Champion Minerals Inc.
(an exploration stage company)

Financial Statements
December 31, 2009
(unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

These unaudited interim financial statements of Champion Minerals Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

Champion Minerals Inc.
(an exploration stage company)
Balance Sheets

	As at December 31, 2009 $ (unaudited)	As at March 31, 2009 $
Assets		
Current		
Cash	2,267,680	1,030,760
Receivable	100,524	135,714
Prepaid expenses and deposit	93,405	32,263
	2,461,608	1,198,737
Mineral resource properties (note 3)	5,005,584	3,895,811
	7,467,193	5,094,548
Liabilities		
Current		
Accounts payable and accrued liabilities	419,074	641,510
Future income taxes	405,000	405,000
	824,074	1,046,510
Shareholders' equity		
Capital stock (note 4)	10,205,054	7,809,287
Warrants (note 4)	1,505,825	653,445
Contributed surplus (note 4)	1,210,639	707,403
Deficit	(6,278,400)	(5,122,096)
	6,643,118	4,048,038
	7,467,193	5,094,548

See accompanying notes to financial statements

On behalf of the Board:

Thomas Larsen
Director

Paul Ankcorn
Director

Champion Minerals Inc.

(an exploration stage company)

Statements of Loss, Comprehensive Loss and Deficit

	3 months ended December 31, 2009 $ (unaudited)	3 months ended December 31, 2008 $ (unaudited)	9 months ended December 31, 2009 $ (unaudited)	9 months ended December 31, 2008 $ (unaudited)	Cumulative since March 14, 2006 $ (unaudited)
Expenses					
Professional fees	5,593	19,603	43,090	109,894	399,724
Consulting fees	49,700	47,091	136,200	144,805	560,200
Stock-based compensation	116,047	-	503,236	172,000	1,085,581
General and administrative	58,093	166,119	187,251	164,082	700,487
Investor relations	34,808	-	161,744	54,385	161,744
Travel	52,382	-	166,783	36,290	166,783
Part XII.6 tax	-	-	-	-	56,877
	316,622	232,812	1,198,304	681,456	3,131,396
Loss before the following item	(316,622)	(232,812)	(1,198,304)	(681,456)	(3,131,396)
Management fees	-	-	42,000	-	42,000
Loss before income taxes	(316,622)	(232,812)	(1,156,304)	(681,456)	(3,089,396)
Future income tax recovery	-	(41,700)	-	(41,700)	498,500
Loss and comprehensive loss for the period	(316,622)	(274,512)	(1,156,304)	(723,156)	(2,590,896)
Deficit, beginning of period	(5,961,777)	(4,779,541)	(5,122,096)	(4,331,897)	(3,687,504)
Deficit, end of period	(6,278,400)	(5,054,054)	(6,278,400)	(5,055,053)	(6,278,400)
Loss per share-basic and diluted	(0.013)	(0.017)	(0.054)	(0.048)	
Weighted average number of shares outstanding - basic and diluted	23,723,535	15,900,485	21,280,262	14,931,896	

See accompanying notes to financial statements

Champion Minerals Inc.

(an exploration stage company)

