RT MINERALS CORP.

(A Development Stage Company)

FINANCIAL STATEMENTS

November 30, 2008 and 2007

BDO Dunwoody LLP
Chartered Accountants

600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2
Telephone: (604) 688-5421
Fax: (604) 688-5132

AUDITORS' REPORT

To the Shareholders,
RT Minerals Corp.
(A Development Stage Company)

We have audited the balance sheets of RT Minerals Corp. (A Development Stage Company) as at November 30, 2008 and 2007 and the statements of loss, comprehensive loss and deficit and cash flows for the year ended November 30, 2008 and for the period from March 9, 2007 (Date of Incorporation) to November 30, 2007. 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, 2008 and 2007 and the results of its operations and its cash flows for the year ended November 30, 2008 and for the period from March 9, 2007 (Date of Incorporation) to November 30, 2007 in accordance with Canadian generally accepted accounting principles.

(signed) “BDO Dunwoody LLP”

Chartered Accountants

Vancouver, Canada
March 13, 2009

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RT MINERALS CORP.
(A Development Stage Company)
BALANCE SHEETS
November 30, 2008 and 2007

ASSETS	2008	2007
Current		
Cash	$ 5,176	$ 87,744
Goods and services tax receivable	8,650	5,944
Prepaid expenses – Note 6	2,197	14,000
	16,023	107,688
Resource property costs – Notes 3 and 6	346,629	99,237
	$ 362,652	$ 206,925
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 67,795	$ 11,224
Due to related parties – Note 4	16,458	-
	84,253	11,224
SHAREHOLDERS' EQUITY		
Share capital – Notes 3 and 5	465,061	280,000
Contributed surplus – Note 5	35,200	-
Deficit	(221,862)	(84,299)
	278,399	195,701
	$ 362,652	$ 206,925

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Commitments – Notes 3, 5 and 9
Subsequent Events – Notes 5, 9 and 10

APPROVED BY THE DIRECTORS:

"Donald M. Clark" Director — Donald M. Clark

"Jonathan M. Samuda" Director — Jonathan M. Samuda

SEE ACCOMPANYING NOTES

RT MINERALS CORP.
(A Development Stage Company)
STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
for the year ended November 30, 2008 and
for the period from March 9, 2007 (Date of Incorporation) to November 30, 2007

	2008	2007
General and administration expenses		
Accounting and audit fees	$ 22,227	$ 7,500
Administrative and consulting fees – Note 6	7,610	44,717
Filing fees	2,816	382
Investor communications	1,576	-
Legal fees	5,897	2,673
Office expense	26,079	682
Management salaries – Note 6	84,235	27,188
Stock-based compensation – Note 5	11,200	-
Transfer Agent	3,912	-
Travel and automobile	20,918	1,509
Loss before other item	(186,470)	(84,651)
Other item:		
Interest income	907	352
Loss before income tax provision	(185,563)	(84,299)
Recovery of future income tax asset – Note 7	48,000	-
Net loss and comprehensive loss for the period	(137,563)	(84,299)
Deficit, beginning of the period	(84,299)	-
Deficit, end of the period	$ (221,862)	$ (84,299)
Basic and diluted loss per share	$ (0.02)	$ (0.02)
Weighted average number of shares outstanding	6,419,672	5,221,053

SEE ACCOMPANYING NOTES

RT MINERALS CORP.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
for the year ended November 30, 2008 and
for the period from March 9, 2007 (Date of incorporation) to November 30, 2007

	2008	2007
Operating Activities		
Net loss for the period	$ (137,563)	$ (84,299)
Items not involving cash:		
Stock-based compensation	11,200	-
Recovery of future income tax asset	(48,000)	-
	(174,363)	(84,299)
Changes in non-cash working capital items related to operations:		
Amounts receivable	(2,706)	(5,944)
Prepaid expenses	11,803	(14,000)
Accounts payable and accrued liabilities	22,506	11,224
	(142,760)	(93,019)
Investing Activity		
Resource property costs, net tax credit recovery – Note 3	(198,454)	(74,237)
Financing Activities		
Common shares issued for cash	450,000	255,000
Share issue costs	(192,939)	-
Due to related parties	1,585	-
	258,646	255,000
Increase (decrease) in cash during period	(82,568)	87,744
Cash, beginning of the period	87,744	-
Cash, end of the period	$ 5,176	$ 87,744
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 303	$ -
Income taxes	$ -	$ -

