

CORSA CAPITAL LTD.

FINANCIAL STATEMENTS

AS AT NOVEMBER 30, 2009

In Canadian Dollars

AUDITORS' REPORT

To the Shareholders of
Corsa Capital Ltd.

We have audited the balance sheets of Corsa Capital Ltd. as at November 30, 2009 and 2008 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

March 22, 2010



Corsa Capital Ltd.
(An Exploration Stage Company)
Balance Sheets
As at November 30
Canadian Dollars

ASSETS	2009	2008
Current		
Cash	\$ 901,089	\$ 1,010,495
GST receivable	34,301	45,354
Prepaid expenses	7,718	10,332
	943,108	1,066,181
Equipment (Note 5)	2,084	3,852
Resource Property Costs (Note 6)	-	523,732
	\$ 945,192	\$ 1,593,765

LIABILITIES

Current		
Accounts payable and accrued liabilities (Note 8)	\$ 97,350	\$ 55,566

SHAREHOLDERS' EQUITY

Share Capital (Note 7a)	2,195,425	2,056,407
Contributed surplus (Note 7e)	1,332,974	382,081
Deficit	(2,680,557)	(900,289)
	847,842	1,538,199
	\$ 945,192	\$ 1,593,765

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

ON BEHALF OF THE BOARD:

"James Paterson" President and CEO , Director

"Thomas Feldmann" , Director

Corsa Capital Ltd.
(An Exploration Stage Company)
Statements of Loss and Deficit
For the year ended November 30
Canadian Dollars

	2009	2008
Expenses		
Advertising and promotion	\$ 25,533	\$ 38,890
Amortization	2,275	1,829
Bank charges and interest	1,303	590
Legal, corporate secretary and accounting fees	87,515	183,831
Listing and filing fees	14,873	36,581
Office and administration	47,535	21,097
Salaries and consulting fees	283,901	180,008
Stock-based compensation <i>(Note 7d)</i>	620,587	-
Transfer agent fees	8,868	12,976
Travel and conferences	74,348	37,252
Net loss before other items	(1,166,738)	(513,054)
Other items:		
Interest income	908	5,164
Write-off of resource property costs	(614,438)	(80,322)
Net loss and comprehensive loss for the year	(1,780,268)	(588,212)
Deficit – beginning of year	(900,289)	(312,077)
Deficit – end of year	\$ (2,680,557)	\$ (900,289)
Loss per share – basic and diluted	\$ (0.12)	\$ (0.05)
Weighted Average Number of Common Shares		
Outstanding Basic and Diluted	14,954,185	11,408,512

- See Accompanying Notes -

Corsa Capital Ltd.
(An Exploration Stage Company)
Statements of Cash Flows
For the Year Ended November 30
Canadian Dollars

Cash Resources Provided By (Used In)	2009	2008
Operating Activities		
Net loss for the year	\$ (1,780,268)	\$ (588,212)
Items not affecting cash:		
Write-off of resource property costs	614,438	80,322
Amortization	2,275	1,829
Stock-based compensation	620,587	-
Changes in non-cash working capital:		
GST receivable	11,053	(37,625)
Prepaid expenses	2,614	(10,332)
Accounts payable and accrued liabilities	34,836	36,391
	(494,465)	(517,627)
Investing Activities		
Resource property costs	(83,758)	(485,811)
Equipment purchase	(507)	(5,681)
	(84,265)	(491,492)
Financing Activities		
Issuance of share capital, net of issuance costs	469,324	1,337,281
	469,324	1,337,281
Net increase (decrease) in cash for the year	(109,406)	328,162
Cash – beginning of the year	1,010,495	682,333
Cash – end of the year	\$ 901,089	\$ 1,010,495
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Accounts payable included in resource property costs and permits	\$ 17,195	\$ 10,247
Shares and warrants issued for property	\$ -	\$ 48,706
Brokers warrants issued	\$ -	\$ 65,374
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

