

**Kat Exploration Limited
Financial Statements
(Unaudited)
November 30, 2010**

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**Kat Exploration Limited
Review Engagement Report
(Unaudited)
November 30, 2010**

To the Directors

We have reviewed the balance sheet of Kat Exploration Ltd as at November 30, 2010 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, 2010
(Unaudited)

	2010	2009
Assets		
Current		
Bank	9,768	70,191
Accounts Receivable	34,633	8,205
Security Deposits	37,850	4,050
Prepaid Insurance	23,519	-
	105,770	82,446
Capital assets (Note 1 and 2)	48,373	39,869
Investment	296,885	17,143
	451,028	139,458
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accruals (Note 3)	270,817	66,734
Current Portion of loans (Note 5)	5,988	11,975
	276,805	78,710
Loans Payable (Note 5)	31,240	35,480
	308,045	114,190
Shareholders' Equity		
Shareholder Common Shares (Note 6)	2,486,768	425,289
Retained earnings	(2,343,785)	(400,020)
	142,983	25,268
	\$451,028	\$139,458

On behalf of the Board:

Director: _____

Kat Exploration Limited
Statement of Earnings
November 30, 2010
(Unaudited)

	2010	2009
Revenue	\$16,755	\$16,121
Expenses		
Accommodation	18,584	0
Advertising	64,175	10,551
Amortization	9,884	13,804
Assay	80,404	2,077
Consulting Fees	26,414	45,250
Courier & Postage	5,755	363
Drilling	252,725	0
Excavator Equipment	16,362	0
Field Supplies	18,253	1,105
Geologist/Geophysics	112,099	0
Insurance	25,910	845
Interest and bank charges	17,904	11,928
Helicopter	8,186	0
Leased Equipment	0	3,406
Licence & Fees	11,084	24,882
Line Cutting & Trenching	35,400	0
Mapping	8,928	0
Office Supplies	9,183	3,732
Option Agreements	70,000	0
Professional fees	323,898	26,907
Recording Fees	2,237	3,875
Repairs and maintenance	20,455	3,518
Rent	16,062	3,739
Telephone	12,922	2,028
Travel / Entertainment	26,222	3,215
Vehicle operating	16,748	3,361
Wages and benefits	750,726	193,230
	1,960,520	357,814
Net earnings for the period	(\$1,943,765)	(\$341,693)

Kat Exploration Limited
Statement of Retained Earnings
November 30, 2010
(Unaudited)

	<u>2010</u>	<u>2009</u>
Retained earnings, beginning of period	(400,020)	(58,327)
Net earnings for the period	(1,943,765)	(341,693)
Retained earnings, end of period	<u>(\$2,343,785)</u>	<u>(\$400,020)</u>

Kat Exploration Limited
Statement of Cash Flows
November 30, 2010
(Unaudited)

	2010	2009
Cash flows from operating activities		
Earnings from operations	(1,943,765)	(341,693)
Add item not involving an outlay of funds		
Amortization	9,884	13,804
	(1,933,881)	(327,890)
Changes in non-cash working capital		
Security Deposits	(33,800)	4,050
Accounts Receivable	(26,428)	8,205
Prepaid Insurance	(23,519)	0
Accounts payable	204,083	(20,273)
	120,336	(8,018)
Cash flows from investing activities		
Purchase of capital assets	(298,131)	0
	(298,131)	0
Cash flows from financing activities		
Shares	2,061,479	411,396
Debentures Payable	0	(5,000)
Increase in long term debt	(10,227)	(1,265)
	2,051,252	405,131
Net increase in cash	(60,424)	69,223
Cash at beginning of period	70,191	968
Cash at end of period	9,767	70,191

Kat Exploration Limited
Statement of Stockholders Equity
November 30, 2010
(Unaudited)

	Common Stock	Purchase Common Stock	Addition Common Stock	Retained Earnings	Total Stock Equity
Balance, at Nov 30, 2009	275,711,664	425,289	0	(400,020)	25,268
1st Quarter Addition		705,132		(213,647)	491,485
2nd Quarter Addition		263,598		(299,320)	(35,722)
3th Quarter Addition		617,514		(691,427)	(73,912)
4th Quarter Addition		475,235		(739,371)	(264,136)
Net Income for the period					
Balance, at Nov 30, 2010	<u>275,711,664</u>	<u>2,486,768</u>	<u>0</u>	<u>-2,343,785</u>	<u>142,983</u>

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

Kat Exploration Limited
Notes to Financial Statements
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(Unaudited)

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 policies

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	12,083	8,921
Computers	30%	16,925	5,089	11,836	1,255
Vehicle	30%	41,098	16,644	24,454	29,693
		<u>\$79,529</u>	<u>\$31,156</u>	<u>\$48,373</u>	<u>\$39,869</u>

3. Accounts Payable

	2010	2009
Accounts Payables	270,817	66,734
Net Payable	<u>\$270,817</u>	<u>\$66,734</u>

Kat Exploration Limited
Notes to Financial Statements
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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 \$921

Loan due to Ford Credit, blended monthly installments of \$921.23, secured by 2010 F150 truck, maturing November 2015. \$37,228 \$46,535

Total Loans	37,228	47,456
Current Portion	5,988	11,975
Long Term Portion	\$31,240	\$35,480

6. Shared Capital:

Authorized:

Unlimited number of no par value common shares.

Issued:

700,000,000 common shares authorized without any cash payment.

641,603,664 outstanding common shares.

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

Ken Stead	132,262,784 shares	18.90%
Tim Stead	118,394,168 shares	17.00%

Kat Exploration Limited
Summary of Mineral Property Expenses
November 30, 2010
(Unaudited)

Mineral Property	Number of Claims	1st Qtr	2nd Qtr	3th Qtr	4th Qtr	Total
Cabot	138	0	0	31,428	2,743	34,171
Clifton	346	0	14,729	15,292	9,680	39,701
Collier's	20	0	0	0	0	0
Handcamp	226	41,037	29,703	394,573	260,027	725,340
Lucky	55	834	986	2,663	0	4,484
Rust Ridge	83	0	1,329	15,583	251,382	268,294
Shaylee	21	0	236	0	0	236
Twilite	114	18,000	0	0	0	18,000
Administration		178,775	257,792	218,188	215,540	870,295
Total	1,003	238,646	304,775	677,728	739,372	1,960,521