Non-cash Transactions – Note 8

SEE ACCOMPANYING NOTES

RT MINERALS CORP.
(A Development Stage Company)
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2008 and 2007

Note 1 Nature of Operations and Ability to Continue as a Going Concern

RT Minerals Corp. (the "Company") was incorporated on March 9, 2007 under the Business Corporations Act of British Columbia. The Company is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or developing these properties further. At November 30, 2008, the Company held under option a 100% interest in a resource property located in the Baie Comeau Area in the Province of Quebec (Note 3).

The Company is in the exploration stage and is in the process of exploring and developing its resource property and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts shown for resource property costs are dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying resource property, as well as the ability of the Company to obtain the necessary financing to complete exploration and development of the property and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. 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. At November 30, 2008, the Company had not yet achieved profitable operations, has accumulated losses of $221,862 since inception, has a working capital deficiency of $68,230, 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 raise financing and generate future profitable operations.

The Company's fiscal year end is November 30.

Note 2 Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgement. Actual results may differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Note 2 Significant Accounting Policies – (cont'd)

a) Resource Property Costs

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

b) Resource Property Impairment

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

c) Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

d) Asset Retirement Obligation

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the period it is incurred, with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, depreciation and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and depreciation of the related asset. At November 30, 2008, the Company cannot reasonably estimate the fair value of the resource properties' site restoration costs, if any.

Note 2 Significant Accounting Policies – (cont'd)

e) Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at November 30, 2008.

f) Flow-Through Shares

Under the terms of flow-through share agreements, the related exploration expenditures are renounced to the subscribers of such shares. The Company records the tax effect related to the renounced deductions as a reduction of income tax expense in the statement of operations with a corresponding entry to share capital on the date that the Company renounces the deductions for investors.

g) Comprehensive Income

Canadian Institute of Chartered Accountants Handbook ("CICA") Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

h) Financial Instruments

Financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of changes in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet or when there has been an other than temporary decline in fair value. Loans and receivables, investments held to maturity and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, derecognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately.

Note 2 Significant Accounting Policies – (cont'd)

h) Financial Instruments – (cont'd)

The Company has classified its financial instruments as follows:

- Cash is classified as held-for-trading and is measured at fair value.
- Accounts payable and accrued liabilities and due to related parties are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

i) Future Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities and those reported in the financial statements as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely-than-not that they can be realized.

j) Basic and Diluted Loss Per Share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented. As at November 30, 2008, securities that could potentially dilute basic earnings per share in the future but were not included in the computation of earnings per share because to do so would have been anit-dilutive were 3,410,000 (2007 – 2,550,000)

k) Stock-Based Compensation

The Company has adopted a stock-based compensation plan as disclosed in Note 5, whereby stock options are granted in accordance with the policies of regulatory authorities.

The Company accounts for share purchase options whereby the fair value of all share purchase options granted to employees and non-employees is charged against income over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

Note 2 Significant Accounting Policies – (cont'd)

k) Stock-Based Compensation – (cont'd)

The Company uses the Black-Scholes option valuation model to estimate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

l) Adoption of New Accounting Standards

Effective December 1, 2007, the Company adopted four new Canadian Institute of Chartered Accountants ("CICA") accounting standards: (a) Handbook Section 1535, *Capital Disclosures*; (b) handbook Section 3862, *Financial Instruments – Disclosures*; and Handbook Section 3863, *Financial Instruments – Presentation*; (c) Handbook Section 1506, *Accounting Changes*; (d) Emerging Issues Committee of the CICA abstract No. 166, *Accounting Policy Choice for Transaction Costs*; and (e) Handbook Section 1540, *Cash Flow Statements*. The main requirements of these new standards and the resulting financial statement impact are described below.