- See Accompanying Notes -

Corsa Capital Ltd.
(An Exploration Stage Company)
Schedule of Resource Property Costs

Canadian Dollars

	Acquisition Costs	Deferred Exploration	For the year ended November 30, 2009	For the year ended November 30, 2008
Generative				
Assays	\$ -	\$ 3,704	\$ 3,704	-
Field and general	-	1,157	1,157	\$ 2,062
Geological consulting	-	30,952	30,952	38,814
Travel and accommodation	-	2,119	2,119	39,446
	-	37,932	37,932	80,322
Sy, Nunavut				
Staking	10,212	-	10,212	48,706
Assays	-	18,021	18,021	-
Field and general	-	307	307	15,335
Geological consulting	-	13,522	13,522	61,970
Travel and accommodation	-	10,712	10,712	276,238
	10,212	42,562	52,774	402,249
Resource property costs for the year	10,212	80,494	90,706	482,571
Resource property costs written off	(58,918)	(555,520)	(614,438)	(80,322)
Balance, beginning of year	48,706	475,026	523,732	121,483
Balance, end of the year	\$ -	\$ -	\$ -	\$ 523,732

- See Accompanying Notes -

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

1. Nature and Continuance of Operations

Corsa Capital Ltd. ("Corsa" or the "Company") was incorporated on June 14, 2007 under the Business Corporations Act (British Columbia), and is an exploration stage enterprise focusing on the acquisition, exploration and development of mineral properties. On April 17, 2008, the Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "CSO".

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

As at November 30, 2009, the Company has no source of operating cash flows and has not yet achieved profitable operations, has accumulated losses since its inception, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

2. Significant Accounting Policies

a) **Basis of presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

b) **Equipment**

The Company provides for amortization on its equipment at an annual rate of 100% for computer software and 30% for computer equipment on the declining balance method. One-half of the rate is taken in the year of acquisition.

c) **Comprehensive Income (Loss)**

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income (loss) includes the holding gains and losses from available-for-sale securities which are not included in net loss until realized.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

2. Significant Accounting Policies – Continued

d) Resource Property Costs

The Company is an exploration stage Company which continually reviews its resource properties to determine whether these properties contain reserves that are economically recoverable.

Resource exploration and development costs are capitalized on an individual area of interest basis until such time as a mineral body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

The recoverability of the amount capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable mineral reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

e) Asset Retirement Obligations

The Company recognizes the fair value of legal obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement cost is recognized at fair value when a reasonable estimate of fair value can be estimated, in the year in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. No asset retirement costs have been recognized for the years presented as none of the Company's properties or equipment are estimated to require any remediation or other expenditures upon their retirement.

f) Income Taxes

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on deferred or future income taxes for a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

g) Share Capital

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

2. Significant Accounting Policies – Continued

h) Stock-Based Compensation

All stock-based awards are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

i) Loss per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive.

Basic loss per common share is calculated using the weighted-average number of shares outstanding during the year.

j) Flow-Through Shares

The Company accounts for flow-through shares using the recommendations of the Emerging Issues Committee EIC-146. Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital.

If the Company has sufficient unused tax losses and deductions (“losses”) to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

k) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Significant areas requiring the use of estimates relate to the determination of impairment of resource property costs, useful lives for amortization of equipment and estimates relating to stock-based compensation. Actual results could differ from those estimates.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

2. Significant Accounting Policies – Continued

l) Impairment of Long-lived Assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset exceeds its fair value. For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

m) Financial Instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value, except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. GST receivable is classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities, all of which are measured at amortized cost.

