

Jiminex Inc.

Financial Statements

**For the Years Ended October 31, 2010
and 2009**

To the Shareholders of Jiminex Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

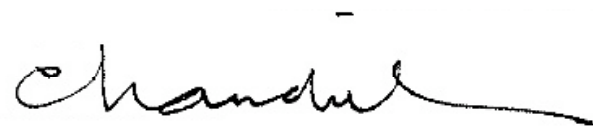
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

Date : February 11, 2011


James R.B. Parres, Chief Executive Officer
Officer


David Chan, Chief Financial



INDEPENDENT AUDITORS' REPORT

MEYERS NORRIS PENNY LLP

To the shareholders of Jiminex Inc.:

We have audited the balance sheet of Jiminex Inc. (the "Company") as at October 31, 2010 and the statements of operations, comprehensive loss and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 October 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at October 31, 2009 and for the year then ended were audited by another firm of Chartered Accountants who expressed an opinion without reservation in their report dated February 8, 2010.

Meyers Norris Penny LLP

Toronto, Ontario

Chartered Accountants

February 11, 2011

Licensed Public Accountants

Jiminex Inc.

Balance Sheets

As at October 31	Note	2010	2009
Assets			
Current			
Cash and cash equivalents		\$ 962,405	\$ 431,298
Sundry receivable		101,440	-
		1,063,845	431,298
Mineral properties	3	1,119,952	393,897
Capital assets	4	15,731	1,714
		\$ 2,199,528	\$ 826,909

Liabilities

Current			
Accounts payable and accrued liabilities		\$ 218,170	\$ 159,817
Future tax liability	10	27,750	-
		245,920	159,817

Shareholders' Equity

Capital stock	5	1,599,116	899,937
Warrants capital	5	745,279	-
Contributed surplus	5	311,287	144,598
Deficit		(702,074)	(377,443)
		1,953,608	667,092
		\$ 2,199,528	\$ 826,909

Going Concern (Note 1)
Commitments (Note 3)
Subsequent Events (Note 11)

Approved by the Board _____ Director _____ Director

See accompanying notes.

Jiminex Inc.

Statements of Operations, Comprehensive Loss and Deficit

For the Years Ended October 31,	Note	2010	2009
Expenses			
Professional fees		\$ 239,716	\$ 75,299
Office and general		209,314	40,928
Expenses relating to the identification of Qualifying transactions		-	28,857
Stock based compensation		108,527	-
Amortization		2,542	516
Operating loss		560,099	145,600
Write down on mineral properties	3	101,812	-
Loss on temporary investment		6,884	-
Interest income		(6,913)	(2,746)
Loss before tax		(661,882)	(142,854)
Future tax recovery	10	337,250	-
Net Loss and Comprehensive Loss		(324,632)	(142,854)
Deficit, at beginning of year		(377,443)	(234,589)
Deficit, at end of year		\$ (702,074)	\$ (377,443)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)
Basic and diluted weighted average common share outstanding		25,851,440	10,473,630

See accompanying notes.

Jiminex Inc.

Statements of Cash Flows

For the Years Ended October 31,	2010	2009
Cash flows from operating activities		
Net loss for the year	\$ (324,632)	\$ (142,854)
Add items not affecting cash		
Stock based compensation	108,527	-
Write down on mineral properties	101,812	-
Loss on sale of temporary investment	6,884	-
Amortization	2,542	516
Future tax recovery	(337,250)	-
	(442,117)	(142,338)
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	58,353	128,803
Sundry receivable	(101,440)	-
	(485,204)	(13,535)
Cash flows from financing activities		
Proceeds from private placements	2,007,272	165,000
Share issuance on exercise of agents' option	34,725	-
Share issuance costs	(194,377)	(9,344)
	1,847,620	155,656
Cash flows to investing activities		
Investment in mineral properties and deferred exploration activities	(857,867)	(303,897)
Option agreement payment	50,000	
Purchase of temporary investment	(1,130,455)	-
Sale of temporary investment	1,123,571	-
Purchase of capital assets	(16,559)	-
	(831,310)	(303,897)
Increase (decrease) in cash during the year	531,107	(161,776)
Cash and cash equivalents, beginning of year	431,298	593,074
Cash and cash equivalents, end of year	\$ 962,405	\$ 431,298

Supplemental information

During the year, the Company received interest income of \$6,913 (2009 - \$2,746). No interest or taxes were paid (2009 – nil).

