COGITORE RESOURCES INC.

(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Cogitore Resources Inc. (a Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in *note 2* to the financial statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Gérald Riverin
Chief Executive Officer

(signed)
Carmelo Marrelli
Chief Financial Officer

April 27, 2011
Toronto, Canada

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
PO Box 82
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 416 863 1133
Facsimile +1 416 365 8215
www.pwc.com/ca

April 27, 2011

Independent Auditor's Report

To the Shareholders
of Cogitore Resources Inc.

We have audited the accompanying financial statements of Cogitore Resources Inc., which comprise the balance sheets as at December 31, 2010 and 2009 and the statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
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 comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Cogitore Resources Inc. as at December 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that cast significant doubt about Cogitore Resoruces Inc.'s ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

COGITORE RESOURCES INC.
(A Development Stage Company)
Balance Sheets
(Expressed in Canadian Dollars)

As at December 31,	**2010**	**2009**
Assets		
Current		
Cash	**$ 1,934,089**	$ 1,603,078
Sundry receivables and prepaid expenses	**102,734**	106,959
Quebec refundable tax credit and refundable mining duty	**1,168,063**	1,304,066
Restricted cash (*note 5*)	**-**	750,000
	3,204,886	3,764,103
Restricted cash (*note 5*)	**30,000**	30,000
Exploration properties and deferred exploration expenditures (*note 6*)	**11,739,550**	10,263,137
Property and equipment (*note 7*)	**261,042**	236,429
	$ 15,235,478	$ 14,293,669
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 397,721**	$ 734,869
Future income tax liability *(note 12)*	**2,407,557**	2,093,709
	2,805,278	2,828,578
Shareholders' equity		
Capital stock (*note 8*)	**17,961,437**	16,512,478
Warrants (*note 10*)	**140,831**	-
Contributed surplus	**2,946,780**	2,946,780
Deficit	**(8,618,848)**	(7,994,167)
	12,430,200	11,465,091
	$ 15,235,478	$ 14,293,669

Nature of Operations and Going Concern (*note 1*)
Commitments (*note 13*)
Subsequent Event (*note 16*)

APPROVED ON BEHALF OF THE BOARD:

"Gérald Riverin", Director

"Alain Krushnisky", Director

The accompanying notes are an integral part of these financial statements.

COGITORE RESOURCES INC.
(A Development Stage Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31,	2010	2009	Cumulative from date of inception to December 31, 2010
Expenses			
General and administrative (*note 14*)	**$ 372,984**	$ 519,605	$ 2,457,823
Stock-based compensation *(note 9)*	**-**	232,965	1,261,986
Professional fees *(note 11)*	**217,136**	183,494	1,198,628
Director fees	**44,500**	59,500	104,000
Amortization	**11,480**	10,940	41,473
Write-off of exploration costs (*note 6*)	**95,590**	3,406,288	6,247,379
	741,690	4,412,792	11,311,289
Other income			
Interest income	**(2,634)**	(3,327)	(276,704)
Net loss before the following	**(739,056)**	(4,409,465)	(11,034,585)
Future tax recovery *(note 12)*	**114,375**	1,074,030	2,437,058
Net loss and comprehensive loss for the year	**$ (624,681)**	$(3,335,435)	$(8,597,527)
Loss per share - basic and diluted	**$ (0.01)**	$ (0.07)	
Weighted average number of common shares	**56,349,381**	47,415,132	

Statements of Deficit
(Expressed in Canadian Dollars)

For the years ended December 31,	2010	2009	Cumulative from date of inception to December 31, 2010
Balance, beginning of year	**$(7,994,167)**	$(4,658,732)	$ (21,321)
Net loss for the year	**(624,681)**	(3,335,435)	(8,597,527)
Balance, end of year	**$(8,618,848)**	$(7,994,167)	$(8,618,848)

The accompanying notes are an integral part of these financial statements.

COGITORE RESOURCES INC.
(A Development Stage Company)
Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2008	**$ 15,349,726**	**$ 1,022,481**	**$ 1,855,340**	**$(4,658,732)**	**$ 13,568,815**
Private placements *(note 8(ii)(iii))*	1,657,210	-	-	-	1,657,210
Flow-through tax effect *(note 8(i))*	(400,520)	-	-	-	(400,520)
Cost of issue	(93,938)	-	-	-	(93,938)
Expired warrants (net of future income tax)	-	(1,022,481)	858,475	-	(164,006)
Stock-based compensation	-	-	232,965	-	232,965
Net loss for the year	-	-	-	(3,335,435)	(3,335,435)
Balance, December 31, 2009	**16,512,478**	**-**	**2,946,780**	**(7,994,167)**	**11,465,091**
Issuance of common shares *(note 8(iv)*(v))	2,180,000	-	-	-	2,180,000
Warrants valuation *(note 8(iv))*	(140,831)	140,831	-	-	-
Flow-through tax effect *(note 8(ii)(iii))*	(428,223)	-	-	-	(428,223)
Cost of issue *(note 8)*	(161,987)	-	-	-	(161,987)
Net loss for the year	-	-	-	(624,681)	(624,681)
Balance, December 31, 2010	**$ 17,961,437**	**$ 140,831**	**$ 2,946,780**	**$(8,618,848)**	**$ 12,430,200**

The accompanying notes are an integral part of these financial statements.