Statements of Cash Flows

	3 months ended December 31, 2009 $ (unaudited)	3 months ended December 31, 2008 $ (unaudited)	9 months ended December 31, 2009 $ (unaudited)	9 months ended December 31, 2008 $ (unaudited)	Cumulative since March 14, 2006 $ (unaudited)
Cash provided by (used in)					
Operating activities					
Loss for the period	(316,622)	(274,512)	(1,156,304)	(722,156)	(2,590,896)
Items not affecting cash					
Stock-based compensation	116,047	-	503,236	172,000	1,085,581
Future income tax recovery	-	-	-	-	(498,500)
Changes in non-cash operating working capital					
Receivable	29,637	(28,194)	35,191	(23,398)	(100,523)
Prepaid expenses and deposit	(38,686)	(24,836)	(61,141)	(46,915)	(93,404)
Accounts payable and accrued liabilities	64,052	(1,335)	(222,435)	(54,720)	403,478
	(145,572)	(328,877)	(901,453)	(675,189)	(1,794,264)
Financing activities					
Issue of common shares	2,527,129	1,450,000	3,327,129	2,950,000	8,529,878
Common shares to be issued	-	-	-	-	-
Exercise of stock options	-	-	-	21,375	21,375
Exercise of warrants	-	-	-	900	900
Loan payable	-	-	-	-	122,880
Share issue costs	(180,193)	(141,433)	(226,981)	(264,933)	(590,802)
	2,346,936	1,308,567	3,100,148	2,707,342	8,084,231
Investing activities					
Repayment of advance to Bear Lake Gold Ltd.	-	-	-	55,000	-
Mineral resource properties	(180,738)	(531,718)	(961,773)	(1,287,063)	(4,022,285)
	(180,738)	(531,718)	(961,773)	(1,232,063)	(4,022,285)
Net increase in cash	2,020,625	447,972	1,236,922	800,090	2,267,682
Cash, beginning of period	247,057	1,303,555	1,030,760	951,437	-
Cash, end of period	2,267,682	1,751,527	2,267,681	1,751,527	2,267,682
Non-cash transactions					
Issue of common shares for mineral resource properties			148,000	645,300	
Issue of common shares for finders fee			-	50,000	
Issue of warrants for share issue expenses			-	39,214	
Supplementary information					
Interest paid			-	-	
Income taxes paid			-	-	

See accompanying notes to financial statements

Champion Minerals Inc.

(an exploration stage company)

Notes to Financial Statements

December 31, 2009

(unaudited)

1. Nature of operations

Champion Minerals Inc. (the "Company") was incorporated under the laws of Ontario. The Company operates solely in the exploration and development of mineral properties and extraction of iron ore and base metals in Canada. The Company considers that it entered the exploration stage on March 14, 2006 upon acquiring an option to acquire an interest in a mineral resource property.

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for mineral resource properties do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

The Company is exposed to commodity price risk with respect to iron ore prices. A significant decline in metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

As at December 31, 2009, the Company had working capital of $2,042,534, which included cash of $2,267,680. While the Company has sufficient funds to meet its current commitments, the Company will require additional funding to fund its operations and the exploration of its mineral resource properties. Without additional funding, there is substantial doubt as to the Company's ability to continue as a going concern. Within the next 12 months, the Company will be seeking to raise the necessary capital to meet its funding requirements. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

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 were the going concern assumption inappropriate, and these adjustments could be material.

2. Accounting presentation and disclosures

These financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual financial statements except as outlined below under "Accounting changes". Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these financial statements should be read in conjunction with the annual financial statements.

Accounting changes

On April 1, 2009, the Company adopted CICA Handbook Section 3031, "Inventories", which replaced Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

On April 1, 2009, the Company adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" which replaced Section 3062. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

The adoption of these new standards did not have an effect on the Company's financial statements.

Future accounting changes

On January 1, 2011, the Company will adopt CICA Handbook Section 1582, "Business Combinations", which will replace Section 1581, "Business Combinations". The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

On January 1, 2011, the Company will adopt CICA Handbook Sections 1601, "Consolidated Financial Statements" and Section 1602, "Non-controlling Interests", which together, will replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have an effect on the Company's financial statements.

International Financial Reporting Standards ("IFRS"):

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian generally accepted accounting principles will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS commencing with the interim financial statements for the 3 months ended June 30, 2012. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 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.

3. Mineral resource properties

	March 31, 2009 $	**Acquisition costs $**	**Exploration $**	**December 31, 2009 $**
Powderhorn	1,257,444	38,000	(1,118)	1,294,326
Attikamagen	442,771	−	(3,373)	439,398
Gullbridge	359,547	33,000	(83,330)	309,217
Pterodactyl	63,800	−	−	63,800
Fermont	1,772,250	287,000	790,060	2,849,310
Bellechase and Fire Lake	−	−	28,000	28,000
Harvey-Tuttle	−	−	21,535	21,535
	3,895,812	358,000	751,773	5,005,585

	March 31, 2008 $	**Acquisition costs $**	**Exploration $**	**December 31, 2008 $**
Powderhorn	737,001	255,000	108,994	1,100,995
Attikamagen	319,263	−	123,508	442,771
Gullbridge	−	38,500	211,658	250,158
Pterodactyl	−	63,800	−	63,800
Fermont	−	518,370	662,532	1,180,902
	1,056,265	875,670	1,106,692	3,038,626