Consistent with the requirements of the new accounting standards, the Company has not restated any prior period amounts as a result of adopting the accounting changes. The effect of the adoption of these standards is summarized below:

i) Capital Disclosure, Section 1535

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

The Company's investment policy is to hold excess cash in interest bearing bank accounts.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended November 30, 2008.

Note 2 Summary of Significant Accounting Policies – (cont'd)

l) Adoption of New Accounting Standards – (cont'd)

ii) Financial Instruments – Disclosure and Presentation, Section 3862 and 3863

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is not exposed to major credit risk as it has no customers. Additionally, the majority of the Company's cash is held with a high rated Canadian financial institution in Canada.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at November 30, 2008, the Company's financial liabilities were comprised of accounts payable and accrued liabilities and due to related parties. As at November 30, 2008, the Company had current assets of $16,023 (2007 - $107,688) and current liabilities of $84,253 (2007 - $11,224). All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital deficit of the Company is $68,230 (2007 - $96,464 surplus).

Note 2 Summary of Significant Accounting Policies – (cont'd)

l) Adoption of New Accounting Standards – (cont'd)

ii) Financial Instruments – Disclosure and Presentation, Section 3862 and 3863 – (cont'd)

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

ii) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company has no interest-bearing investments or debt, it is not exposed to interest rate risk at this time.

Note 2 Summary of Significant Accounting Policies – (cont'd)

l) Adoption of New Accounting Standards – (cont'd)

iii) Accounting Changes, Section 1506:

Section 1506 revised the standards on changes in accounting policy, estimates or errors to require a change in accounting policy to be applied retrospectively (unless doing so is impracticable or is specified otherwise by a new accounting standard), changes in estimates to be recorded prospectively, and prior period errors to be corrected retrospectively. Voluntary changes in accounting policy are allowed only when they result in financial statements that provide reliable and more relevant information. In addition, these revised standards call for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact of this new standard cannot be determined until such time as the Company makes a change in accounting policy, other than the changes resulting from the implementation of the new CICA Handbook standards discussed in this note.

iv) Transaction Costs

On June 1, 2007, the Emerging Issues Committee of the CICA issued abstract No. 166, Accounting Policy Choice for Transaction Costs ("EIC-166"). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial liabilities that are classified as other than held-for-trading to its initial carrying cost measured upon the adoption of CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement ("Section 3855"). Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. The Company has adopted EIC-166 effective for the year ended November 30, 2008. The Company has evaluated the impact of EIC – 166 and is expensing these costs where applicable, and determined no adjustments are currently required in the Company's financial statements.

v) Cash Distributions

CICA Handbook Section 1540, Cash Flow Statements, has been amended to require additional disclosures where cash distributions are made in accordance with a contractual obligation for cash distributions. The adoption of this section has not resulted in any changes on the disclosure within the financial statements.

Note 2 Summary of Significant Accounting Policies – (cont'd)

m) Recent Released Canadian Accounting Standards

Assessing Going Concern

The Canadian Accounting Standards Board ("AcSB") AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of this Section is not expected to result in any changes on the disclosure within the financial statements.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning October 1, 2008. It 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 the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new section on its financial statements.

International Financial Reporting Standards ("IFRS")

In 2006, 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 January 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.

Note 3 Resource Property Costs

	Baie Comeau
Acquisition costs	
Cash	$ 25,000
Shares	25,000
	50,000
Deferred exploration costs	
Surveying	27,344
Technical report	13,393
Project management – Note 6	8,500
	49,237
Balance, November 30, 2007	$ 99,237
Acquisition costs	
Cash	$ 50,000
Deferred exploration costs	
Assaying and development	109
Drilling and geophysics	54,627
Equipment rental & repairs	14,734
Field crew expenses	5,235
Project management – Note 6	114,516
Site meals, lodging and travel	15,708
Surveying	4,696
Technical report	5,000
	214,625
Less: tax credit recovery	(17,233)
	197,392
Balance, November 30, 2008	$ 346,629

Note 3 Resource Property Costs – (cont'd)

Baie Comeau Property (Quebec)

By an option agreement dated March 27, 2007 and amended on August 29, 2008, the Company has acquired a 100% interest in a property (the "Baie Comeau Property") located in the district of Baie Comeau, Province of Quebec, in consideration for the payment of $75,000 (paid), the issuance of 500,000 common shares (issued) of the Company and the conclusion of a work program and expenditures consisting solely of a NI 43-101 report on the property and any work related thereto.