3. Changes in Accounting Policy

a) Goodwill and Intangible Assets

The Company adopted the new standard “Goodwill and Intangible Assets” (Section 3064) for its fiscal year beginning October 1, 2008. This Section replaces Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of the section did not have a significant impact on the Company’s financial position.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

3. Changes in Accounting Policy – Continued

b) Credit Risk and the Fair Value of Financial Assets and Liabilities (EIC-173)

In January 2009, the Emerging Issues Committee (“EIC”) issued EIC -173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The adoption of this standard did not have a material impact on the Company’s financial statements.

c) Mining Exploration Costs (EIC-174)

On March 27, 2009, the CICA approved EIC-174 “Mining Exploration Costs.” This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This standard was effective for the Company beginning April 1, 2009. The adoption of this standard did not have a material impact on the Company’s financial statements.

d) Assessing going concern (Section 1400)

The AcSB amended Section 1400, to include requirements for management to assess an entity’s ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the entity’s ability to continue as a going concern. The adoption of the standard did not have a material impact on the Company’s financial statements.

e) Amendment to Financial Instruments - Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Refer to Note 9 for relevant disclosures.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

4. Future Accounting and Reporting Changes

a) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

b) Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning on or after October 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

5. Equipment

Details are as follows:

	Cost	Accumulated Amortization	Net Book Value November 30, 2009
Computer equipment	\$ 3,208	\$ 1,219	\$ 1,989
Computer software	2,980	2,885	95
	\$ 6,188	\$ 4,104	\$ 2,084

	Cost	Accumulated Amortization	Net Book Value November 30, 2008
Computer equipment	\$ 2,890	\$ 434	\$ 2,456
Computer software	2,791	1,395	1,396
	\$ 5,681	\$ 1,829	\$ 3,852

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

6. Resource Property Costs

Details are as follows:

	Acquisition Costs	Exploration Costs	Cumulative as at November 30, 2009	Cumulative as at November 30, 2008
Sy, Nunavut	\$ -	\$ -	\$ -	\$ 523,732

Sy Property, Nunavut

On July 20, 2007, the Company entered into an agreement with Kaminak Gold Corporation, a related party, to acquire up to a 60% interest in the Sy Property, located on the Archean Yathkyed Greenstone Belt in Nunavut, by making the following Unit issuances and expenditures:

Unit issuances:

i)	100,000	Upon listing on a recognized stock exchange * (Issued)
ii)	100,000	Upon spending an aggregate of \$600,000*
iii)	100,000	Upon spending an aggregate of \$1,000,000*
iv)	100,000	Upon spending an aggregate of \$2,000,000*
	<u>400,000</u>	

Minimum Expenditures:

i)	\$ 100,000	on or before December 31, 2007 (incurred)*
ii)	200,000	on or before December 31, 2008 (incurred)*
iii)	300,000	on or before December 31, 2009 (\$217,588 incurred to November 30, 2009)*
iv)	400,000	on or before December 31, 2010*
v)	1,000,000	on or before December 31, 2011*
	<u>\$ 2,000,000</u>	

* The Company will be vested at 51% upon the issuance of 300,000 Units and incurring expenditures of \$1,000,000 on the property prior to December 31, 2010 and can then earn an additional 9% interest to bring its interest to 60% by spending an additional \$1,000,000 on the property and issuing an additional 100,000 units prior to December 31, 2011.

Each "Unit" consists of one common share of Corsa and one common share purchase warrant, each warrant being exercisable to purchase one common share of Corsa for a twelve month period following the date of issuance at a price per common share to be determined by taking the weighted average closing price of the common shares of Corsa on the TSX Venture Exchange for the twenty consecutive trading days immediately prior to the date of issuance. All of the payment, expenditure and Unit obligations may be accelerated at Corsa's option.

It is acknowledged that the Company's mineral rights do not include diamond rights. The property is subject to a 2% NSR/GOR.