Non-cash investing and financing activities

The Company issued 200,000 common shares, valued at \$20,000 as part of consideration for the acquisition of mining interests (2009 – 900,000 common shares valued at \$90,000).

See accompanying notes.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

1. NATURE OF OPERATIONS AND GOING CONCERN

Jiminex Inc. (the "Company") was incorporated on August 1, 2007 pursuant to the Canada Business Corporations Act and was classified as a capital pool company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. On August 26, 2009, the Company acquired the Northern Eagle Properties (Note 3) and this transaction was the Company's qualifying transaction. As such, the Company is now engaged in the exploration of base metals and precious metals. All interests held are currently in the exploration stage.

The Company's principal assets are mining claims and deferred exploration costs relating to properties which are not in commercial projects. The Company is in the process of exploring its mining claims and has not yet determined whether or not the properties will contain economically recoverable reserves.

As is common with exploration companies, the Company is dependent upon obtaining equity financings to fund future exploration expenditures and cover administrative costs. Subsequent to the year end the Company completed equity financings. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain or complete the exploration of its property interests. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles within the framework of the significant accounting policies described below:

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash in the bank and highly liquid investments with maturities of three months or less at the time of purchase.

Loss Per Share

Basic loss per share is calculated by dividing net loss for the year by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Stock-Based Compensation

The Company applies a fair value based method of accounting to all stock-based payments. Employee and director stock options are measured at their fair value on the grant date and recognized over the vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as compensation expense. Broker warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. On the exercise of stock options and broker warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation and broker warrants.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Areas requiring significant estimates by management are stock-based compensation, future income taxes, accrued liabilities and impairment, if any, on mineral properties and deferred exploration costs. Actual results could differ from those estimates.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Future income tax assets are recorded in the financial statements if realization is considered more likely than not.

Mineral Properties

All direct costs related to the acquisition and exploration and development of specific properties are capitalized as incurred. If a property is brought into production, these costs will be amortized against the income generated from the property. If a property is abandoned, sold or impaired, an appropriate charge will be made. Discretionary option payments arising on the acquisition of mining properties are only recognized when paid. Amounts received from other parties to earn an interest in the Company's mining properties are applied as a reduction of the mining property and deferred exploration costs, except for administrative reimbursements which are credited to operations.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Mineral Properties (Cont'd)

The amounts shown for mining claims and related deferred costs represent costs incurred to date, less amounts expensed and reimbursements, and do not necessarily reflect present or future values of the particular properties. The recoverability of these costs is dependent upon discovery of economically recoverable reserves and future production or proceeds from the disposition thereof.

- **Impairment**

Management reviews the carrying values of mining property acquisition and deferred exploration expenditures to assess whether there has been any impairment in value, whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. In the event that management determines the carrying values of any mining property to be permanently impaired, the carrying value will be written down or written off, as appropriate. Management considers the guidance in EIC-174 Mining Exploration Costs when determining whether or not its mining properties are impaired.

- **Title**

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Future Income Taxes and Flow-Through Shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation by the Company of the related resource expenditures. When resource expenditures are renounced to the subscribers of flow through shares and the Company has reasonable assurance that the expenditures will be completed, a resultant future income tax liability is recognized, with a corresponding reduction in capital stock.

If the Company has sufficient unused tax losses and deductions ("losses") and no future income tax assets have been previously recognized on such losses, such future income tax assets are recognized to the extent that the future income tax liabilities relating to the renunciation of expenditures to subscribers of flow through shares are expected to reverse in the loss carry forward period.

Capital Assets

Capital assets are recorded at cost and are amortized over the estimated useful lives at the following annual rates:

Computer equipment	- 30%, declining balance basis
Equipment	- 20%, declining balance basis
Vehicle	- 30%, declining balance basis

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held-to-maturity, loans and receivables, held for trading, available-for-sale or other liabilities.

Financial Assets

Held for trading assets are subsequently measured at fair value with the change in the fair value recognized in net income.

Held-to-maturity assets are subsequently measured at amortized cost using the effective interest rate method.

Loans and receivables are subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income.