COGITORE RESOURCES INC.
(A Development Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31,	2010	2009	Cumulative from date of inception to December 31, 2010
Cash flows provided by (used in) operating activities			
Net loss for the year	**$ (624,681)**	$ (3,335,435)	$ (8,597,527)
Adjustments for:			
Amortization	**11,480**	10,940	41,473
Write-off of exploration costs (*note 6*)	**95,590**	3,406,288	6,247,379
Stock-based compensation *(note 9)*	**-**	232,965	1,261,986
Future tax recovery *(note 12)*	**(114,375)**	(1,074,030)	(2,437,058)
Changes in non-cash working capital items (*note 15*)	**553,080**	(149,727)	(1,271,697)
	(78,906)	(908,999)	(4,755,444)
Cash flows used in investing activities			
Acquisition of property and equipment	**(36,093)**	(1,649)	(302,515)
Exploration properties and deferred exploration expenditures	**(2,680,654)**	(2,505,006)	(22,495,934)
Quebec refundable tax credit and refundable mining duty	**1,108,651**	1,054,818	6,993,346
	(1,608,096)	(1,451,837)	(15,805,103)
Cash flows provided by financing activity			
Proceeds from issuance of shares and warrants, net of costs	**2,018,013**	1,563,272	22,327,336
Change in cash	**331,011**	(797,564)	1,766,789
Cash, beginning of year	**1,603,078**	2,400,642	167,300
Cash, end of year	**$ 1,934,089**	$ 1,603,078	$ 1,934,089

Supplemental cash flow information			
Shares issued on acquisition of property	**$ -**	$ -	$ 2,037,370
Stock-based compensation capitalized to exploration properties	**$ -**	$ -	$ 66,972
Flow-through taxes paid	**$ 8,094**	$ 12,997	$ 188,764
Income tax paid	**$ 1,593**	$ 200	$ 31,779

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Cogitore Resources Inc. (the "Company" or "Cogitore") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Ontario Business Corporations Act on December 13, 2002. The Company is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals. As defined by the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 11, the Company is considered to be a development stage enterprise as it has yet to generate significant revenue from operations. The Company was a private entity until it completed an initial public offering during the first quarter of fiscal 2004.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern. The Company had an accumulated deficit of $8,618,848 and net current assets of $2,807,165 as at December 31, 2010.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. On April 1, 2011, the Company completed a private placement of 4,000,000 flow-through common shares at $0.26 per flow-through common share for aggregate gross proceeds of $1,040,000 (*note 16*). Based on current projections and operating plans, the Company expects to fully utilize its cash resources including the April 2011 financing by the last quarter of 2011. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there is significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies.

Cash

Cash is held in chequing accounts at a major financial institution.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP 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 periods. Actual results could differ from those estimates.

Significant estimates include assessing the fair value of stock-based compensation and warrants, a provision for (recovery of) future income taxes, determination of useful lives for property and equipment and the carrying value of mineral properties. In the opinion of management, all adjustments considered necessary for fair presentation of the results for the periods presented are reflected in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is recorded on the declining balance basis at the following annual rates:

Computer equipment	30%
Office equipment	20%
Site building	4%

Exploration properties and deferred exploration expenditures

Amounts incurred in respect of exploration properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time the costs are depleted on a unit-of-production method based on proven and probable reserves. If a property is subsequently determined not to be economically viable, the property and related deferred costs are written down to fair value. Other general exploration expenses are charged to operations as incurred. The cost of exploration properties abandoned or sold and their related deferred exploration costs are charged to operations in the corresponding year.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Capitalization and impairment of exploration properties

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the attainment of successful production from the properties or from the proceeds of their disposal. The Company reviews its exploration properties on a regular basis to determine if events or changes in circumstances indicate that its carrying value may not be recoverable, in which case carrying value is written down to fair value. The recoverability of costs incurred on the exploration properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near term could require a change in the determination of the need for, and amount of, any write down.

The recognized amounts of such items are based on the Company's best information and judgment. Such amounts may change materially in the future as management continues to gather information.

Based on periodic reviews made by management and where the long-term expectation is that the net carrying amount of these capitalized exploration and development costs will not be recovered, the carrying amount is then written down accordingly and the write-down amount charged to operations. A write down would be indicated where, with respect to exploration properties: exploration activities have ceased; exploration results are not promising such that exploration will not be planned for the foreseeable future; lease ownership rights expire; or insufficient funding is available to complete the exploration program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Quebec refundable tax credit and refundable mining duty

The Company is entitled to a credit on duties refundable for loss under the Mining Duties Act. This credit on duties refundable for loss on exploration costs incurred in the Province of Quebec at the rate of 12% has been applied against the costs incurred (*note 6*).