Subsequent to year end the option on the Sy property was allowed to lapse. As the Company received no consideration on the lapse of the property option, for accounting purposes, the value of the property was deemed to be \$Nil and therefore was written off at year end.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

7. Share Capital

a) Details as follows:

Authorized:

Unlimited number of common voting shares without par value

Unlimited number of preferred shares without par value

Issued:	Number	Amount
Balance at November 30, 2007	8,148,910	\$ 749,501
Private Placement, December 2007	1,000,000	250,000
Initial Public Offering, April 2008	3,500,000	1,225,000
Corporate finance fee	142,857	50,000
For Property	100,000	35,000
Share issuance costs	-	(253,094)
Balance at November 30, 2008	12,891,767	2,056,407
Private Placement, June 2009	4,300,000	78,709
Shares issued on warrant exercise	112,354	60,309
Balance at November 30, 2009	17,304,121	\$ 2,195,425

b) Private Placements

In June 2009, the Company closed a private placement of 4,300,000 Units at a price of \$0.10 per Unit for gross proceeds of \$430,000. Each Unit is comprised of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.15 per share to June 10, 2011. The fair value of the common share purchase warrants, being \$351,291 was determined using the Black Scholes option pricing model with a volatility of 175.8%, risk free interest rate of 1.43%, expected life of 2 years, and a dividend rate of 0% and was recorded in contributed surplus.

In April 2008, the Company completed an initial public offering (the "Offering") of 3,500,000 common shares of the Company at a price of \$0.35 per common share for gross proceeds of \$1,225,000. The Company paid the agent a 7.5% commission of the gross proceeds of the Offering in cash. As additional compensation, the Company granted the agent non-transferable warrants exercisable to acquire up to 350,000 common shares in the capital of the Company. The warrants are exercisable at \$0.35 per share for a period of two years from April 16, 2008. In addition, the Company issued 142,857 common shares of the Company as a corporate finance fee. The Company also agreed to pay the agent a \$15,000 work fee and \$30,844 to cover the agent's legal and IPO related expenses.

In December 2007, the Company closed a private placement for 1,000,000 shares at \$0.25 per share for gross proceeds of \$250,000.

As at November 30, 2009, the Company had 2,223,413 (2008 – 3,690,685) common shares in escrow.

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

7. Share Capital – Continued

c) Share Purchase Warrants

At November 30, 2009, the following warrants were issued and outstanding:

	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, November 30, 2007	-	-
Issued	450,000	\$0.35
Outstanding warrants, November 30, 2008	450,000	\$0.35
Issued	4,300,000	\$0.15
Expired	(100,000)	(\$0.35)
Exercised	(112,354)	(\$0.35)
Outstanding warrants, November 30, 2009	4,537,646	\$0.16

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life in Years
April 16, 2010*	\$0.35	237,646	0.38
June 10, 2011	\$0.15	4,300,000	1.53
	\$0.16	4,537,646	1.47

* *Brokers Warrants*

The fair value of warrants issued during the year ended November 30, 2009 were estimated using the Black-Scholes Warrant Pricing Model with the following assumptions:

Estimated risk-free rate	1.43%
Expected volatility	175.78%
Estimated annual dividend yield	0.0%
Expected life of warrants	2.0 years

The fair value of warrants issued during the year ended November 30, 2008 were estimated using the Black-Scholes Warrant Pricing Model with the following assumptions:

Estimated risk-free rate	2.78%
Expected volatility	100%
Estimated annual dividend yield	0.0%
Expected life of warrants	1.78 years

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

7. Share Capital – Continued

d) Options

On April 27, 2009, the Company adopted a stock option plan with the following terms:

i) Options granted can not be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange and the minimum exercise price per share must be at least \$0.10.

ii) At the time of the grant:

a) the total number of shares so reserved for issuance by the Board of directors shall not exceed ten (10%) percent of the issued and outstanding shares (on a non-diluted basis);

b) the aggregate number of shares so reserved for issuance to any one optionee in a 12 month period shall not exceed five (5%) percent of the issued shares (on a non-diluted basis);

c) the aggregate number of options granted to any one consultant in a 12 month period shall not exceed 2% of the issued shares;

d) the aggregate number of options granted to employees, who provide investor relations activities must not exceed 2% of the issued shares in any 12 month period; and

e) options granted to consultants performing investor relations services must vest in stages over 12 months with no more than one-quarter of the options vesting in any 3 month period. Options granted to employees vest at the discretion of the Board of Directors.

