Consolidated Financial Statements of
Cornerstone Capital Resources Inc.

For the three months and nine months ended
September 30, 2009 and 2008

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Cornerstone Capital Resources Inc. for the three months and nine months ended September 30, 2009 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered accountants for a review of interim financial statements by an entity's auditor.

CORNERSTONE CAPITAL RESOURCES INC.

Table of Contents

CORNERSTONE CAPITAL RESOURCES INC.
Consolidated Statements of Loss and Deficit
(Unaudited)

	For the three months ended Sept 30, 2009	For the three months ended Sept 30, 2008	**For the nine months ended Sept 30, 2009**	For the nine months ended Sept 30, 2008
	$	$	**$**	$
REVENUE				
Investment income	**2,096**	35,192	**15,607**	95,431
Option payments forfeited by joint venture partners	-	-	-	32,165
Other income	**1,113**	24,753	**4,066**	56,437
Gain on sale of marketable securities	-	-	**16,860**	-
Gain on sale of mineral property (Note 6)	-	-	**281,315**	-
	3,209	59,945	**317,848**	184,033
EXPENSES				
General and administrative	**301,506**	462,082	**1,025,276**	1,759,099
Mineral property costs abandoned	**47,251**	823,303	**118,771**	836,577
Amortization	**30,572**	40,035	**84,092**	112,667
Stock-based compensation	**17,178**	60,835	**74,421**	283,021
Foreign exchange loss (gain)	**11,353**	(608)	**(3,772)**	(14,641)
Unrealized loss (gain) on value of marketable securities	**(900)**	-	**(39,630)**	-
Unrealized loss on value of share purchase warrants	-	2,066	-	33,896
Interest and bank charges	**1,303**	1,382	**4,042**	4,462
	408,263	1,389,095	**1,263,200**	3,015,081
NET LOSS FOR THE PERIOD	**(405,054)**	(1,329,150)	**(945,352)**	(2,831,048)
DEFICIT, BEGINNING OF PERIOD	**(22,256,567)**	(13,924,096)	**(21,716,269)**	(12,422,198)
DEFICIT, END OF PERIOD	**(22,661,621)**	(15,253,246)	**(22,661,621)**	(15,253,246)
LOSS PER SHARE - BASIC AND DILUTED	**(0.005)**	(0.02)	**(0.01)**	(0.04)
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	**74,947,178**	74,797,178	**74,930,878**	69,231,365

See accompanying notes to the consolidated financial statements

CORNERSTONE CAPITAL RESOURCES INC.
Consolidated Balance Sheets
(Unaudited)

	As at September 30, 2009	As at December 31, 2008
	$	$
ASSETS		
CURRENT		
Cash and cash equivalents	**538,181**	1,867,575
Marketable securities	**83,135**	68,575
Accounts receivable	**88,625**	711,208
Refundable staking deposits	**4,400**	212,995
Prepaid expenses	**51,234**	70,407
	765,575	2,930,760
MINERAL PROPERTIES (Note 6)	**5,394,443**	5,287,284
CAPITAL ASSETS	**336,501**	420,067
	6,496,519	8,638,111
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**244,251**	895,917
DEFERRED OPTION PAYMENTS (Note 7)	**38,500**	644,370
	282,751	1,540,287
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	**21,842,054**	21,855,179
Warrants (Note 8)	**2,440,876**	2,440,876
Contributed surplus (Note 8)	**4,592,459**	4,518,038
Deficit	**(22,661,621)**	(21,716,269)
	6,213,768	7,097,824
	6,496,519	8,638,111

BASIS OF PRESENTATION (Note 1)

APPROVED BY THE BOARD OF DIRECTORS:

"Glen H. McKay" Director "John Fleming" Director

See accompanying notes to the consolidated financial statements

CORNERSTONE CAPITAL RESOURCES INC.
Consolidated Statements of Cash Flows
(Unaudited)