The Company's interest in the Baie Comeau Property is subject to a 3% net smelter return royalty, one half of which (a 1.5% net smelter return royalty) may be repurchased at any time for $1,000,000.

Note 4 Due to Related Parties

Due to related parties represents amounts owing to directors and companies with common directors for unpaid project management services, expenses and salaries. The unpaid year-end balances are unsecured, non-interest bearing and payable on demand.

Note 5 Share Capital – Notes 3 and 10

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Issued: common shares

		Number	Amount
Balance, March 9, 2007		-	$ -
For cash:			
Pursuant to a private placement	– at $0.05	5,100,000	255,000
For Baie Comeau property acquisition	– at $0.05	500,000	25,000
Balance, November 30, 2007		5,600,000	280,000
For cash:			
Pursuant to a private placement	– at $0.15	3,000,000	450,000
Share issue costs		-	(216,939)
Recovery of future income tax asset – Note 7		-	(48,000)
Balance, November 30, 2008		8,600,000	$ 465,061

Note 5 Share Capital – Note 3 – (cont'd)

Issued: – (cont'd)

In August 2008, the Company completed its initial public offering of 3,000,000 units at $0.15 per unit for gross proceeds of $450,000. Each unit was comprised of one half of a common share and one half of a flow-through common share, pursuant to a prospectus dated July 17, 2008. The agent for the offering received a cash commission of 8% of the gross proceeds of the offering and 300,000 agent's warrants, each warrant exercisable into one common share of the Company at a price of $0.15 until August 22, 2009. The Company's common shares have been approved for listing on the Canadian National Stock Exchange (formerly CNQ Trading and Quotation System Inc.) and commenced trading on Tuesday, August 26, 2008 under the symbol RTMC, later changed to RTM. Insiders of the Company subscribed to 145,000 units of the offering.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian (flow-though) qualifying exploration expenditures. The Company has indemnified the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

The Company is committed to spending the flow-through unit proceeds on exploration activities and to renouncing $225,000 of eligible Canadian Exploration Expenditures to the subscribers of the flow-through shares. This amount will not be available to the Company for future deduction from taxable income.

As a result of the $225,000 flow-through unit proceeds raised in August 2008, $218,100 exploration expenses were renounced subsequent to year end in December 2008. During the period from August 2008 to December 2008, the Company incurred $119,000 of exploration expenses and are required to incur $99,100 in additional exploration expenses before December 31, 2009.

In March 2007, the Company issued 3,060,000 flow-through units and 2,040,000 non flow-through units for total proceeds of $153,000 and $102,000. Each flow-through unit was comprised of one flow-through share and one half of one share purchase warrant entitling the holder to acquire on exercise of each whole warrant one non flow-through common share at a price of $0.10 per share until March 9, 2009. Each non flow-through unit was comprised of one non flow-through share and one half of one share purchase warrant. The terms of the warrant are the same.

Note 5 Share Capital – Note 3 – (cont'd)

Issued: – (cont'd)

The Company is committed to spending the flow-through unit proceeds on exploration activities and to renouncing $153,000 of eligible Canadian Exploration Expenditures to the subscribers of the flow-through shares. This amount will not be available to the Company for future deduction from taxable income. In December 2007, the Company renounced $153,000, of which $91,000 of qualifying exploration expenditures was incurred in 2008 under the look-back rule.

As at November 30, 2008, the Company's cash on hand is $5,176 (2007: $87,744) and additional cash is planned to be raised through equity financing to fulfill its flow-through commitment by December 31, 2009.

Stock-based Compensation Plan:

On December 11, 2007, the Company adopted a stock based compensation plan for its employees. Pursuant to the terms of this plan, the aggregate number of share purchase options granted in any 12-month period cannot exceed 2% of the outstanding shares calculated at the time of grant. The maximum number of shares that can be reserved for issuance under the plan at any time is 1,000,000.