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, November 30, 2007 and 2008	-	\$ -
Options granted	1,539,500	0.55
Balance, November 30, 2009	1,539,500	\$ 0.55
Number of options currently exercisable	1,539,500	\$ 0.55

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

7. Share Capital – Continued

d) Options – Continued

At November 30, 2009, the following options were issued and outstanding:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Expiring May 14, 2014	1,189,000	\$0.55	4.45
Expiring June 11, 2014	100,000	\$0.55	4.53
Expiring August 26, 2014	250,000	\$0.55	4.74
Total Options issued to November 30, 2009	1,539,500	\$0.55	4.50

The fair value of options issued during the year ended November 30, 2009 were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Estimated risk-free rate	2.24%
Expected volatility	99.34%
Estimated annual dividend yield	0.0%
Expected life of options	5 years

During the year ended November 30, 2009, the Company granted options to acquire 1,539,500 (2008 - \$nil) common shares with a weighted average fair value of \$0.40 per share, all of which vested during the year resulting in stock-based compensation expense under the Black-Scholes option pricing model of \$620,587.

e) Contributed surplus

Balance at November 30, 2007	\$ 303,000
Fair value of Brokers warrants issued in April 2008	65,375
Fair value of warrants issued for property in April 2008	13,706
Balance at November 30, 2008	382,081
Fair value of options issued in May 2009	490,718
Fair value of warrants issued in June 2009	351,291
Fair value of options issued in June 2009	45,895
Fair value of options issued in August 2009	83,974
Fair value of warrants exercised	(20,985)
Balance at November 30, 2009	\$ 1,332,974

Corsa Capital Ltd.
(An Exploration Stage Company)
Notes to the Financial Statements
For the Year Ended November 30, 2009

Canadian Dollars

8. Related Party Transactions

The Company entered into the following related party transactions during the year:

- a) Reimbursed expenses for travel and conference charges of \$17,150 (2008 - \$213), office and administration charges of \$31,888 (2008 - \$17,275) and investor relations charges of \$nil (2008 - \$26,063) to a company controlled by two former directors and an officer of the Company.
- b) Paid \$163,049 (2008 - \$92,036) in consulting fees to directors and officers and \$29,350 (2008 - \$20,200) to an officer of the Company.
- c) Directors and officers were issued 815,000 options on May 14, 2009, 100,000 options on June 11, 2009 and 250,000 options on August 26, 2009.

Included in accounts payable as at November 30, 2009 is \$64,027 (2008 - \$15,524) due to related parties. The amounts due to related parties are unsecured, non interest bearing and have no fixed terms of repayment.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

9. Financial Instruments

Categories of financial assets and liabilities

As at November 30, 2009, the carrying value of the Company's financial instruments approximate their fair value. The carrying value of the Company's financial instruments is classified into the following categories:

	November 30, 2009	November 30, 2008
Held-for-trading	\$ 901,089	\$ 1,010,495
Receivables*	\$ 34,301	\$ 45,354
Other financial liabilities	\$ 97,350	\$ 55,566

* GST Receivable

The fair value of the Company's GST receivable and accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the balance sheet. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

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 receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

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9. Financial Instruments – Continued

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2009, the Company had a cash balance of \$901,089 (2008 - \$1,010,495) to settle current liabilities of \$97,350 (2008 - \$55,566). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of November 30, 2009 and 2008, the Company did not have any investments invested in investment-grade short-term deposit certificates.

(b) Foreign currency risk

The Company's foreign exchange risk arises primarily with respect to the US dollar as a result of its activities evaluating potential opportunities in the United States beginning in 2009. The Company has elected not to actively manage its foreign exchange exposure at this time.

(c) 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 closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity as well as cash, GST receivable and current liabilities.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash.

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10. Capital Management – Continued

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the year ended November 30, 2009. The Company is not subject to externally imposed capital requirements.