Furthermore, the Company is entitled to a refundable tax credit for resources for mining companies on qualified expenditures incurred. The refundable tax credit for resources may reach 35% of qualified expenditures incurred. This tax credit has been applied against the costs incurred (*note 6*).

Asset retirement obligations

Future costs to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are recognized and recorded as a liability at fair value at the date the liability is incurred. The liability is accreted over time to the estimated amount ultimately payable through periodic charges to earnings. In addition, future site restoration costs are capitalized as part of the carrying value of the related resource properties at its initial discounted value and amortized over the resource properties' useful life based on a units-of-production method. At December 31, 2010 and 2009, the Company has not incurred or committed to any asset retirement obligations and reclamation costs related to the development of its resource properties.

Flow-through financing

The Company has financed a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issuance of such shares have been credited to capital stock and the related exploration costs have been charged to exploration properties and deferred exploration expenditures. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciations reduce capital stock and a future tax liability is recorded.

Loss per share

Basic per share amounts are calculated using the weighted average number of common shares outstanding during the period. The treasury method is used to determine the dilutive effect of stock options and other dilutive instruments. Stock options and warrants outstanding were not included in the computation of diluted loss per share as their inclusion would have been anti-dilutive. Therefore, diluted loss per share and basic loss per share are the same for 2010 and 2009.

Stock-based compensation

The Company has a stock option plan that is described in *note 9*. The fair value of any stock options granted to directors, officers, consultants and employees is recorded as an expense or capitalized to exploration properties over the vesting period with a corresponding increase recorded to contributed surplus. The fair value of the stock-based compensation is determined using the Black-Scholes option pricing model and management's assumptions as disclosed in *note 9*. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to capital stock.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

Future accounting changes

IFRS

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008, the AcSB confirmed that publicly accountable, profit oriented enterprises will be required to report under IFRS for interim and annual financial statements for periods commencing on or after January 1, 2011. Accordingly, the Company will be required to have prepared, in time for its fiscal 2011 first quarter filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010. This will be an ongoing process as the International Accounting Standards Board and the AcSB continue to issue new standards and recommendations. The Company is in the process of evaluating the potential impact of IFRS on its financial statements.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising capital stock, warrants, contributed surplus and deficit, which at December 31, 2010 totaled $12,430,200 (December 31, 2009 - $11,465,091).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2010.

4. PROPERTY AND FINANCIAL RISK FACTORS AFFECTING FINANCIAL INSTRUMENTS

(a) Property risk

The Company's significant mineral properties are the Estrades Property, Lemoine Property, Scott Lake Project, Normetal West Project and Caribou Project (the "Projects"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these Projects. If no additional mineral properties are acquired by the Company, any adverse development affecting the Projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency rate, and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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 cash, sundry receivables, Quebec refundable tax credit and refundable mining duty and restricted cash. The Company has no significant concentration of credit risk arising from operations. Cash is held in higher yield chequing accounts at a major financial institution, from which management believes the risk of loss to be minimal. Restricted cash consists of a guaranteed investment certificate, which has been invested with a reputable financial institution.

Sundry receivables consist mostly of goods and services tax refunds due from the Federal Government of Canada and sales tax refunds due from the Quebec Government. Quebec refundable tax credits and refundable mining duty consist of tax refunds from the Quebec Government for incurring exploration expenditures in Quebec. Sundry receivables and Quebec refundable tax credits and refundable mining duty are in good standing as of December 31, 2010. Management believes that the credit risk with respect to sundry receivables and Quebec refundable tax credits and refundable mining duty is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company generates cash flow primarily from its financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at December 31, 2010, the Company had a cash balance of $1,934,089 (December 31, 2009 - $1,603,078) to settle current liabilities of $397,721 (December 31, 2009 - $734,869). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company is committed to spending eligible exploration expenditures of approximately $541,400 resulting from the non-brokered private placements of flow-through common shares disclosed in *note 8*.

4. PROPERTY AND FINANCIAL RISK FACTORS AFFECTING FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk factors (Continued)

Market risk

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates. The Company regularly monitors its cash management policy.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company presently has relatively little exposure to foreign currency risk.

Commodity price risk
Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious and base metals. Precious and base metals prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious and base metals may be produced in the future, a profitable market will exist for them. As of December 31, 2010, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

The Company has designated, for accounting purposes, its cash and restricted cash as held-for-trading, which are measured at fair value. Sundry receivables and Quebec refundable tax credit and refundable mining duty are classified for accounting purposes as loans and receivables, which are measured at amortized cost and are equal to fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost and are also equal to fair value.