	For the three months ended Sept 30, 2009	For the three months ended Sept 30, 2008	**For the nine months ended Sept 30, 2009**	For the nine months ended Sept 30, 2008
	$	$	**$**	$
OPERATING ACTIVITIES				
Net loss	**(405,054)**	(1,329,150)	**(945,352)**	(2,831,048)
Items not affecting cash:				
Option payments forfeited by joint venture partners	-	-	-	(32,165)
Amortization	**30,572**	40,035	**84,092**	112,667
Mineral property costs abandoned	**47,251**	823,303	**118,771**	836,577
Gain on sale of mineral property	**-**	-	**(281,315)**	-
Gain on sale of marketable securities	**-**	-	**(16,860)**	-
Unrealized loss on value of share purchase warrants	-	2,066	-	33,896
Unrealized gain on value of marketable securities	**(900)**	-	**(39,630)**	-
Stock-based compensation	**17,178**	60,835	**74,421**	283,021
Changes in non-cash operating working capital	**(69,520)**	(292,003)	**198,686**	(448,304)
	(380,473)	(694,914)	**(807,187)**	(2,045,356)
INVESTING ACTIVITIES				
Proceeds from sale of mineral property	**-**	-	**560,648**	-
Proceeds from sale of marketable securities	**-**	-	**47,430**	-
Mineral properties expenditures - net	**(410,943)**	(521,202)	**(1,113,633)**	(2,338,473)
Purchase of capital assets	**-**	(2,240)	**(527)**	(82,652)
Proceeds from deferred option payments	**-**	-	**-**	40,000
	(410,943) -	(523,442)	**(506,082)**	(2,381,125)
FINANCING ACTIVITIES				
Proceeds from issuance of share capital - net	**(1,371)**	(6,714)	**(16,125)**	2,387,239
Proceeds from issuance of warrants - net	**-**	-	**-**	1,503,676
	(1,371)	(6,714)	**(16,125)**	3,890,915
DECREASE IN CASH AND CASH EQUIVALENTS	**(792,787)**	(1,225,070)	**(1,329,394)**	(535,566)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**1,330,968**	4,411,306	**1,867,575**	3,721,802
CASH AND CASH EQUIVALENTS, END OF PERIOD	**538,181**	3,186,236	**538,181**	3,186,236
COMPRISED OF : Bank deposits and cash on hand	**538,181**	299,059	**538,181**	299,059
Bank guaranteed investment certificates	**-**	2,887,177	**-**	2,887,177
	538,181	3,186,236	**538,181**	3,186,236

SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 10)

See accompanying notes to the consolidated financial statements

CORNERSTONE CAPITAL RESOURCES INC.

Consolidated Statements of Comprehensive Loss

(Unaudited)

	For the three months ended Sept 30, 2009	For the three months ended Sept 30, 2008	**For the nine months ended Sept 30, 2009**	For the nine months ended Sept 30, 2008
	$	$	**$**	$
NET LOSS	**(405,054)**	(1,329,150)	**(945,352)**	(2,831,048)
OTHER COMPREHENSIVE LOSS				
Unrealized loss on value of marketable securities (net of tax of nil)	-	(169,929)	-	(271,677)
COMPREHENSIVE LOSS	**(405,054)**	(1,499,079)	**(945,352)**	(3,102,725)

See accompanying notes to the consolidated financial statements

1. BASIS OF PRESENTATION

The interim consolidated financial statements (the "financial statements") of Cornerstone Capital Resources Inc. (the "Company") have been prepared in accordance with the accounting principles and methods of application disclosed in the consolidated financial statements for the year ended December 31, 2008.

These financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation. These financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements, and accordingly the financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2008.

While these financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business, several adverse conditions cast substantial doubt on the validity of this assumption. The Company does not have any proven economically recoverable reserves, has continuous losses, and at September 30, 2009, the Company had an accumulated deficit of $22,661,621 (December 31, 2008 - $21,716,269). The success of the Company and the recoverability of exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to find and complete the development of such reserves, the ability of the Company to satisfy obligations as they come due and upon future profitable production from the properties or proceeds from disposition. The current economic environment has made it more challenging for the mineral exploration industry, including the Company, with reduced commodity prices and the reduction in available capital from investors. The Company, however, believes it has properties which will continue to attract equity investors and believes it will survive the current economic challenges. The amounts shown as deferred exploration costs represent net costs to date less write offs and do not necessarily represent present or future values.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported net loss and the balance sheet classifications used.

2. CHANGE IN ACCOUNTING POLICY

The CICA issued a new accounting standard, CICA Handbook Section 3064, Goodwill and Intangible Assets, which provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The standard was effective for companies

2. CHANGE IN ACCOUNTING POLICY (Continued)

with fiscal year beginning on or after October 1, 2008 and therefore, the Company has adopted the standards, with no impact on the financial results.