Powderhorn

The Company has the option to acquire a 70% interest in the Powderhorn Lake Project ("Powderhorn Property"), which consists of 115 claims covering an area of 29 square kilometres situated in the Buchans-Robert's Arm Belt in Central

Newfoundland. In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures as follows:

To earn 70% interest	Option payments $	Common shares	Exploration expenditures $
Paid prior to March 31, 2008	40,000	250,000	200,000
June 11, 2008 (paid, issued and incurred)	10,000	250,000	300,000
At the earliest date the Company completes the exploration expenditure requirements, makes an economic discovery as evidenced by a pre-feasibility study or June 11, 2009 (issued)	–	100,000	–
June 11, 2010	–	–	500,000
	50,000	600,000	1,000,000

The Powderhorn Property is encumbered with a 2.85% net smelter royalty ("NSR"), of which, 1.85% can be purchased by the joint venture participants for $2,300,000 to reduce the NSR to 1.0%.

Option for the Gullbridge Property
The Company has an option to earn an 85% interest in the Gullbridge Property in the Buchans Mining Camp, Newfoundland. In order to earn its interest, the Company must make the option payment, issue common shares and incur exploration expenditures as follows:

	Option payments $	Common shares	Exploration expenditures $
To earn 51% interest			
On closing (paid and issued)	10,000	50,000	–
May 5, 2009 (paid, issued and incurred)	10,000	100,000	200,000
May 5, 2010	10,000	150,000	200,000
May 5, 2011	–	–	400,000
	30,000	300,000	800,000
To increase to 75% interest			
2 years after earning 51% interest	–	150,000	700,000
To increase to 85% interest	–	–	All necessary expenditures up to the completion of a positive bankable feasibility study

Option for the Fermont Property
The Company has an option to earn a 70% interest in the Fermont Property which consists of 16 claim blocks covering an area of 385 square kilometres situated in northeastern Quebec. In order to earn its interest, the Company must make the option payments, issue common shares and incur exploration expenditures as follows:

	Option payments $	Common shares	Exploration expenditures $
To earn a 65% interest			
Paid and issued	100,000	700,000	–
November 27, 2008 (paid)	100,000	–	–
May 27, 2009 (paid, issued and incurred)	200,000	300,000	750,000
May 27, 2010	200,000	400,000	–
May 27, 2011	200,000	600,000	–
May 27, 2012	200,000	900,000	5,250,000
	1,000,000	2,900,000	6,000,000
To increase to a 70% interest	–	500,000	All necessary expenditures to completion of a positive bankable feasibility study

The vendors retained a 3% net smelter return royalty ("NSR"), of which, the Company will have the option to purchase 1% for $3,000,000. The Company will have the right of first refusal on the NSR and the vendors' interest in the Fermont Property. After the Company earns its interest, a joint venture will be formed to incur additional exploration expenditures. If the vendors do not choose to fund their proportionate interest in the joint venture, their interest will be diluted and, when the vendors' interest is reduced below 10%, the vendors' interest would be reduced solely to the NSR. In the event that the Company or the vendors propose to acquire any property within 10 kilometres of the Fermont Property, the purchaser must offer the property proposed to be acquired to the other party at cost.

On August 31, 2009, the Company amended the option to also include (a) an option to acquire up to a 70% interest in the Penguin Lake iron ore property, which consists of 58 claims covering 36.04 square kilometres in northeastern Quebec and (b) a right of first refusal on the sale or transfer of the Lamellee Lake iron ore property in northeastern Quebec. There were no other changes to any of terms or conditions of the Fermont Option Agreement. In consideration of the amendment, the Company issued 400,000 common shares of the Company to the optionors on October 2, 2009.

