusts and litigation.

1) Board Membership of HopeMongers, Inc.
2) Mr. Henry currently earns $10,000.00 a month; for 2010, he earned $75,000.00. Mr. Henry was paid $15,000 for services provided in 2010.
3) Mr. Henry owns no common stock shares and 1 Preferred Share

Secretary (resigned January 17, 2011 effective December 31, 2010)

1) Matthew Maza
2) Same as Corporate Address
3) Employment History

Matthew has been Secretary since June of 2008. His duties entail updating the corporate state filings and keeping records of the actions taken by the board of directors and shareholders.

Matthew is an attorney at Cident Law Group PLLC since October 2007. Prior to that he was a financial analyst creating projections and models for capital-finding purposes. In 2005 and 2006, he was an attorney drafting and reviewing financing memoranda, ensured that transactions complied with SEC rules and regulations for private offerings, as well as drafting and negotiating contracts, letters of intent, letters of merger termination, NDAs, private placement memoranda, and acquisition or merger agreements.

Matthew has a LLM in Taxation from the University of Washington, a Juris Doctorate and Masters in Business from Seattle University. He went to the University of Washington for undergraduate, gaining a degree in molecular biology and a degree in economics. Currently, he is a member of Washington State Bar.

4) No affiliates
5) No Compensation as a Secretary. Paid $25,614.50 in legal fees in 2010.
6) Mr. Maza owns 84,080 of restricted common stock.

Director, Investor Relations Manager

1) Keith Field
2) Same as Corporate Address
3) Employment History

Mr. Field is currently chairman of Mundus Group, Inc.
Sr. Vice President of Marketing for RAI a subsidiary under Mundus Group, Inc.
VTOL aerospace technologies project since 1997 as project development coordinator.

Mr. Field has been a creative marketing consultant since 1997 and is involved in the due diligence of new business acquisitions. As the chief writer for several corporations, Mr. Field has developed and written their business plans, marketing strategy and website content. In high tech marketing and sales for over 25 years and a manager for ITT 1995-96 and consultant for AT&T 1991-93, Mr. Field majored in Architectural Engineering and received honors from Illinois Institute of Technology. Mr. Field attended Loyola University's Pre-Medical school and majored in Bio/Psychology completed internship program as Loyola counselor & staff / studied Computer Science at Roosevelt University, Chicago

4) In 2010, sits on the board of Mundus Group, Inc.
5) Mr. Field has received no compensation in 2010.
6) Mr. Field owns 2,000,000 restricted common stock shares, and 1 Preferred A share.

B. Legal/Disciplinary History

1. There have been no criminal actions against any of the above members.
2. There has been no order, judgment, or decree by a court against any of the above members.
3. There have been no findings or judgment from the SEC, CFTC, or state securities regulator against any of the above members.
4. There has been no order barring, suspending, or otherwise limiting any of the above persons' involvement in any type of business or securities activities.

C. Disclosure of Family Relationships

There are no family relationships among or between issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent of the any class of the issuer's equity securities.

D. Disclosure of Certain Relationships

Michele McDonald, shareholder, is the President/CEO of The Good One, Inc.. The Good One, Inc. has a consulting contract with the Issuer in providing financing consulting for the purpose of a) providing assistance with due diligence processes, capital structures, and capital resources such as accredited investors, private equity participants, micro/small cap equity funds, broker/dealers, and institutional investor relationships; b) structuring and providing alternative sources for accounts receivable, purchase order and other asset-based or cash flow financing; c) identify and coordinate investor relations services; d) guidance and assistance in available alternatives to maximize shareholder value; e) development of potential strategic alliances, mergers and acquisitions; and f) periodic preparation and distribution of research reports and other information to the broker/dealer and investment banking community.

The compensation to The Good One, Inc. is a consulting fee.