In January 2009 the Emerging Issues Committee ("EIC") of the CICA issued EIC-173, "Credit Risk and Fair Value of Financial Assets and Financial Liabilities", which clarifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the issuance of EIC-173. The Company has adopted this recommendation in its fair value determinations and this new recommendation did not impact the Company's financial results.

In March 2009, the EIC issued EIC-174, "Mining Exploration Costs', which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion for recognition of long lived assets. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-174. The Company has adopted this recommendation in its fair value determinations. This new standard did not impact the Company's financial results.

3. BASIS OF CONSOLIDATION

These consolidated financial statements reflect the financial position, results of operations and cash flows of the Company and its wholly owned subsidiaries, Cornerstone Resources Inc., Cornerstone International Inc., Cornerstone Ecuador S.A. and La Plata Minerales S.A. All inter-company transactions and balances have been eliminated upon consolidation.

4. CAPITAL MANAGEMENT

The capital structure of the Company consists of capital and equity comprised of share capital, warrants, contributed surplus and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company holds shares in several companies, which will also assist the Company to carry out exploration programs and fund administrative costs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL RISK FACTORS

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks, which are summarized below, are appropriately managed:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in the accounts receivable is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at September 30, 2009, the Company had a cash balance of $538,181 (December 31, 2008 - $ 1,867,575) to settle current liabilities of $244,251 (December 31, 2008 - $895,917). To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity, debt or partnering transactions. All of the Company's financial liabilities are short-term in nature and are subject to normal trade terms. The Company has no source of operating cash flow to fund its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing or future exploration projects. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company's income or the value of its financial instruments.

(a) Interest rate risk – The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates or interest bearing deposit accounts with its banking institutions. The Company is satisfied with the credit ratings of its banks. The Company believes that its interest rate risk is not significant.

(b) Price risk – The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices of gold, copper and other metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company believes that both

5. FINANCIAL RISK FACTORS (Continued)

commodity and equity price movements can have a substantial effect on the market value of the Company's investments. Such price movements are monitored by the Company.

(c) Foreign exchange risk - The Company transacts certain business in U.S. Dollars, and therefore is subject to foreign exchange risk on U.S. dollar accounts receivable, accounts payable and cash balances. The Company attempts to mitigate these risks by managing its U.S. Dollar inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal.

Sensitivity analysis

The Company has share investments in the following companies: Coastport Capital Inc., Mountain Lake Resources Inc., Thundermin Resources Inc. and Moydow Mines International Inc. All these companies are listed on either the Toronto Stock Exchange or the Toronto Venture Stock Exchange. Share investments are classified by the Company as "held-for-trading" and are measured at fair value. Changes in fair value of share investments are recognized in net loss for the period. Investments in securities having quoted market values and which are publicly traded on a recognized securities exchange and for which no sales restrictions apply, are recorded at values based on the current closing price. Changes in closing prices of these securities have an impact on the Company's income.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" during the fourth quarter of 2009: the Company's investments in publicly traded companies are denominated in Canadian dollars. Based on the movements in these share prices during the third quarter of 2009, a similar movement in the fourth quarter of 2009 would increase net income by $900.

The carrying amount of cash, accounts receivable, refundable staking deposits, accounts payable and accrued liabilities approximate fair value due to their short-term nature.

6. MINERAL PROPERTIES

As at September 30, 2009, the Company has been issued 57 (2008 - 106) licenses by the Government of Newfoundland and Labrador which consist of 5,069 (2008 – 9,424) mineral exploration claims covering various areas of Newfoundland and Labrador. Of these 5,069 mineral exploration claims, 2,507 are held 50% by Altius Resources Inc. The Government of New Brunswick has issued 3 (2008 – 14) licenses to the Company which cover 1,990 (2008 – 2,092) claims in New Brunswick. The Company also holds 17 (2008 – 28) mineral concessions in Ecuador. A summary of mineral properties is as follows:

6. MINERAL PROPERTIES (Continued)

Geographical Area	Number of Claims	Balance, Beginning of Year	Additions	JV Recoveries and Government Grants	Properties Abandoned or Sold	Balance, End of Period
		$	$	$	$	$
Island of Newfoundland	1,726	1,911,603	592,135	(50,000)	(66,721)	2,387,017
Labrador	3,343	327,834	116,090	(78,378)	(29,713)	335,833
New Brunswick	1,990	638,513	50,756	(50,000)	(500)	638,769
Ecuador	17	2,409,334	600,560	(675,900)	(301,170)	2,032,824
	7,076	5,287,284	1,359,541	(854,278)	(398,104)	5,394,443