As of December 31, 2010, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash and restricted cash are subject to floating interest rates. The Company has no debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2010.

	Level 1	Level 2	Level 3	Total
Cash	$ 1,934,089	$ -	$ -	$ 1,934,089
Restricted cash	30,000	-	-	30,000
	$ 1,964,089	**$ -**	**$ -**	**$ 1,964,089**

(Expressed in Canadian Dollars)

5. RESTRICTED CASH

The Company has several company credit cards with a major financial institution with an aggregate credit limit of $30,000. The financial institution holds $30,000 in a Guaranteed Investment Certificate as collateral on the credit amount as long as the credit cards are active. The restricted cash amounts would change if there were any changes in the credit limits on the cards.

As of December 31, 2009, the Company had a refundable $750,000 deposit held in trust for a potential asset acquisition. This amount was returned in 2010.

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

2010	Balance January 1,	Additions [1]	Write-off	Balance December 31,
Estrades Property (b)	$ 1,531,606	$ 294,719	$ -	$ 1,826,325
Lemoine Property (c)	2,570,136	15,021	-	2,585,157
Inmet Back-In Properties (b)	-	95,590	(95,590)	-
Scott Lake Project (d)	4,594,904	915,818	-	5,510,722
Normetal West Project (e)	841,439	5,192	-	846,631
Caribou Project (f)	725,052	245,663	-	970,715
Total	$ 10,263,137	$ 1,572,003	$ (95,590)	$ 11,739,550

2009	Balance January 1,	Additions [1]	Write-offs	Balance December 31,
Estrades Mining Lease (a)	$ 3,455,610	$ (82,994)	$ (3,372,616)	$ -
Estrades Property (b)	1,533,163	(1,557)	-	1,531,606
Lemoine Property (c)	2,580,706	(10,570)	-	2,570,136
Inmet Back-In Properties (b)	-	33,672	(33,672)	-
Scott Lake Project (d)	3,585,111	1,009,793	-	4,594,904
Normetal West Project (e)	815,155	26,284	-	841,439
Caribou Project (f)	249,492	475,560	-	725,052
Total	$ 12,219,237	$ 1,450,188	$ (3,406,288)	$ 10,263,137

[1] These additions are net of the Quebec refundable tax credit and refundable mining duty of $1,108,651 (2009 - $1,054,818).

a) Estrades Mining Lease

On June 14, 2005, the Company completed the transaction to purchase 70% of the Estrades Mine in Quebec from Atlas Precious Metals Inc. ("Atlas"). As consideration, the Company paid Atlas the amount of US$500,000 (CDN$613,483) in staged payments from June 14, 2005 to September 30, 2005 and 1,000,000 common shares (valued at $700,000). Further staged payments of US$2,900,000 in cash or shares (at the Company's option) are due over a five-year period and have been secured by hypothec in favour of the vendor on the Estrades Mine property.

On June 30, 2005, the Company signed an agreement to purchase the remaining 30% of the Estrades Mine from Orvilliers Resources Inc. ("Orvilliers"). As consideration for the sale of Orvilliers's 30% holding in the Estrades Mine Property, Cogitore issued 500,000 common shares (valued at $350,000) from its treasury to Orvilliers.

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

a) Estrades Mining Lease (Continued)

On June 15, 2007, the Company issued 216,216 shares (valued at $160,000 (US$150,000)) to Atlas as per the purchase agreement.

On June 16, 2008, the Company issued 1,240,932 shares (valued at $359,870 (US$350,000)) to Atlas as per the purchase agreement.

In the second quarter of 2009, as permitted by the terms of the Purchase Agreement (the “Agreement”) between Atlas and the Company signed June 14, 2005, the Company transferred a 70% interest in the Estrades Mine to Atlas in final satisfaction of its obligation to make a US$950,000 payment in cash or common shares of the Company to Atlas on June 14, 2009, and a further payment of US$1,450,000 in cash or common shares on June 14, 2010. After reviewing the results of the feasibility study for the Estrades Mine dated October 24, 2008, a copy of which has been publicly filed by the Company, the Company concluded that it was not in the best interests of its shareholders to expend additional resources to move ahead with the Estrades Mine at this time. The Company believes that, with continuing low zinc prices and an exceptionally difficult period of tight credit and lower investor risk tolerance, it should preserve its cash and present equity structure, and thus return the 70% interest to Atlas. The Company will continue to own a 30% interest in the Estrades Mine and related assets. As a result, the Company has written down aggregate exploration expenditures on the Estrades Mining Lease in the amount of $3,372,616 in 2009.

b) Inmet Properties

The Company entered into an agreement with Inmet Mining Corporation ("Inmet") dated April 23, 2004 to acquire a 50% interest in respect of up to nine exploration properties located in the provinces of Quebec, Ontario and Newfoundland. In addition, Inmet agreed to transfer its interest in certain equipment located in Rouyn-Noranda, Quebec to the Company together with all information and data regarding the properties. As consideration for the transfer of the equipment, information and data assets, the Company issued 400,000 common shares of the Company with a value of $200,000. To earn the right to exercise its option on one or more properties, the Company reimbursed Inmet for expenditures Inmet had made on the properties between December 2003 and August 2004, and was required to complete additional exploration expenditures of $1.8 million within 12 months of the close of the agreement. In March 2005, the Company announced it had completed these obligations. The Company then had until June 30, 2009 to incur at least $3.0 million in qualified expenditures to complete its earn-in of a 50% interest in any property optioned from Inmet.

