

**Kat Exploration Limited
Financial Statements
(Unaudited)
November 30, 2009**

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November 30, 2009

To the Directors

We have reviewed the balance sheet of Kat Exploration Ltd as at November 30, 2009 and the statements of earnings, retained earnings, and cash flows for the proceeding three 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

	2009	2008
Assets		
Current		
Bank	70,191	968
Accounts Receivable	8,205	0
Security Deposits	4,050	0
	<u>82,446</u>	<u>968</u>
Capital assets (Note 1 and 2)	39,869	9,624
Investment	17,143	0
	<u>139,458</u>	<u>10,592</u>
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accruals (Note 3)	66,734	45,196
Current Portion of loans (Note 5)	11,975	2,186
	<u>78,710</u>	<u>47,382</u>
Loans Payable (Note 5)	35,480	6,537
Due to shareholders	0	0
	<u>114,190</u>	<u>53,919</u>
Shareholders' Equity		
Shareholder Common Shares (Note 6)	425,289	15,000
Retained earnings	(400,020)	(58,327)
	<u>25,268</u>	<u>(43,327)</u>
	<u>\$139,458</u>	<u>\$10,592</u>

On behalf of the Board:

Director: _____

	2009	2008
Revenue	\$16,121	\$2,100
Expenses		
Advertising	10,551	0
Amortization	13,804	2,726
Assay	2,077	0
Consulting Fees	45,250	0
Courier & Postage	363	0
Dues, Fees, and Licenses	0	170
Insurance	845	0
Interest and bank charges	11,928	6,468
Interest and Penalties	0	3,023
Leased Equipment	3,406	0
Licence & Fees	24,882	0
Office Supplies	3,732	1,131
Professional fees	26,907	900
Prospecting Equipment	1,105	0
Recording Fees	1,110	0
Repairs and maintenance	3,518	85
Rent	3,739	0
Staking Fees	2,765	900
Telephone	2,028	366
Travel	3,215	34
Vehicle operating	3,361	8,308
Wages and benefits	193,230	4,021
	<u>357,814</u>	<u>28,131</u>
Net earnings for the period	<u>(\$341,693)</u>	<u>(\$26,031)</u>

	<u>2009</u>	<u>2008</u>
Retained earnings, beginning of period	(58,327)	(32,295)
Net earnings for the period	(341,693)	(26,032)
Retained earnings, end of period	<u>(\$400,020)</u>	<u>(\$58,327)</u>

	2009	2008
Cash flows from operating activities		
Earnings from operations	(341,693)	(26,032)
Add item not involving an outlay of funds		
Amortization	13,804	2,726
	<u>(327,890)</u>	<u>(23,306)</u>
Changes in non-cash working capital		
Security Deposits	4,050	0
Accounts Receivable	8,205	0
Accounts payable	(20,273)	16,487
	<u>(8,018)</u>	<u>16,487</u>
Cash flows from investing activities		
Purchase of capital assets	0	0
	<u>0</u>	<u>0</u>
Cash flows from financing activities		
Shares	411,396	0
Debentures Payable	(5,000)	5,000
Increase in long term debt	(1,265)	(2,186)
	<u>405,131</u>	<u>2,814</u>
Net increase in cash	69,223	(4,005)
Cash at beginning of period	968	4,973
Cash at end of period	<u><u>70,191</u></u>	<u><u>968</u></u>

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Statement of Stockholders Equity
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Common	Purchase Common	Addition Common	Retained	Total Stock
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	<u>Stock</u>	<u>Stock</u>	<u>Stock</u>	<u>Earnings</u>	<u>Equity</u>
Balance, at Nov 30, 2008	13,272,127	15,000		(58,327)	(43,327)
1st Quarter Addition			25,000,000		
3th Quarter Addition		139,990			
4th Quarter Addition		270,299			
Net Income for the period				(341,693)	68,595
Balance, at Nov 30, 2009	<u>13,272,127</u>	<u>425,289</u>	<u>25,000,000</u>	<u>-\$400,020</u>	<u>\$25,268</u>

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%	15,715	6,794	8,921	7,833
Computers	30%	4,033	2,778	1,255	1,792
Vehicle	30%	34,933	5,240	29,693	0
		<u>\$54,681</u>	<u>\$14,812</u>	<u>\$39,869</u>	<u>\$9,625</u>

3. Accounts Payable

	2009	2008
Accounts Payables	66,734	45,196
Net Payable	<u>\$66,734</u>	<u>\$45,196</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	\$5,000
Indcom Leasing Inc. Capital lease. Repayable in monthly instalments of \$182. including interest. Secures by specific equipment. Matures June 2010.	\$921	\$3,723
Loan due to Ford Credit, blended monthly installments of \$921.23, secured by 2010 F150 truck, maturing November 2015.	\$46,535	\$0
Total Loans	47,456	8,723
Current Portion	11,975	2,186
Long Term Portion	\$35,480	\$6,537

6. Shared Capital:

Authorized:

Unlimited number of no par value common shares.

Issued:

3,000,000,000 common shares authorized without any cash payment.
 339,711,664 outstanding common shares.

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

Ken Stead	38,868,616 shares	11.44%
Tim Stead	25,000,000 shares	7.36%