During the second quarter 2009 the company sold its interests in the La Plata property to Sultana Del Condor Minera, SA (Sultana), a privately held Ecuadorian mining company, for $US 500,000. On April 28, 2009, the Company announced it had signed a non-binding letter of intent to sell the property for $US 675,000 payable in three installments over 18 months, however, during subsequent negotiations, both parties agreed to the new purchase price, which was paid on closing, which also included amounts which the Company owed to Sultana for expenditures and fees incurred to maintain the La Plata property. The sale was recorded as a reduction in mineral properties to bring the recorded value of this property to nil with the excess recorded as a gain on sale of mineral property.

7. DEFERRED OPTION PAYMENTS

Various option payments have been received by the Company from joint venture partners, in cash or in shares. The deferred option payments balances and the respective properties are as follows:

	September 30, 2009	December 31, 2008
	$	$
Ecuador Projects	**-**	611,370
Bobby's Pond, Newfoundland	**38,500**	33,000
Balance, end of period	**38,500**	644,370

8. SHARE CAPITAL

Authorized

An unlimited number of common shares with no par value.
An unlimited number of first preferred and second preferred shares with no par value.

Issued and outstanding

	September 30, 2009		December 31, 2008	
	Number of Shares	**$**	Number of Shares	$
Common shares	**74,947,178**	**21,842,054**	74,897,178	21,855,179

Common shares issued during the period were as follows:

	For the three months ended September 30, 2009		**For the nine months ended September 30, 2009**	
	Number of common shares	**$**	**Number of common shares**	**$**
Balance, beginning of period	**74,947,178**	**21,843,425**	**74,897,178**	**21,855,179**
Issued during the period				
Mineral property acquisitions	**-**	**-**	**50,000**	**3,000**
Share issuance costs	**-**	**(1,371)**	**-**	**(16,125)**
Balance, end of period	**74,947,178**	**21,842,054**	**74,947,178**	**21,842,054**

Preferred shares

The first and second preferred shares which have been authorized may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. No first or second preferred shares have been issued.

8. SHARE CAPITAL (Continued)

Stock options

The Company has a stock option plan under which options to purchase common shares in the Company may be granted to directors, officers, key employees and consultants of the Company. Details of the activity of the stock option plan are as follows:

	For the three months ended September 30, 2009		For the nine months ended September 30, 2009	
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Balance, beginning of period	6,155,752	0.38	5,634,752	0.45
Issued during the period				
To employees, officers and directors	-	-	1,325,000	0.10
Forfeited or cancelled during the period	(195,000)	0.58	(999,000)	0.40
Balance, end of period	5,960,752	0.38	5,960,752	0.38
Exercisable, end of period	4,636,489	0.44	4,636,489	0.44

The following table summarizes information about stock options outstanding and exercisable at September 30, 2009.

8. SHARE CAPITAL (Continued)

	Total Options Outstanding			Total Exercisable Options		
Exercise Price Range $	Number of Outstanding Options	Remaining Contractual Life	Weighted Average Strike Price $	Number of Exercisable Options	Remaining Contractual Life	Weighted Average Strike Price $
0.00 - 0.19	1,325,000	4.60	0.10	441,659	4.60	0.10
0.20 - 0.39	1,996,085	2.85	0.30	1,555,163	2.61	0.30
0.40 - 0.59	1,348,001	1.65	0.50	1,348,001	1.65	0.50
0.60 - 0.79	1,291,666	2.66	0.65	1,291,666	2.66	0.65
	5,960,752	2.92	0.38	4,636,489	2.53	0.44

Warrants

Warrants have been issued by the Company in the course of issuing shares. There has been no activity with respect to warrants issued during the period.