In 2009, the Company earned in on the Estrades Property, meaning the Company earned in on two of the Inmet properties, namely Lemoine and Estrades. The Company determined at the December 31, 2008 year end that it would not be able to meet the earn-in requirements for the Loveland, Castagnier, Hébécourt, Selbaie West and Landrienne properties and thus wrote down aggregate exploration expenditures for these properties.

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

b) Inmet Properties (Continued)

On July 2, 2009, the Company announced that it had signed an agreement with Inmet, whereby Inmet would immediately transfer to the Company all of its interest in the Selbaie West, Hébécourt, Landrienne and Castagnier projects (the “Properties”). Inmet will keep a back-in right in these projects, with the following essential terms: a) the back-in interest would be 50%; b) the back-in right on any individual Property would be exercisable upon the Company delivering a pre-feasibility study accompanied by an independent NI-43-101 compliant mineral resource calculation; c) the exercise of the back-in right would apply to the whole Property and would be a one-time decision; d) to earn back a 50% interest in any given Property, Inmet would have to fund, with the Company as operator, the next round of exploration for twice the amount of expenditures made by the Company on that Property prior to the back-in being exercised; e) upon Inmet having earned-back its interest, a joint venture would be formed to develop the Property and Inmet would have the right to elect to become operator of the joint venture if and when a mine is built; f) if a deposit is put in production by the Company on any portion of a Property without Inmet having exercised its back-in right, Inmet would be entitled to receive a 1% NSR royalty on the entire Property with no further ability to back-in.

In 2010, the Company determined that an impairment charge of $95,590 (2009 - $33,672) was required on certain projects within the Inmet Back-In Properties that had been previously written down.

In 2010, the Company spent $294,719 on the Estrades Property (2009 - $(1,557)). To date, the Company has spent $1,826,325 on the Estrades Property (2009 - $1,531,606).

c) Lemoine Property

Of the nine properties which form part of the option, the Company expended most of the Phase One Program expenditures on Inmet's Lemoine property. The Lemoine property is located 25 km south of Chibougamau, Quebec.

In May 2006, the Company acquired from Lounor Exploration Inc. ("Lounor", formerly Loubel Exploration Inc.) its 40% Joint Venture ("JV") interest in the Lemoine property. Also, the Company earned in on its option to own half of Inmet 60% interest. These two transactions brought the Company's JV interest in the Lemoine property to 70%. The remaining 30% JV interest was held by Inmet. In consideration for the acquisition of the Lounor interest, the Company made a cash payment of $75,000 to Lounor, cancelled all outstanding cash calls pursuant to the terms of the joint venture, issued to Lounor 50,000 common shares of the Company (valued at $33,500), and returned to Lounor 175,000 post-consolidation common shares of Lounor (valued at $48,080) purchased by the Company in compliance with a 2001 option and joint venture agreement between Inmet and Lounor to which the Company became a party in April 2004. Lounor will not retain any royalty or any right whatsoever on the Lemoine property. As at December 31, 2010, due to Inmet's non-participation, the Company's interest in Lemoine has increased to approximately 77%.

In 2010, the Company spent $15,021 on the Lemoine Property (2009 - $(10,570)). To date, the Company has spent $2,585,157 (2009 - $2,570,136).

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

d) Scott Lake Project

On July 26, 2005, the Company purchased the Scott Lake base metal massive sulphide property from Thundermin Resources Inc. ("Thundermin"), in consideration of staged payments totaling $285,000 and the issuance of 300,000 treasury shares to Thundermin over a two-year period, should the Company continue exploration. Upon reaching commercial production on any mineral deposit discovered on the property, the Company will make a final payment to Thundermin ranging from $1,000,000 to $4,000,000, depending on the size of deposit discovered, and issue to Thundermin 1,000,000 treasury shares of Cogitore. In 2005, the Company made a payment of $35,000 and issued 50,000 shares (valued at $27,500) to Thundermin. On May 25, 2006, the Company made a further payment of $100,000 cash and issued 100,000 shares (valued at $73,000). A further staged payment of $150,000 and 150,000 shares (valued at $105,000) was also made on May 25, 2007. In addition, the Company was required to incur expenditures of at least $500,000 (incurred) on this property by May 25, 2008. As of December 31, 2010, the Company owns a 100% interest in the Scott Lake project, subject only to provisional payments upon attaining production.