4. Capital stock

Share capital consists of the following issued and outstanding common shares:

	Number of shares	$
Balance as at March 31, 2008	12,003,035	5,303,139
Issued for cash-units	3,000,000	1,500,000
Issued for finders fee	100,000	50,000
Issued for cash-flow-through units	3,625,000	1,450,000
Issued for cash	286,000	100,100
Fair value of warrants issued	—	(630,301)
Exercise of stock options	47,500	21,375
Fair value of stock options exercised	—	12,741
Exercise of warrants	2,000	900

	Number of shares	$
Fair value of warrants exercised	—	497
Issued for mineral resource properties	810,000	645,300
Issued for shares to be issued at March 31, 2008	150,000	45,000
Renunciation of flow-through expenditures	—	(420,500)
Share issue costs	—	(268,964)
Balance as at March 31, 2009	20,023,535	7,809,287
Private placement of units	3,200,000	800,000
Private placement of flow-through units	4,594,780	2,527,129
Fair value of warrants issued	—	(1,113,524)
Fair value of warrants expired	—	261,143
Issued for mineral resource properties	500,000	148,000
Share issue costs	—	(226,981)
Balance as at December 31, 2009	28,318,315	10,205,054

Private placement of units

On September 14, 2009, the Company completed a private placement of 3,200,000 units at a price of $0.25 per unit for gross proceeds of $800,000. Each unit consists of one common share and one common share warrant entitling the holder to purchase one common share at a price of $0.50 per share until March 14, 2011. Four months or more after the closing of the private placement, if the average closing price of the common shares is over $0.75 for a period of 20 consecutive business days, the common share warrants must be exercised within ten calendar days after written notice is provided by the Company by registered mail or they will expire.

The fair value of the common share purchase warrants was $437,789 calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.4%
Expected volatility	141%
Expected life of warrants	1.5 years
Expected dividend yield	Nil

On February 19, 2010, the average closing price of the common shares was over $0.75 for a period of 20 consecutive business days and the Company announced its intention to provide the warrant holders with written notice on or before March 8, 2010 that the common share warrants must be exercised by March 18, 2010 or they will expire.

Private placement of flow-through units

On December 31, 2009, the Company completed a private placement of 4,594,780 units at a price of $0.55 per flow-through unit for gross proceeds of $2,527,129. Each flow-through unit consists of one common share issued on a flow-through basis under the Income Tax Act (Canada) and one-half of one common share warrant, with each whole warrant entitling the holder to purchase one common share at a price of $0.85 per share until June 30, 2011. In connection with the private placement, the Company incurred a finder's fee consisting of (i) $167,954 in cash; (ii) 263,360 finders' fee unit warrants entitling the holder to purchase one finders' fee unit at a price of $0.55 per finders' fee unit until June 30, 2011, with each unit consisting of one common share and one-half of one common share warrant, with each whole warrant entitling the holder to purchase one common share at a price of $0.85 per common share until June 30, 2011; and (iii) 90,017 finders' fee warrants entitling the holder to purchase one common share at a price of $0.85 per common share until June 30, 2011.

The fair value of the common share purchase warrants of $574,110, finders' fee unit warrants of $79,130 and finders' fee warrants of $22,495 were calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.15%
Expected volatility	129%
Expected life of warrants	1.5 years
Expected dividend yield	Nil

Stock options

The Company may grant up to 4,075,000 stock options (March 31, 2009 – 3,220,000) to directors, officers, employees and consultants.

A summary of the Company's stock option plan is presented below:

	Number of options	Weighted-average exercise price
Balance, March 31,2008	1,200,000	0.45
Granted	325,000	0.70
Exercised	(47,500)	0.45
Balance, March 31, 2009	1,477,500	0.50
Granted	2,227,500	0.32
Cancelled	(152,500)	0.45
Balance, December 31, 2009	3,552,500	0.39
Options exercisable	3,552,500	0.39

A summary of the stock options granted and the assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

Date of grant	**September 16, 2009**	**September 24, 2009**	**November 9, 2009**
Options granted	1,695,000	152,500	380,000
Exercise price	$0.30	$0.33	$0.405
Expiry date	September 16, 2014	September 24, 2014	November 9, 2014
Fair value	$353,279	$33,910	$116,047
Expected volatility	100%	100%	100%
Expected life of options	5 years	5 years	5 years
Expected dividend yield	0%	0%	0%

A summary of the Company's outstanding stock options as at December 31, 2009 is presented below:

Exercise price	**Expiry date**	**Options outstanding**	**Options exercisable**
$0.45	January 10, 2013	1,000,000	1,000,000
$0.70	May 16, 2013	325,000	325,000
$0.30	September 16, 2014	1,695,000	1,695,000
$0.33	September 24, 2014	152,500	152,500
$0.405	November 9, 2014	380,000	380,000
		3,552,500	3,552,500