1) Michele McDonald, a shareholder, is president of The Good One, Inc., which does consulting work for the Issuer
2) A paid consultant for the Issuer
3) For 2010, The Good One, Inc. earned $20,000 per month in compensation. A demand letter for payment of past services was received on May 18, 2010 in the amount of $338,500. The debt was settled by the authorization of issuance of 55,000,000 common shares.
4) The Good One, Inc. provides a service.
5) A consulting contract with the Issuer in providing financing consulting for the purpose of a) providing assistance with due diligence processes, capital structures, and capital resources such as accredited investors, private equity participants, micro/small cap equity funds, broker/dealers, and institutional investor relationships; b) structuring and providing alternative sources for accounts receivable, purchase order and other asset-based or cash flow financing; c) identify and coordinate investor relations services; d) guidance and assistance in available alternatives to maximize shareholder value; e) development of potential strategic alliances, mergers and acquisitions; and f) periodic preparation and distribution of research reports and other information to the broker/dealer and investment banking community.

E. Disclosure of Conflict of Interest

There are no transactions or conflicts of interests between any related party, executive officer, or director with competing professional or personal interests.

Item XII. Financial Information for the fiscal period of 2010.

Income Statement

	Jan - Dec 08	Jan - Dec 09	Jan- Dec 10
Bank Service Charges	1,285.00	753.75	145.00
Computer and Internet Expenses	1,834.06	1,088.62	538.10
Consulting Fees	358,715.00	307,000.00	300,000.00
Amortization Patent Costs	-	-	54,293.64
Dues and Subscriptions	3,500.00	5,417.00	-
Efax Expense	480.00	280.00	-
Filing Fees	1,435.00	50.00	50.00
Interest	-	-	29,968.36
Legal Fees	26,475.00	76,310.50	112,669.30
Meals and Entertainment	56.52	21.52	
Office Supplies	1,524.34	959.78	475.01
Postage & Delivery	27,652.08	5,196.37	989.01
Press Releases	850.00	1,985.00	6,135.00
Professional Fees	60,000.00	54,095.49	82,500.00
Prospecting Fees	87,500.00	40,000.00	-
Stock Management Fees	26,555.68	8,474.96	8,046.53
Telephone Expense	1,740.00	1,085.00	660.00
Travel Expense	741.78	1,616.15	168.30
Website Hosting and Maintenance	5,500.00	-	1,192.38
Total Expense	605,844.46	504,336.14	597,830.63
Net Ordinary Loss	(605,844.46	(504,336.14)	(597,830.63)
Interest Income	-	0.45	0.35
Net Loss	**(560,844.46)**	**(504,335.69)**	**(597,830.28)**

Balance Sheet

	Dec 31, 08	Dec 31, 09	Dec 31, 10
ASSETS			
Current Assets			
Checking/Savings	8,768.05	2,903.10	49,651.05
Accounts Receivable		27,573.00	-
Total Current Assets	8,768.05	30,476.10	49,651.05
Fixed Assets			
Furniture and Equipment	3,352.49	-	-
Patent Costs (net)	205,980.00	210,331.00	159,937.36
Total Fixed Assets	209,332.49	210,331.00	159,937.36
Other Assets			
Investments	200,000.00	200,000.00	2,512,500.00
Total Other Assets	200,000.00	200,000.00	2,512,500.00
TOTAL ASSETS	**418,100.54**	**440,807.10**	**2,722,088.41**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	6,700.00	152,544.00	340,512.73
Total Accounts Payable	6,700.00	152,544.00	
Other Liabilities			
Escrow Account	22,334.00		
Loan from Shareholder	-	5,000.00	-
Note Payable			107,877.00
Convertible Notes			2,302,000.00
Accrued Interest on Convertible Notes			29,718.36
Total Other Liabilities	22,334.00	5,000.00	2,439,595.36
Total Liabilities	29,034.00	157,544.00	2,780,108.09
Equity			
Super A Preferred			3.00
Super B Preferred			5,000.00
Additional Paid in Capital	979,334.50	1,176,106.94	1,482,174.13
Capital Stock	2,841.50	4,601.31	195,078.62
Retained Earnings	(32,265.00)	(638,109.46)	(1,142,445.15)
Net Income	(604,844.46)	(504,335.69)	(597,830.28)
Total Equity	344,066.54	38,263.10	(58,019.68)
TOTAL LIABILITIES & EQUITY	**418,100.54**	**440,807.10**	**2,722,088.41**