In 2010, the Company spent $915,818 on the Scott Lake Project (2009 - $1,009,793). To date, the Company has spent $5,510,722 on this property (2009 - $4,594,904).

e) Normetal West Project

In February 2007, the Company acquired a 100% interest in a major property position in Ontario. The Normetal West Property is situated west of, and on strike with, the past producing Normetal mine. A total of 5 claims in Ontario and 10 claims in Quebec were subsequently added to the project through an option agreement with a prospector. The agreement granted Cogitore the right to earn a 100% interest in those claims subject to a 1% NSR royalty on production, $25,000 in staged payments and $50,000 in exploration expenditures on the claims. The option agreement is in good standing as the Company has made the $50,000 expenditures as of December 31, 2008. A final option payment of $10,000 was made in 2009.

On July 6, 2010, the Company entered into an option agreement (the “Option Agreement”) with Vismand Exploration Inc. ("Vismand"), whereby Vismand has the option to acquire a 50% interest in the Normetal West Project, located in Perron township in the Province of Quebec and in the townships of Adair and Abbotsford in the Province of Ontario.

Under the terms of the Option Agreement, Vismand has an option to acquire a 50% interest in the Normetal West Project by incurring an aggregate amount of $1,275,000 in exploration and development expenditures on the Normetal West Project and by making an aggregate of $150,000 in earn-in payments. In order to maintain and exercise its option, Vismand must (i) incur expenditures as follows: (a) $58,000 on or before November 30, 2010 (incurred); (b) $942,000 on or before the first anniversary of the effective date of the Option Agreement; and (c) $275,000 on or before the second anniversary of the effective date of the Option Agreement; and (ii) make earn-in payments totalling $150,000 to the Company as follows: (a) $25,000 (received) on the effective date of the Option Agreement; (b) $25,000 on or before the first anniversary of the effective date of the Option Agreement; (c) $25,000 on or before the second anniversary of the effective date of the Option Agreement; and (d) $75,000 on or before 180 days following the second anniversary of the effective date of the Option Agreement.

(Expressed in Canadian Dollars)

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

e) Normetal West Project (Continued)

If Vismand exercises its 50% option in the Normetal West Project, the Company and Vismand will form a joint venture for the further exploration and development of the Normetal West Project, with each party bearing its proportionate share of costs. If the interest of either party in the Normetal West Project falls to 15% or less, it will revert to a 1% net smelter return royalty, but only if such party has contributed at least $2,000,000 in expenditures or joint venture funding at the time of the reduction of such participating interest in the Normetal West Project.

In 2010, the Company spent $5,192 on the Normetal West Project (2009 - $26,284) including the $25,000 received as option payment. To date, the Company has spent $846,631 on this property (2009 - $841,439).

f) Caribou Project

On September 17, 2007, the Company signed an option agreement with IAMGOLD Corporation ("IAMGOLD") to acquire control of its Caribou Project located immediately to the west of the Company's Estrades properties. The agreement allows Cogitore to earn 70% of IAMGOLD's interest by spending $2,000,000 in exploration over five years and issuing 100,000 common shares of the Company, including 50,000 shares on signing (issued and valued at $28,500). IAMGOLD's interest in the Caribou property is currently at 86% and steadily increasing as a third party's residual interest is getting diluted. After earning the interest, a 70-30 joint venture will be formed between the Company and IAMGOLD. The agreement also calls for firm expenditure commitments of $200,000 for each of the first two years of the agreement, and for production royalty payments to IAMGOLD if it elects not to participate in a future joint venture.

In 2010, the Company spent $245,663 on the Caribou Project (2009 - $475,560). To date, the Company has spent $970,715 on this property (2009 - $725,052).

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Carrying Amount December 31, 2010
Computer equipment	$ 7,501	$ 4,186	$ 3,315
Office equipment	5,120	2,550	2,570
Site building	289,894	34,737	255,157
	$ 302,515	$ 41,473	$ 261,042

	Cost	Accumulated Amortization	Net Carrying Amount December 31, 2009
Computer equipment	$ 5,111	$ 3,278	$ 1,833
Office equipment	5,120	1,908	3,212
Site building	256,191	24,807	231,384
	$ 266,422	$ 29,993	$ 236,429

(Expressed in Canadian Dollars)

8. CAPITAL STOCK

Authorized
Unlimited common shares

Issued - 60,280,888 common shares

	Shares	Amount
Balance, December 31, 2008	45,326,953	$ 15,349,726
Private placements - flow-through common shares (ii)(iii)	8,020,600	1,657,210
Costs of issue (ii)(iii)	-	(93,938)
Flow-through tax effect (i)	-	(400,520)
Balance, December 31, 2009	53,347,553	16,512,478
Private placements - flow-through common shares (iv)(v)	5,000,000	1,600,000
Private placement - non-flow-through common shares (iv)	1,933,335	580,000
Warrants valuation (iv)	-	(140,831)
Cost of issue (iv)(v)	-	(161,987)
Flow-through tax effect (ii)(iii)	-	(428,223)
Balance, December 31, 2010	**60,280,888**	**$ 17,961,437**

(i) The Company filed renouncement documents with the tax authorities pertaining to the flow-through shares it had issued in 2008. As a result of this renunciation, capital stock decreased and long-term future income tax liability increased by $400,520.