Warrants
A summary of the Company's warrants is presented below:

	Common share purchase warrants		Unit warrants	
	Number of warrants	Weighted-average exercise price $	Number of warrants	Weighted-average exercise price $
Balance, March 31, 2008	95,100	0.45	–	–
Issued	3,855,000	0.68	–	–
Exercised	(2,000)	0.45	–	–
Balance, March 31, 2009	3,948,100	0.68	–	–
Issued	5,587,407	0.65	263,360	0.55

Expired	(1,773,100)	0.71	–	–
Balance, December 31, 2009	7,762,407	0.56	263,360	0.55

A summary of the Company's warrants outstanding at December 31, 2009 is presented below:

	Warrants outstanding	Expiry date
Common share warrant exercise price		
$0.70	1,812,500	June 5, 2010
$0.40	362,500	June 5, 2010
$0.50 (note)	3,200,000	March 14, 2011
$0.85	2,387,407	June 30, 2011
	7,762,407	
Unit warrant exercise price		
$0.55	263,360	June 30, 2011

Note:
On February 19, 2010, the average closing price of the common shares was over $0.75 for a period of 20 consecutive business days and the Company announced its intention to provide the warrant holders with written notice on or before March 8,2010 that the common share warrants must be exercised by March 18, 2010 or they will expire.

A summary of the Company's warrant balance is presented below:

	Common share purchase warrants $	Unit warrants $	Total $
Balance, March 31, 2008	23,640	–	23,640
Issued	630,301	–	630,301
Exercised	(496)	–	(496)
Balance, March 31, 2009	653,445	–	653,445
Issued	1,034,394	79,130	1,113,524
Expired	(261,143)	–	(261,143)
Balance, December 31, 2009	1,426,696	79,130	1,515,825

Contributed surplus

	$
Balance, March 31, 2008	548,145
Fair value of stock options exercised	(12,742)
Stock-based compensation	172,000
Balance, March 31, 2009	707,403
Stock-based compensation	503,236
Balance, December 31, 2009	1,210,640

5. Related party transactions

For the 9 months ended December 31, 2009, consulting fees included $80,200 (2008 - $70,560) paid to companies controlled by a director and three officers of the Company; mineral resource properties included $343,522 (2008 - $368,536) paid to companies controlled by two directors and two officers of the Company; share issue costs included $nil (2008 - $32,932) and legal fees included $25,339 (2008 - $84,596) paid to a law firm controlled by a director. Accounts payable and accrued liabilities includes $80,356 (March 31, 2009 - $282,190) payable to a companies controlled by three directors and two officers of the Company. These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

6. Capital disclosures

Capital of the Company consists of the components of shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to explore and develop its mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company, it has no revenues and its principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company will spend its existing working capital and raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

7. Financial instruments and risk management

Fair value

The carrying value of cash, accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk interest rate risk and commodity price risk.

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 6. All of the Company's accounts payable and accrued liabilities are due within 30 days.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

8. Subsequent events

Private placements

On January 11, 2010, the Company completed a private placement of 3,800,000 units at a price of $0.50 per unit for gross proceeds of $1,900,000. Each unit consisted of one common share and one-half of one common share warrant, with each full warrant entitling the holder to purchase one common share at a price of $0.75 per share until July 11, 2011.

On January 13, 2010, the Company completed a private placement of 3,500,000 common shares at a price of $0.48 per share for gross proceeds of $1,680,000.

On January 14, 2010, the Company granted 2,200,000 stock options entitling the holder to purchase one common share at a price of $0.80 per common share until January 14, 2015, subject to shareholder and regulatory approvals.

On February 2, 2010, the Company granted 300,000 stock options entitling the holder to purchase one common share at a price of $0.85 per common share until February 2, 2015, subject to shareholder and regulatory approvals.

On February 22, 2010, the Company completed a private placement of 1,799,999 units at a price of $0.60 per unit for gross proceeds of $1,080,000. Each unit consisted of one common share and one-half of one common share warrant entitling the holder to purchase one common share at a price of $0.90 per share until August 22, 2011.