Cash Flow Statement

	Jan - Dec 08	Jan - Dec 09	Jan- Dec 10
OPERATING ACTIVITIES			
Net Income	(604,844.46)	(504,335.69)	(597,830.28)
Adjustments to reconcile Net Income			
to net cash provided by operations:			
Accounts Receivable	(61,016.00)	(49,907.00)	27,573.00
Amortization Patent Costs			54,293.64
Accounts Payable	48,500.00	345,844.00	(57,031.27)
Accrued Interest			29,718.36
Net cash provided by Operating Activities	(618,360.46)	(208,398.69)	(543,276.55)
INVESTING ACTIVITIES			
Furniture and Equipment	(3,352.49)	3,352.49	
Patent Costs	(205,980.00)	(4,351.00)	(3,900.00)
Investments			(2,312,500.00)
Net cash provided by Investing Activities	(209,332.49)	(998.51)	(2,316,400.00)
FINANCING ACTIVITIES			
Loan from Shareholder		5,000.00	(5,000.00)
Note Payable			107,877.00
Convertible Notes			2,302,000.00
Additional Paid in Capital	807,856.15	196,772.44	306,067.19
Capital Stock	2,569.85	1,759.81	190,477.31
Preferred Stock			5,003.00
Net cash provided by Financing Activities	810,426.00	203,532.25	2,906,424.50
Net cash increase for period	(17,266.95)	(5,864.95)	46,747.95
Cash at beginning of period	26,035.00	8,768.05	2,903.10
Cash at end of period	**8,768.05**	**2,903.10**	**49,651.05**

Change in Shareholders' Equity Report

	Preferred Stock	Common Stock	Additional Paid In Capital	Retained Earnings	Total Stockholder Equity
January 1, 2007		-	-		
Common Stock Issued		271.65	171,478.35		171,750.00
Net Income				(32,265.00)	(32,265.00)
Dividends					-
December 31, 2007		271.65	171,478.35	(32,265.00)	139,485.00
					-
Common Stock Issued		2,569.85	807,856.15		810,426.00
Net Income				(605,844.46)	(605,844.46)
Dividends					-
December 31, 2008		2,841.50	979,334.50	(638,109.46)	344,066.54
					-
Common Stock Issued		1,759.81	196,772.44		198,532.25
Net Income				(504,335.69)	(504,335.69)
Dividends					-
December 31, 2009		4,601.31	1,176,106.94	(1,142,445.15)	38,263.10
Preferred A Stock Issued	3.00				3.00
Preferred B Stock Issued	5,000.00				5,000.00
Common Stock Issued		190,477.31	306,067.19		496,544.50
Net Income				(597,830.28)	-597,830.28
	5,003.00	195,078.62	1,482,174.13	(1,740,275.43)	(58,019.68)

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization, History and Business Activity

Spectrum Acquisition Holdings, Inc (SPAH) is a Nevada corporation, first incorporated on March 16, 1987 under the name "First American Railways, Inc.". Over the years its name has changed various times until in September 2007 the Company name was changed to "Spectrum Acquisition Holdings, Inc.".

In April 2008 the Company performed a triangular reverse merger with Western American Mining Company the majority shareholder and WAMC Cloud, Inc. At this time the combined company name was changed to Spectrum Acquisition Holdings, Inc.

Prior to the merger the company was named Western American Mining Company and its common stock traded on the pink sheets under the symbol WAMC.

Goodwill was recorded, no other adjustment in basis of assets is recorded, the shares of the legal surviving entity, are treated as issued as of the date of the transaction, and the shares held by the controlling shareholders after the transaction, are treated as outstanding for the entirety of the reporting periods.

On September 24, 2010, Spectrum Acquisition Holdings, Inc. purchased one hundred per cent of the membership interests of Avalon Perspectives LTD, LLC. The basis in assets were adjusted to fair value at the time of purchase. No Goodwill was recorded.