(ii) On August 6, 2009, the Company announced that it had closed a non-brokered private placement of flow-through common shares. 5,000,000 flow-through common shares of the Company were issued at a price of $0.12 per flow-through common share for aggregate gross proceeds of $600,000. The Company paid a cash commission equal to 5% of certain gross proceeds for an aggregate total of $19,020. The flow-through common shares issued at closing were subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

In accordance with EIC-146, the renunciation of tax benefits amounting to $600,000 in early 2010 created a future income tax liability of $155,040.

(iii) On December 22, 2009, the Company completed a private placement of 3,020,600 flow-through common shares at a price of $0.35 per share to raise gross proceeds of $1,057,210. The Company paid a cash commission equal to 5% of certain gross proceeds for an aggregate total of $45,110.

In accordance with EIC-146, the renunciation of of tax benefits amounting to $1,057,210 in early 2010 created a future income tax liability of $273,183.

(iv) On April 30, 2010, the Company completed a non-brokered private placement of 2,000,000 flow-through common shares for aggregate gross proceeds of $700,000, and a non-brokered private placement of 1,933,335 units for aggregate gross proceeds of $580,000. Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one additional common share at a price of $0.45 per common share for a period of eighteen months after the closing date. The Company paid a cash commission equal to 5% of certain gross proceeds for an aggregate total of $44,160.

The fair value of the 966,668 warrants have been estimated using the Black-Scholes option pricing model to be $140,831. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 161.76%; estimated risk-free interest rate - 1.81%; and an expected average life of 1.5 years.

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(v) On November 17, 2010, the Company completed a non-brokered private placement of 3,000,000 flow-through common shares at a price of $0.30 per share to raise gross proceeds of $900,000. The Company paid a cash commission equal to 5% of certain gross proceeds for an aggregate total of $15,825. The flow-through common shares issued at closing were subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

9. STOCK OPTIONS

The Company adopted an incentive stock option plan (the "Plan"), dated December 13, 2002, which provides that the directors of the Company may, from time to time, grant to directors, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase common shares, provided that the number of common shares reserved for issuance under the Plan not exceed ten percent of the issued and outstanding common shares. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent of the issued and outstanding common shares in any twelve-month period. The Plan provides that the terms of the option and the option price shall be fixed by the directors of the Company. Stock options granted under the Plan may not be for a period longer than five years and the exercise price must be paid in full upon exercise of the option.

A summary of the Company's option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2008	2,493,665	$ 0.56
Granted	2,155,000	0.15
Expired/Cancelled	(756,665)	0.37
Balance, December 31, 2009	3,892,000	0.37
Expired	(920,000)	0.64
Balance, December 31, 2010	**2,972,000**	**$ 0.29**

The Company determines the fair value of the employee stock options using the Black-Scholes option pricing model. The estimated fair value of the options is expensed or capitalized to the exploration properties over their respective vesting periods. The fair value of stock options was determined using the following weighted average assumptions:

	2009
Risk-free interest rate	2.25% - 2.55%
Expected life	5 years
Expected volatility	128%
Expected dividend yield	0%

The fair value of the options granted in 2009 was $230,300. The weighted average fair value of the total options granted in 2009 on the grant date was $0.11 per share.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS (Continued)

As at December 31, 2010, the Company had the following stock options outstanding and exercisable:

	Outstanding Options			Exercisable Options	
Exercise price	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options	Weighted average exercise price
\$0.10 to \$0.19	2,105,000	3.41	\$ 0.15	2,105,000	\$ 0.15
\$0.50 to \$0.59	670,000	1.85	0.55	670,000	0.55
\$0.80 to \$0.95	197,000	0.88	0.87	197,000	0.87
	2,972,000	2.89	\$ 0.29	2,972,000	\$ 0.29

For the year ended December 31, 2010, the impact on expenses due to the vesting of previously issued options was \$nil (2009 - \$2,665).