On December 11, 2007, the Company granted an aggregate of 560,000 options to its directors and officers at an exercise price of $0.15 per share, exercisable up to December 11, 2009. All options vested immediately. As at November 30, 2008, 560,000 share purchase options outstanding have a weighted average remaining contractual life of 1.03 (2007: Nil) years.

The fair value of share purchase options granted during the period and included in expenses and contributed surplus was $11,200. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

Stock price volatility[1]	107%
Risk-free interest rate	3.64%
Dividend yield	-
Expected life of options	2 years
Fair value of options granted	$0.02

[1] At grant date, there was no market for the Company's shares so volatility was estimated using the average volatility of two similar publicly traded companies.

Note 5 Share Capital – Note 3 – (cont'd)

Share Purchase Warrants:

As at November 30, 2008, 2,850,000 share purchase warrants were outstanding as per the following tables (November 30, 2007: 2,550,000).

Exercise Price	Number of Shares	Expiry Date
$0.10	2,550,000	March 9, 2009
$0.15	300,000	August 22, 2009
	2,850,000	

	November 30, 2008		November 30, 2007	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of period	2,550,000	$0.10	-	-
Granted	300,000	$0.15	2,550,000	$0.10
Outstanding, end of period	2,850,000	$0.11	2,550,000	$0.10

During the year, the Company issued 300,000 warrants to the agents of a private placement (Note 5 "Issued"). The Company recorded share issue costs of $216,939 and credited $24,000 to contributed surplus. The Company uses the Black-Scholes option pricing model to calculate the fair value of these warrants issued. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions cam materially affect estimates of fair value. For purpose of the calculation, the following assumptions were used:

Stock price volatility[(1)]	151%
Risk-free interest rate	2.82%
Dividend yield	-
Expected life of warrants	1 year
Fair value of warrants granted	$0.08

(1) At grant date, there was no market for the Company's shares so volatility was estimated using the average volatility of two similar publicly traded companies.

Note 5 Share Capital – Note 3 – (cont'd)

Escrow Shares:

On March 9, 2007, the Company issued 5,100,000 seed capital common shares at $0.05 per share to investors and directors of the Company for gross proceeds of $255,000. Of these shares, 4,600,000, which are owned by officers and directors of the Company, were held in escrow, subject to National Policy 46-201 and pursuant to an escrow agreement dated January 10, 2008. The escrow shares will be released pro rata to the escrow shareholders as follows:

i) 10% upon the date the Company's securities are listed on a Canadian exchange (released);
ii) 15% six months following the initial release;
iii) 15% twelve months following the initial release;
iv) 15% eighteen months following the initial release;
v) 15% twenty four months following the initial release;
vi) 15% thirty months following the initial release; and
vii) 15% thirty six months following the initial release.

As at November 30, 2008, 4,140,000 shares are held in escrow.

Contributed Surplus:

Continuity of contributed surplus is as follows:

Balance - November 30, 2007 and March 9, 2007	$ -
Stock-based compensation	35,200
Balance – November 30, 2008	$ 35,200

Note 6 Related Party Transactions – Notes 4 and 8

The Company incurred the following charges with directors of the Company and companies with common directors:

	Year ended November 30, 2008	March 9, 2007 (Date of Incorporation) to November 30, 2007
Administrative and consulting fees	$ 5,000	$ 44,717
Management salaries	81,000	25,000
Loan interest	303	-
	$ 86,303	$ 69,717

Note 6 Related Party Transactions – Notes 4 and 8 – (cont'd)

These expenditures were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

Prepaid expenses at November 30, 2008 include $Nil (2007: $5,000) advanced to a company controlled by a director of the Company for administrative and consulting services and $Nil (2007: $9,000) advanced to a director of the Company for management salaries.

Resource property costs for the year ended November 30, 2008 include $103,130 paid to a director of the Company and companies with common directors for project management services (March 9, 2007 to November 30, 2007 - $8,500).

Due to related party at November 30, 2008 includes amounts owing to directors and companies with common directors for unpaid project management services, expenses and salaries.