The Company is currently in the process of performing product raising equity capital and seeking acquisition candidates to accomplish its growth strategies. The Company intends to conduct business in mining service industry with a focus on green technologies that create the smallest ecological footprint possible.

Development Stage Activities

The Company is a development stage company, as defined in the Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 7. The Company is devoting substantially all of its present efforts in securing and establishing a new business, and although planned operations have commenced, no revenues have been realized.

The Company is subject to many risks associated with early-stage businesses in the mining industry, including its ability to raise capital, reliance on key persons, and uncertainties surrounding market acceptance of the Company's products.

To date the Company has experienced losses from its operations and anticipates that it will require additional capital resources, including the net proceeds from additional equity and debt financing transactions, to generate revenue and achieve positive cash flows from operations. The Company's ability to generate positive cash flows depends upon a variety of factors, including the acceptance in the market for the Company's products and various other factors, some of which may be beyond the Company's control. There can be no assurance that such financing transactions will be consummated or that such revenue will be generated.

Note 2 – Significant Accounting Policies

The accounting and reporting policies of the Company conform to U.S. generally accepted accounting principles (GAAP) and to general practices within the mining industry. The following summarizes the more significant of these policies.

Basis of Consolidation

The consolidated financial statements include the accounts of Spectrum Acquisition Holdings, Inc its wholly owned subsidiary Avalon Perspectives, LTD LLC. All significant inter-company balances and transactions have been eliminated.

Basis of Accounting

The books, records and financial statements of Spectrum Acquisition Holdings, Inc. and its subsidiary Avalon Perspectives, LTD LLC. are maintained on the accrual basis of accounting.

Use of estimates

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. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statements of cash flows, the Company considers short-term investments, which may be withdrawn at any time without penalty, and restricted cash, which will become available within one year from the date of the financial statements, to be cash equivalents.

Equipment and Depreciation

Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 7 years. Management periodically reviews these assets to determine whether carrying values have been impaired.

Other Assets

Patent costs are stated at cost.

In April 2008 the Company performed a triangular reverse merger with Western American Mining Company the majority shareholder and WAMC Cloud, Inc. At this time the combined company name was changed to Spectrum Acquisition Holdings, Inc. Goodwill of $200,000 was recorded.

The Company entered into a Membership Purchase Agreement September 24, 2010 to purchase 100% of the membership interests of Avalon Perspectives, LTD, LLC in exchange for a $2,200,000 convertible promissory note (the "Note") dated the same date. The Note bears 5% interest of the unpaid balance and is payable March 24, 2011. The Note is convertible into shares of common stock equal to the product of the principal amount at 30% of the bid price on an average of the closing of the previous 3 days of trading of the conversion date.

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statements and federal income tax basis of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the period in which the differences are expected to affect taxable income. Deferred income tax benefits result from net operating loss carry-forwards. Valuation allowances are established when necessary to reduce the deferred tax assets to the amount expected to be realized. Due to the development stage nature of the Company's business, any deferred tax benefit from the anticipated utilization of net operating losses generated during the interim period have been offset by a valuation allowance. Income tax expense is the tax payable or refundable for the period plus, or minus the change during the period in deferred tax assets and liabilities.

Loss Per Common Share

Basic loss per share of $.0065 represents loss absorbed by common shareholders divided by the weighted average number of common shares outstanding during the current year 2010.

Note 3 – Patents

The Company was issued patents for its Laser Guidance System for Diamond Wire Stone Cutting Apparatus on July 13, 2010 and for its Continuous Refractory Ore Bioprocessing Apparatus on November 30, 2010. Amortization of patent costs for 2010 was $1,328.09 and $222.05 respectively.

Its patent pending for Mineshaft Illumination was rejected. Costs of $52,743.50 related to its development were charged to income.

Total Amortization of Patent Costs was $54,293.64 for year ended December 31, 2010.