10. WARRANTS

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2008	4,264,571	\$ 0.98
Expired	(4,264,571)	0.98
Balance, December 31, 2009	-	-
Issued (*note 8 (iv)*)	966,668	0.45
Balance, December 31, 2010	**966,668**	**\$ 0.45**

As at December 31, 2010, the Company had the following warrants outstanding:

Number of Warrants	Exercise Price	Amount	Expiry Date
966,668	\$0.45	\$ 140,831	October 30, 2011

11. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

During the year ended December 31, 2010, the Company paid \$50,000 (December 31, 2009 - \$nil) to 2142058 Ontario Inc., a company controlled by Mark Goodman, an officer of the Company, for management services provided to the Company, which are recorded under professional fees in the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (Continued)

A number of insiders participated in the April 2010 and November 2010 non-brokered private placements of flow-through common shares, thereby making the transaction a “related party transaction”. Insiders, including officers and directors of the Company, subscribed for a total of 296,831 and 81,668 common shares of the Company during the April and November placements respectively. The non-brokered private placements of flow-through common shares were unanimously approved by the directors of the Company, with the directors participating in the non-brokered flow-through private placements disclosing their interest and abstaining from voting with respect thereto.

12. INCOME TAXES

(a) Major items causing the Company's income tax rate to differ from the federal statutory rate of approximately 30.45% (2009 - 32.08%) are as follows:

December 31,	**2010**	**2009**
Loss before income taxes	**$ 739,056**	$ 4,409,465
Expected income tax benefit based on statutory rates	**225,043**	1,414,556
Adjustments to benefit resulting from:		
Change in future tax rates	**(24,329)**	(120,253)
Other	**118,901**	75,728
Permanent differences	**(877)**	(239,172)
Increase in valuation allowance	**(204,363)**	(56,829)
	$ 114,375	$ 1,074,030
Future tax assets		
Other temporary differences	**$ 11,979**	$ 8,962
Share issue costs	**76,371**	74,901
Non-capital losses	**916,344**	716,468
	1,004,694	800,331
Valuation allowance	**(1,004,694)**	(800,331)
Total	**$ -**	$ -
Future tax liabilities		
Exploration properties	**$ (2,407,557)**	$ (2,093,709)

(Expressed in Canadian Dollars)

12. INCOME TAXES (Continued)

(b) Tax loss carry-forwards

As at December 31, 2010, the Company has available non-capital loss carry-forwards for Canadian federal and Ontario tax purposes that will expire as follows:

2014	$	277,574
2015		532,317
2026		373,744
2027		319,056
2028		812,908
2029		429,600
2030		786,639
	$	3,531,838

13. COMMITMENTS

(a) The Company entered into agreements to lease head office space until May 2011. Minimum annual rent payable in the next year is as follows:

2011	$	26,703

(b) The Company has entered into an agreement to lease regional office space until June 2013. Minimum annual rent payable in each of the next three years is as follows:

2011	$	64,000
2012		64,000
2013		32,000
	$	160,000

(c) The Company is committed to spending approximately $541,400 associated with the flow-through offering that was completed on November 17, 2010 *(note 8(v))*. The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the Income Tax Act (Canada). The Company will institute the look-back rule which will require the Company to spend the funds by the end of 2011.

(Expressed in Canadian Dollars)

14. GENERAL AND ADMINISTRATIVE EXPENSE DISCLOSURE

For the years ended December 31,	2010	2009	Cumulative from date of inception to December 31, 2010
Interest and bank charges	**$ 1,551**	$ 1,937	$ 19,139
Flow-through taxes paid	**8,094**	12,997	188,764
Consulting fees	**-**	-	46,402
Office and general	**57,039**	49,094	320,164
Transfer agent, listing and filing fees	**18,266**	21,186	181,709
Salaries and benefits	**129,239**	129,935	647,384
Rent	**57,290**	58,338	176,622
Shareholder/investor relations	**64,873**	195,884	492,008
New project development	**27,718**	35,863	349,224
Capital tax	**8,914**	14,371	36,407
	$ 372,984	$ 519,605	$ 2,457,823

15. SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended December 31,	2010	2009	Cumulative from date of inception to December 31, 2010
Change in non-cash working capital items:			
Decrease (increase) in sundry receivables and prepaid expenses	**$ 4,225**	$ 97,700	$ (24,330)
Decrease (increase) in Quebec refundable tax credit and refundable mining duty	**136,003**	126,950	(1,168,063)
Increase in restricted cash (non-current)	**-**	-	(30,000)
Decrease (increase) in restricted cash (current)	**750,000**	(750,000)	-
(Decrease) increase in accounts payable and accrued liabilities	**(337,148)**	405,609	(49,304)
Decrease in income tax payable	**-**	(29,986)	-
	$ 553,080	$ (149,727)	$(1,271,697)

16. SUBSEQUENT EVENT

On April 1, 2011, the Company closed a non-brokered private placement of 4,000,000 flow-through common shares at a price of $0.26 per flow-through common share for aggregate gross proceeds of $1,040,000. The common shares have a hold period of four months from closing. The Company paid a cash commission equal to 5% of certain gross proceeds of the financing to participating registered dealers for an aggregate total of $27,600.