Financial Liabilities

Other liabilities are subsequently measured at amortized cost using the effective interest rate method.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	Held for trading
Sundry receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Comprehensive Income

Comprehensive income measures net earnings for the period plus other comprehensive income. Other comprehensive income consists of changes to unrealized gains and losses on available-for-sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. To date there has not been any other comprehensive income.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recent Accounting Pronouncements

Adoption of International Financial Reporting Standards

The Accounting Standards Board of the Canadian Institute of Chartered Accountants has confirmed that International Financial Reporting Standards (“IFRS”) will replace current Canadian GAAP for fiscal years beginning on or after January 1, 2011, for publicly accountable enterprises. The Company has begun the planning and scoping phase of the transition to IFRS and intends to transition to IFRS financial statements during fiscal 2011. While the Company has begun assessing the adoption of IFRS for fiscal 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations

CICA Handbook Section 1582 Business Combinations replaces corresponding Section 1581 and establishes new standards for the accounting for business combinations. The new standard requires that the acquisition method (formerly, the purchase method) continue to be applied to business combinations, the acquirer recognize and measure the acquiree as a whole, and the assets and liabilities assumed be recognized and measured at their fair values as of the acquisition date. Section 1582 provides the Canadian equivalent to International Financial Reporting Standard (IFRS) 3 Business Combinations. This standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011

Non Controlling Interest

In January 2009, the CICA issued Handbook Section 1601, “Consolidated Financial Statements”, and Handbook Section 1602, “Non-Controlling Interests”, which together replace Handbook Section 1600, “Consolidated Financial Statements”. These two sections are equivalent to the corresponding provisions of International Accounting Standard 27, Consolidated and Separate Financial Statements (January 2008). Handbook Section 1602 applies to the accounting for noncontrolling interests and transactions with non-controlling interest holders in consolidated financial statements. The new sections require that, for each business combination, the acquirer measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. The new sections also require non-controlling interests to be presented as a separate component of shareholders’ equity.

Under Handbook Section 1602, non-controlling interest income is not deducted in arriving at consolidated net income or other comprehensive income. Rather, net income and each component of other comprehensive income are allocated to the controlling and non-controlling interest based on relative ownership interests. These sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011, and should be adopted concurrently with Section 1582. Management has determined that the adoption of these sections will have no impact on its financial statements

Jiminex Inc.

Notes to Financial Statements October 31, 2010 and 2009

3. MINERAL PROPERTIES

	Northern Eagle (i)	Misehkw (ii)	Parres (iii)	Total
October 31, 2008	-	-	-	-
Acquisition costs	\$100,000	\$54,000	\$6,000	\$160,000
Exploration expense	66,214	149,137	18,547	233,897
October 31, 2009	\$166,214	\$203,137	\$24,547	\$393,897
Acquisition costs	-	10,000	10,000	20,000
Exploration expense	282,039	92,444	433,384	807,867
Write down	-	(101,812)	-	(101,812)
October 31, 2010	\$448,253	\$203,769	\$467,930	\$1,119,952

(i) Northern Eagle Property

Pursuant to a letter of intent dated April 17, 2009 and a signed agreement, the Company acquired an option to earn an undivided 50% interest in the mineral properties comprising Beaufield's Northern Eagle Gold property located in the Hemlo gold mining area situated east of Marathon, Ontario. Consideration paid to acquire the interest consisted of a cash payment of \$10,000 and the issuance of 900,000 shares (valued at \$0.10 per share) of the Company.

Pursuant to the agreement, the Company is required to incur a total of \$1,300,000 in exploration expenditures as follows:

- \$300,000 to be incurred on or before October 31, 2010;
- an additional \$400,000 to be incurred on or before August 27, 2011, and,
- an additional \$600,000 to be incurred on or before August 27, 2012.

As at year-end, the Company is in compliance with the requirements above.

(ii) Misehkw Property

Pursuant to a property acquisition agreement dated October 26, 2009, as amended, the Company acquired a 100% interest in 21 mining claims in the Patricia Mining Division. Consideration to acquire the interest consists of a one-time payment of \$54,000, the issuance of 100,000 common shares (valued at \$0.10 per share), a 2% net smelter royalty ("NSR") on certain claims of which 1% can be purchased for \$1,000,000 and a 1% NSR on the remaining claims of which 1/2% can be purchased for \$500,000.

This property was purchased from James R.B. Parres, the President of the Company, and S. Stares and M. Stares, officers of the Company. This transaction was recorded at the exchange amount.