Note 4 – Investments

The Company recorded goodwill of $200,000.00 for the purchase of Western American Mining

The Company purchased 100% of the membership interests of Avalon Perspectives LTD, LLC in September 2010. The consideration for the acquisition is Two Million Two Hundred Thousand ($2,200,000) Dollars to be paid not less than six (6) months with an interest rate of five (5%) per cent per annum by a Convertible Promissory Note. The Note converts to common voting stock of the issuer at thirty (30%) per cent of the average bid price for the three (3) days immediately preceding the Conversion Date. Either party may convert the Note to shares in lieu of payment beginning with the first (1st) anniversary of the Note and at no time may the Note convert for a number of shares in excess of 9.9% of the total then issued and outstanding common shares. The Note may be converted pursuant to these terms in blocks of stock that may be insufficient to pay the total outstanding principal and accrued interest. Therefore, the Note may be converted in lesser amounts, which shall be considered to be a draw-down of the total outstanding principal and accrued interest. The fact that the entire amount of the Note is not converted shall not be deemed to create successive notes but merely a reduction in the principal and accrued interest under the original Note.

Note 5 – Notes Payable

Notes payable consist of a note to The Claim Post for the purchase of the Graham Gulch unpatented gold mine claim. The terms are $1,541.00 per month for 73 months. The balance of the note at December 31, 2010 is $107,877.00.

Note 6 – Convertible Notes Payable

A Convertible Promissory Note was issued for past services to consultants totaling $102,000.00. The notes bear 5% interest and may be converted at any time into common stock of the company.

A Convertible Promissory Note was issued for the acquisition of Avalon Perspectives LTD, LLC. See Note 4 for details.

Note 3 – Liquidity and Going Concern Uncertainty

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company is in the development stage. The Company has accumulated net losses of approximately $1,740,275 from its Inception through December 31, 2010. The Company has historically been financed through an issuance of common stock. As of December 31, 2010, the Company's principal source of liquidity consisted of $49,651 of cash and cash equivalents. To continue its current level of operations beyond December 31, 2010, it is expected that the Company will need to seek additional funds through the issuance of additional equity or debt securities or other sources of financing. Additional financing sources may not be available when and if needed by the Company. If the Company were unable to obtain the necessary additional financing, it would be required to reduce the scope of its operations, primarily through the reduction of discretionary expenses, or discontinue operations.

Note 4 – Stockholders' Equity

In April 2008 the Company affected a reverse stock split wherein 20 shares were exchanged for 1 new share of common stock, which resulted in the reduction in shares being outstanding prior to the reverse merger.

In April 2010 the Company by authorization of the Board of Directors and the majority of Shareholders, increased the authorized shares of Common Stock to 1,000,000,000 shares and Preferred Stock to 10,000,000 shares. The current issued and outstanding shares of Common stock on December 31, 2010 is 195,078,626, Super A Preferred 3, and Super B Preferred 5,000,000.

Note 5 – Recent Accounting Pronouncements

Effective January 1, 2008, the Company adopted SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. SFAS 159 allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for specified financial assets and liabilities on a contract-by-contract basis. The Company did not elect to adopt the fair value option for existing assets and liabilities under this Statement.

Effective January 1, 2008, the Company adopted SFAS No. 157, Fair Value Measurements. In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, Effective Date of FASB Statement No. 157, which provides a one year deferral of the effective date of SFAS 157 for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. Therefore, the Company has adopted the provisions of SFAS 157 with respect to its financial assets and liabilities only. SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under SFAS 157 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under SFAS 157 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value, of which the first two are considered observable and the last unobservable as:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The adoption of this statement did not have a material impact on the Company's consolidated results of operations and financial condition.

In December 2007, the FASB issued SFAS No. 141R, Business Combinations, which replaces SFAS No. 141. The statement retains the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. SFAS No. 141R is effective on a prospective basis for all business combinations for which the acquisition date is on after the beginning of the first annual period subsequent to December 15, 2008, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. We are currently evaluating the effects, if any, that SFAS 141R may have on our financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51, which changes the accounting and reporting for minority interests. Minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and, upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective for us beginning July 1, 2009 and will apply prospectively, except for the presentation and disclosure requirements, which will apply retrospectively. We are currently assessing the potential impact that adoption of SFAS No. 160 may have on our financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133, which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on our financial position, financial performance, and cash flows. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently assessing the potential impact that adoption of SFAS No. 161 may have on our financial statements.