During the year, the Company received cash advances in the form of an unsecured demand loan of $21,000 bearing interest at 2% per annum from a company with a common director, and an unsecured demand loan of $15,000 bearing interest at 3% per annum from a director. These loans were repaid in August 2008 along with aggregate accrued interest of $303.

Note 7 Income Taxes

The provision for income taxes differs from the amount computed by applying the basic statutory rates to the loss before income taxes as follows:

	Year ended November 30, 2008	March 9, 2007 (Date of Incorporation) to November 30, 2007
Losses before income taxes	$ 185,563	$ 84,299
Statutory income tax rate	31.30%	34.12%
Expected income tax recovery	$ 58,000	$ 29,000
Permanent differences	(5,000)	-
Effect of reduction in statutory rates	(8,000)	-
Share issue costs	50,000	-
(Decrease) increase in valuation allowance	(47,000)	(29,000)
Income tax recovery	$ 48,000	$ -

Note 7 Income Taxes – (cont'd)

Significant components of the Company's future tax assets are as follows:

	Year ended November 30, 2008	March 9, 2007 (Date of Incorporation) to November 30, 2007
Non-capital losses carry forward	$ 76,000	$ 29,000
Canadian development and exploration expenditures	(40,000)	-
Share issue costs	40,000	-
	76,000	29,000
Less: valuation allowance	(76,000)	(29,000)
	$ -	$ -

The Company has recorded a valuation allowance against its future income taxes based on the extent to which it is more likely than not that sufficient taxable income will be realized during the carry forward period to utilize all the future tax assets.

Subject to certain restrictions, the Company has accumulated $194,000 of Canadian development and exploration expenditures available to reduce taxable income of future years. In addition, the Company has accumulated non-capital losses totalling $293,000 that are available to reduce taxable income of future years. The non-capital losses expire as follows:

2027	$ 84,000
2028	209,000
	$ 293,000

Note 8 Non-Cash Transaction

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statement of cash flows:

a) Resource property costs in investing activities were net of mining tax credit of $17,233.

b) Resource property costs of $34,065 and $14,873 were included in accounts payable and due to related parties at November 30, 2008.

c) The Company issued 300,000 warrants as a finder's fee valued at $24,000.

Note 8 Non-Cash Transaction – (cont'd)

During the period ended November 30, 2007, the Company issued 500,000 common shares valued at $25,000 pursuant to an option agreement to acquire a resource property. The shares were valued using the share price used to complete the private placement in the same month.

Note 9 Commitments – Notes 3 and 4

Pursuant to a management agreement dated October 1, 2007, the Company is committed to pay the President of the Company a monthly salary of $7,500 per month plus $1,500 per month for office, insurance and automobile expenses for the term of the contract expiring December 31, 2008. Subsequent to November 30, 2008, a new management agreement dated January 1, 2009 was signed to pay a monthly salary of $2,500 per month plus $1,500 per month for office, insurance and automobile expenses for the term of the contract expiring December 31, 2009.

Pursuant to an agreement dated April 1, 2007, the Company paid $5,000 per month to a company with a common director for administrative and consulting services until expiry of said contract on December 31, 2007. Subsequent to November 30, 2008, a new agreement was signed to pay $5,000 per month for administrative and consulting services for the term of the contract expiring December 31, 2009.

Pursuant to a project management agreement dated October 1, 2007, the Company is committed to pay a director of the Company a monthly salary of $3,500 plus $750 per month for office, insurance and automobile expenses for the term of the contract expiring December 31, 2008. Subsequently, the agreement was renewed to December 31, 2009.

Note 10 Subsequent Events

a) On January 7, 2009, the Company granted incentive stock options to consultants to purchase 440,000 common shares of the Company at a price of $0.05 per share exercisable until January 7, 2011.

b) Subsequent to year ended November 30, 2008, the Company extended the expiry date of 2,550,000 warrants from March 9, 2009 to March 9, 2012. The remaining terms of the warrants, including the exercise price of $0.10 per share, remain the same.

c) Subsequent to year ended November 30, 2008, the Company received cash advances of $500 from a director and $2,500 from a company with common directors, in the form of unsecured demand loans bearing interest at a rate of 3% per annum.