During the year, \$101,812 (2009 – nil) in acquisition costs and deferred exploration costs related to certain claims were written off as a result of management's development plans and other operational factors. The write-down was recorded as a charge to the income statement and reduction in mineral properties.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

(ii) Misehkov Property (Cont'd)

On June 3, 2010, the Company entered into a Letter of Intent ("LOI") option agreement with Rivercrest Resources Inc. ("Rivercrest"). This LOI option agreement grants Rivercrest the right to earn up to fifty percent (50%) interest of Misehkov River Gold property subject to a 3% net smelter return. Rivercrest will acquire 37.5% when it has made a total of \$300,000 cash payments, issued 1,000,000 common shares and expended a total of \$3,000,000 on exploration, in accordance with a set payment schedule. The remaining 12.5% ownership can be earned by Rivercrest making a final payment of \$100,000 cash and expending \$1,500,000, bringing Rivercrest up to a 50% ownership in the Misehkov River property. On July 22, 2010, a payment of \$50,000 from Rivercrest was received and was recorded as a reduction in mineral properties. On September 1, 2010, Rivercrest defaulted on a second payment of \$50,000. As a result of the default, the LOI is considered void and nullified.

(iii) Parres Property

Pursuant to a property acquisition agreement dated October 28, 2009, as amended, the Company acquired a 100% interest in 27 mining claims in the Snow Lake - Wekusko Lake area in Northern Manitoba. Consideration to acquire the interest consists of a one-time payment of \$6,000, the issuance of 100,000 common shares (valued at \$0.10 per share) and a 2% NSR on the remaining claims of which 1% can be purchased for \$1,000,000.

This property was purchased from James R.B. Parres, the President of the Company. This transaction was recorded at exchange amount.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2010 Net
Computer Equipment	\$ 821	\$ 479	\$ 342
Equipment	8,371	1,389	6,982
Vehicle	9,890	1,483	8,407
	\$ 19,082	\$ 3,351	\$ 15,731

	Cost	Accumulated Amortization	2009 Net
Computer Equipment	\$ 821	\$ 332	\$ 489
Equipment	1,702	477	1,225
	\$ 2,523	\$ 809	\$ 1,714

Jiminex Inc.

Notes to Financial Statements October 31, 2010 and 2009

5. CAPITAL STOCK

		Number of Share	Value	Warrants Capital	Contributed Surplus
October 31, 2008		10,315,000	\$ 654,281	\$ -	\$ 144,598
Issued as part consideration for mining property acquisition	(i)	900,000	90,000	-	-
Issued for cash pursuant to private placement	(ii)	1,650,000	165,000	-	-
Share issuance costs		-	(9,344)	-	-
October 31, 2009		12,865,000	\$ 899,937	\$ -	\$ 144,598
Issued for part acquisition costs of mining properties	(iii)	200,000	20,000	-	-
Issued for cash pursuant to private placement	(iv)	3,200,000	480,000	-	-
Share issuance costs	(iv)	-	(45,500)	-	-
Options issued as finders' fees	(iv)	-	(21,600)	-	21,600
Warrants issued as part of private placement units		-	(171,856)	171,856	
Issued for cash pursuant to private placement	(v)	8,387,866	1,176,272	-	-
Warrants issued as finders' fees	(v)	-	(57,255)	-	57,255
Share issuance costs	(v)	-	(134,877)	-	-
Warrants issued as part of private placement units		-	(404,668)	404,668	
Issued for cash pursuant to private placement	(vi)	3,510,000	351,000	-	-
Warrants issued as finders' fees	(vi)	-	(9,066)	-	9,066
Share issuance costs	(vi)	-	(14,000)	-	-
Warrants issued as part of private placement units		-	(168,755)	168,755	
Stock options granted		-	-	-	108,527
Agent options exercised		347,250	34,725	-	-
Agent options exercised		-	29,760	-	(29,760)
Renunciation of flow-through shares	10	-	(365,000)	-	-
October 31, 2010		28,510,116	\$ 1,599,117	\$ 745,279	\$ 311,286

- (i) In September 2009, 900,000 common shares were issued at a price of \$0.10 per share as part of the consideration for the option to earn a 50% interest in Northern Eagle Gold Property at Northwestern Ontario (Note 3(i)).
- (ii) In September 2009, 1,400,000 flow-through and 250,000 non flow-through common shares at \$0.10 per share were issued.

Jiminex Inc.