In April 2008, the FASB issued (FSP) FAS No. 142-3, which amends the factors that must be considered in developing renewal or extension assumptions used to determine the useful life over which to amortize the cost of a recognized intangible asset under FAS No. 142, "Goodwill and Other

Intangible Assets." The FSP requires an entity to consider its own assumptions about renewal or extension of the term of the arrangement, consistent with its expected use of the asset, and is an attempt to improve consistency between the useful life of a recognized intangible asset under FAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under FAS No. 141, "Business Combinations." The FSP is effective for fiscal years beginning after December 15, 2008, and the guidance for determining the useful life of a recognized intangible asset must be applied prospectively to intangible assets acquired after the effective date. The FSP is not expected to have a significant impact on the Company's results of operations, financial condition or liquidity.

In May 2008, the FASB issued Financial Accounting Standard (FAS) No. 162, "The Hierarchy of Generally Accepted Accounting Principles." The statement is intended to improve financial reporting by identifying a consistent hierarchy for selecting accounting principles to be used in preparing financial statements that are prepared in conformance with generally accepted accounting principles. Unlike Statement on Auditing Standards (SAS) No. 69, "The Meaning of Present in Conformity With GAAP," FAS No. 162 is directed to the entity rather than the auditor. The statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with GAAP," and is not expected to have any impact on the Company's results of operations, financial condition or liquidity.

In June 2008, the FASB issued (FSP) Emerging Issues Task Force (EITF) No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." Under the FSP, unvested share-based payment awards that contain rights to receive non-forfeitable dividends (whether paid or unpaid) are participating securities, and should be included in the two-class method of computing EPS. The FSP is effective for fiscal years beginning after December 15, 2008, and interim periods within those years, and is not expected to have a significant impact on the Company's results of operations, financial condition or liquidity.

Note 6 – Subsequent Events

The Company raised $45,000 through the issuance of additional 58,181,818 shares of common stock pursuant to an exemption under Reg. D 504.

Item XIII. Financial information for two preceding fiscal years.

Posted Above in Item XII

Item XIV. Beneficial Owners

The following individuals/companies own more than 5% in SPAH:

The Good One Inc.
Amber Sunset Ventures, LLC
Tech Development, LLC

Item XV. Advisors

A. Accountant:

PMB Helin, Donovan, LLP
5918 West Courtyard Drive, Suite 400
Austin, Texas 78730

B. Legal Counsel:

Sayid and Associates, LLP
Attorneys and Counselors at Law
408 West 57th Street, Suite 8E
New York, NY 10019

Item XVI. Manager's Discussion and Analysis or Plan of Operation

A. Plan of Operation

Currently funding has been provided through sale of restricted regulation S common stock and restricted Reg. D 504. This funding will continue and additional sources added once an acquisition is finalized.

i) The company's first phase is focusing on acquiring and or developing proprietary "Green mining and mining equipment technology", as well as interests in established mining and mining equipment operations producing gold, silver and gypsum. The Issuer is positioning itself to be a model for Green mining equipment.

In our current phase we are prospecting drilling businesses and mining equipment operations and presently define our market as a regional one focused on the mining and mining equipment of metals and natural resources. Over the next 12 months, SPAH's strategy is to acquire or deploy proprietary technologies that will explore, extract the minerals and ore trapped in the earth using the latest technologies to create a small footprint as well as low capital cost and low operating cost technology platforms that can rapidly and economically be deployed to the site.

Spectrum Acquisition Holdings Plan

- To acquire existing companies that service the mining industry
- To acquire existing mining and mining equipment technology companies
- To produce innovative drilling technology and services that minimize environmental impact
- To utilize state-of-the-art technology to develop innovative revenue streams
- Build for long-term growth and value creation.