11. Segmented Information

The Company has one reporting segment, being the acquisition and exploration of resource properties. All of the Company's properties and equipment are located in Canada.

12. Income Taxes

- a) The income tax provision for the year differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates as follows:

	For the Year Ended November 30, 2009	For the Year Ended November 30, 2008
Loss before income taxes	\$ (1,780,268)	\$ (588,212)
Statutory Canadian federal and provincial tax rates	30.042%	31.905%
Expected tax recovery	(534,828)	(187,669)
Non deductible (deductible) expenses		
Stock-based compensation	186,437	-
Amortization	683	584
Write-off of resource property costs	184,589	-
Share issuance costs	(8,275)	(8,788)
Unrecognized benefit of non-capital losses	171,394	195,873
	-	-
Future income tax recovery	\$ -	\$ -

- b) The components of the future income tax asset (liability) balances are as follows:

	2009	2008
Future income tax asset		
Equipment	\$ 900	\$ 500
Resource property costs	175,000	900
Non-capital loss carry-forwards	296,600	51,400
Share issuance costs	20,700	28,600
Future income tax asset	493,200	81,400
Valuation allowance	(493,200)	(81,400)
Future income tax assets	\$ -	\$ -

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12. Income Taxes – Continued

The Company has available for deduction against future taxable income in Canada, non-capital losses of approximately \$1,186,000. These losses, if not utilized, will expire through 2029. Subject to certain restrictions, the Company also has resource expenditures available to reduce taxable income in future years. Future tax benefits which may arise as a result of these non-capital losses and resource deductions have not been recognized in these financial statements and have been offset by a valuation allowance.

13. Subsequent Events

- a) In December 2009, the Company signed an option agreement with Sherpa Mining Contractors, Inc. ("Sherpa") to acquire certain mining rights on the "Miller-Walker Property" Coal Lease in Somerset County, Pennsylvania, USA. The transaction is being conducted through Corsa Coal Pennsylvania, Inc. ("Corsa Coal"), a 100% owned subsidiary of Corsa Capital Ltd. incorporated subsequent to November 30, 2009.

The option with Sherpa is for Corsa Coal to acquire certain mining rights to the Miller-Walker Property ("Property") in Somerset County, Pennsylvania, USA.

The option terms on the Miller-Walker Property are as follows:

- Corsa Coal made an initial cash payment to Sherpa of USD\$25,000 ("Option Payment") for the exclusive option to acquire the property and the right to fund the exploration of the Property and also fund completion of the permitting required in any mine site development process;
 - Corsa Coal has the right and option to acquire a 100% interest in the Property, with no further expenditure commitments, by making a one-time cash payment to Sherpa in the amount of USD\$1,500,000 before December 31, 2011. Corsa Coal's exclusive option may be executed in writing at any time prior to December 31, 2011, and is subject to the terms and conditions of the instruments granting Sherpa its interests in the Property;
 - Corsa Coal is required to incur minimum exploration expenditures, (including costs associated with engineering studies, permitting or securing coal leases) before December 31, 2010 of USD\$50,000. Exploration expenditures in Year 2 are at the option of Corsa Coal and must be before December 31, 2011;
 - If Corsa Coal terminates or does not exercise its option to acquire a 100% interest in the Property within the allotted two year time period, the option will lapse. Sherpa will repay all expenditures made by Corsa Coal on the Property, including the Option Payment, from proceeds from future mining income from the Property. Repayments to Corsa Coal by Sherpa will be made at the rate of \$2 per ton of raw coal extracted, with minimum payments of \$15,000 per annum until the expenditures are repaid.
- b) In December 2009, the Company gave formal written notice to Kaminak Gold Corporation of its intention to let lapse the option on Kaminak's Sy Gold Project in Nunavut, Canada.
- c) To March 26, 2010, 150,000 stock options were exercised for gross proceeds of \$82,500 and 196,275 share purchase warrants were exercised for gross proceeds of \$83,403.