	For the three months ended September 30, 2009		
	Number	$	Weighted-Average Price $
Balance, beginning of period	**23,853,320**	**2,440,876**	**0.43**
Balance, end of period	**23,853,320**	**2,440,876**	**0.43**

	For the nine months ended September 30, 2009		
	Number	$	Weighted-Average Price $
Balance, beginning of period	**23,853,320**	**2,440,876**	**0.43**
Balance, end of period	**23,853,320**	**2,440,876**	**0.43**

8. SHARE CAPITAL (Continued)

Contributed surplus

Contributed surplus consists of the following amounts:

	For the three months ended Sept 30, 2009	For the nine months ended Sept 30, 2009
	$	$
Balance, beginning of period	**4,575,281**	**4,518,038**
Fair value of options expensed as stock-based compensation	**17,178**	**74,421**
Balance, end of period	**4,592,459**	**4,592,459**

9. RELATED PARTY TRANSACTIONS

The following represents a summary of transactions with parties under common influence and shareholders for the three months and nine months ended September 30, 2009 and September 30, 2008, and are recorded at the agreed upon amounts:

	Three months ended September 30, 2009			
	Expensed during the period	Capitalized in mineral properties	Total	Three months ended September 30, 2008
	$	$	$	$
Professional and administrative fees	**37,511**	**-**	**37,511**	61,320
Office and warehouse rent	**-**	**-**	**-**	-
	37,511	**-**	**37,511**	61,320

9. RELATED PARTY TRANSACTIONS (Continued)

	Nine months ended September 30, 2009			
	Expensed during the period	**Capitalized in mineral properties**	**Total**	Nine months ended September 30, 2008
	$	**$**	**$**	$
Professional and administrative fees	**115,999**	**400**	**116,399**	216,150
Office and warehouse rent	**-**	**-**	**-**	18,837
	115,999	**400**	**116,399**	234,987

10. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended September 30, 2009	For the three months ended September 30, 2008
	$	$
Non-cash investing activities		
Forfeiture of deferred option payments	**-**	10,000

10. SUPPLEMENTAL CASH FLOW INFORMATION (Continued)

	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
	$	$
Non-cash operating activities		
Receipt of marketable securities in settlement of accounts receivable	-	(145,577)
Non-cash investing activities		
Acquisition of mineral properties for share consideration	**(3,000)**	(267,293)
Forfeiture of deferred option payments	**611,370**	144,422
	608,370	(122,871)
Non-cash financing activities		
Fair value of options exercised	-	2,010
Receipt of marketable securities as consideration for deferred option payments	**5,500**	50,646
	5,500	52,656

11. SUBSEQUENT EVENTS

On October 29, 2009, the Company signed a binding letter of intent (LOI) with Intrepid Mines Ltd. outlining the terms of an option/joint venture arrangement for the Company's Shyri property in southern Ecuador. Under the terms of the LOI, Intrepid has the ability to earn an initial 60% interest in the Shyri property by making an initial cash payment of $US 250,000 and a $US 500,000 private placement in the Company shares based on a 5 day TSX-V weighted average market price , plus 20%. Intrepid has also committed to spending $US 6.0 million dollars over 5 years, including a firm commitment of $US 1.0 million in the first year. Intrepid will have the further right to earn an additional 20% interest in a specific area of the Shyri property of up to 5,000 hectares defined as a Project Area. Upon designation of a Project Area, Intrepid will make a $US 750,000 private placement in the Company. To earn the additional interest, Intrepid will complete a bankable feasibility study or incur expenditures of $US 20 million, whichever comes first, and make a cash payment to the Company of up to $US 5.0 million based on the gold equivalent ounces in the mineral reserve. There is no limit to the number of Project Areas Intrepid may designate within the property and each 'stand-alone' Project Area requires the same earn-in requirements.

11. SUBSEQUENT EVENTS (Continued)

On November 12, 2009, the Company announced a brokered private placement financing with MineralFields Group, for gross proceeds of $1 million in flow-through units. Each flow-through unit will be priced at $0.16 and will consist of one common share and one half of one transferrable, callable, non-flow-through share purchase warrant. One whole warrant will entitle the holder to acquire one additional common share at a price of $0.20 per share for a period of one year after closing of the offering, and thereafter at $0.25 per share for one additional year. A cash finder's fee equal to 6.5% is payable at closing, as well as a finder's fee option to purchase units at an exercise price of $0.16 per unit equal to 7% of the number of units subscribed for. The finder's fee option will have the same terms as the flow-through units. The Company will have the right to accelerate the expiry date of the warrants to thirty (30) days from the date of the exercise of such acceleration right by providing holders of the warrants with written notice of such reduction in the exercise period. The right to accelerate will be triggered in the event that the average closing price of the Company's common shares is $0.35 or more per share over a period of twenty (20) consecutive trading days during the first twelve months after closing of the offering, or $0.40 or more per share over a period of twenty (20) consecutive trading days during the second twelve months.