SPAH Corporation Value Creation

SPAH will create value for its investors by exploiting its proprietary prospecting system to identify companies that fit the strategy. Our system incorporates successful middle-American companies that are not targeted by large conglomerate industries that can be purchased with substantial equity positions. Our system reviews between 500 and 2000 companies a month. The software system identifies, selects and acquires target companies. SPAH management includes significant operational expertise that can grow profits through streamlined processes and the exploitation of synergies between the companies that are purchased.

ii) In October of 2009, the Issuer entered into an agreement with a mine operator for the production of gold in Peru. There has been no successful development of mining operations since the agreement was signed.

iii) In September of 2010, the Issuer purchased Avalon Perspectives and acquired an unpatented gold mining claim in northern California. The Company has had to delay development of the claim because of California SB 670 which places a moratorium on dredging. It is expected the moratorium will be lifted by the end of 2011.

iv) There will be no significant change in the number employees for the Issuer over the next 12 months.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations

Issuer has not had any revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which the attached financial statements are furnished.

C. Off-balance Sheet Arrangements

There are currently no arrangements that are off the balance sheet.

Part E Issuance History

Item XVII. Securities offerings and shares issued for services.

1) Securities offerings in the past two years
   - i. Regulation S Offering
   - ii. Qualified outside of the United States
   - iii. 20,000,000 shares offered on a best-efforts basis
   - iv. 8,528,415 shares sold
   - v. Average Price at which shares were offered $0.61. Average amount remitted to Issuer was $0.16 per share.
   - vi. All shares sold in this offering are restricted

   - i. Regulation D Offering
   - ii. Exemption of sale of restricted common stock in the United States
   - iii. 1,000,000 shares offered on a best-efforts basis
   - iv. 1,000,000 shares were sold
   - v. Average Price at which shares were offered $0.035 per share
   - vi. All shares sold in this offering are restricted

   - i. Rule 144
   - ii. Super B Preferred
   - iii. 5,000,000 offered
   - iv. 5,000,000 sold
   - v. The price at which shares were offered was $0.001 and the amount paid to issuer was $5,000.00

   - i. Rule 144
   - ii. Super A Preferred
   - iii. 3 shares offered and sold for $1.00 per share.

   - i. Regulation D Offering
   - ii. Exemption of sale of restricted common stock in the United States
   - iii. 60,849,846 shares offered on a best-efforts basis
   - iv. 60,849,846 Shares were sold at an average price of $0.0016 per share

2) As far as the current management knows 102,673,080 shares were issued for services in past two years.

		Value of Service	Shares Issued
2009			
Cident Law	$	11,268.00	84,080
2010			
Cident Law		23,794.50	47,589,000
The Good One, Inc.		338,500.00	55,000,000
Total	$	373,562.50	102,673,080

Part F Exhibits

Item XVIII. Material Contracts

A. Material Contract

1. There are no contracts outside of purchase or sale of current assets having a determinable market price.
2. There are no contracts of which the Issuer is substantially dependent.
3. There are no contracts for purchase or sale of any property, plant, or equipment exceeding 15% of Issuer's assets.
4. There is no material lease of any property described in this disclosure

B. Compensation Plans – all compensatory plans provided to employees, officers, and directors provides for the same method of allocation of benefits between typical management and non-management participants.

Item XIX. Articles of Incorporation and Bylaws

STATE of NEVADA
AMENDED CERTIFICATE of INCORPORATION
Of
SPECTRUM ACQUISITION HOLDINGS, INC.
A STOCK CORPORATION

Posted with this Disclosure

BYLAWS
OF
Spectrum Acquisition Holdings, Inc.
A Nevada Corporation

Posted with this Disclosure

Item XX. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

There has been no purchase of Issuer's Equity Securities made by or on behalf of the Issuer or by any Affiliated Purchaser, nor has there been any publicly announced plans or programs where the Issuer will repurchase such Equity Securities.

Item XXI. Issuer's Certifications

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

I, Dale Henry, certify that: 1. I have reviewed this annual statement of Spectrum Acquisition Holdings, Inc.; 2. based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and 3. based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 29, 2011

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A. Dale Henry
CEO, SPAH