Notes to Financial Statements October 31, 2010 and 2009

5. CAPITAL STOCK (Cont'd)

- (iii) In December 2009, 100,000 common shares were issued at a price of \$0.10 per share as part of the consideration for the acquisition of the mining interest in Parres Property, and 100,000 common shares at a price of \$0.10 per share as part of the consideration for the acquisition of mining interest in Misehkov Property (Note 3(ii) and (iii)).
- (iv) In December 2009, the Company issued 3,200,000 flow-through units at a price of \$0.15 per unit (the "FT Units") for gross proceeds of \$480,000. Each FT Unit consists of one flow-through common share of the Company and one transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to subscribe for one common share of the Company at a price of \$0.20 per share over a two-year period from the date of issuance, as summarized below. The Company incurred share issuance costs of \$45,550 and granted an option to the finder to acquire up to 286,666 finder's units ("Finder's Units") at a cost of \$0.20 per Finder's Unit for two years. Each Finder's Unit consists of one non-flow-through common share and a Warrant. The Company estimated the value of the option at \$15,395, as further described in Note 7(ii).
- (v) In December 2009, the Company issued 5,657,599 flow-through units at a price of \$0.15 per FT Unit for gross proceeds of \$848,640 and 2,730,267 non flow-through units (the "NFT Units") at a price of \$0.12 per NFT Unit for gross proceeds of \$327,632; with combined gross proceeds totaling \$1,176,272. Each FT Unit consists of one flow-through common share of the Company and one transferable common share purchase warrant. Each NFT Unit consists of one common share of the Company and a Warrant. Each Warrant entitles the holder to subscribe for one common share of the Company at a price of \$0.20 per share over a two-year period from the date of issuance, as summarized below. The Company incurred share issuance costs of \$134,877 and issued 838,787 Broker Warrants as finder's fees. Each Broker Warrant entitles the holder to acquire one NFT Unit at a price of \$0.12 per NFT Unit for two years. The Company estimated the value of the Broker Warrants at \$57,255, as further described in Note 7(ii).
- (vi) In April 2010, the Company issued 3,510,000 non flow-through units at a price of \$0.10 per Unit, for total gross proceeds of \$351,000. Each NFT Unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to subscribe for one common share of the Company at a price of \$0.20 per share over a two-year period from the date of issuance, as summarized below. The Company incurred share issuance costs of \$14,000 and issued 140,000 Broker Warrants as finder's fees. Each Broker Warrant entitles the holder to acquire one NFT Unit at a price of \$0.115 per NFT Unit for two years. The Company estimated the value of the Broker Warrants at \$9,066, as further described in Note 7(ii).

Escrowed Shares

As of October 31, 2010, there were 3,060,000 common shares of Founders' & Seed Capital remaining in escrow, which are due to release in tranches of 765,000 shares on February 26, 2011, August 26, 2011, February 26, 2012 and August 26, 2012 respectively.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

5. CAPITAL STOCK (Cont'd)

Share Purchase Warrants

The Company had the following warrants outstanding at October 31, 2010 & 2009.

Expiry Date	Exercise Price	Balance, Oct. 31, 2008 and 2009	Issued	Exercised	Expired	Balance, Oct. 31, 2010
Dec. 09, 2011	\$0.20	-	3,200,000	-	-	3,200,000
Dec. 23, 2011	\$0.20	-	8,387,866	-	-	8,387,866
Apr. 23, 2012	\$0.20	-	3,510,000	-	-	3,510,000
		-	15,097,866	-	-	15,097,866
Weighted Average Exercise Price		-	\$0.20	-	-	\$0.20

During the year, the Company issued 15,097,866 (2009 – nil) share purchase warrants as part of its private placements. Total estimated fair value was \$745,279.

Fair value was determined using the Black-Scholes model with the following assumptions:

Expected life	2 years
Volatility	80.75% to 99.79%
Dividend yield	nil
Risk free rate	1.25% to 2.07%

Weighted average grant-date fair value of each share purchase warrant granted during the year was \$0.05. As at year-end, weighted average contractual life remaining on share purchase warrants outstanding was 1.21 years. Total exercisable share purchase warrants were 15,097,866 (2009 – nil).

6. RELATED PARTY TRANSACTION

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions that were entered in during the year have been listed below, unless they have been disclosed elsewhere in the financial statements.

During the year, the Company paid consulting service fees in the amount of \$127,000 (2009 - \$20,620) to directors of the Company, and reimbursement of general and administrative expenses and certain exploration costs incurred by the directors totaling \$97,690 (2009 – \$25,630). Included in accounts payable, there was totaling \$80,976 (2009 - \$67,500) due to directors.

Jiminex Inc.

Notes to Financial Statements October 31, 2010 and 2009

7. STOCK OPTIONS AND BROKER WARRANTS

(i) Stock Options

On December 6, 2007, the Company has approved a stock option plan. Under the Company's stock option plan (the "Plan"), the directors of the Company can grant options to acquire common shares of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The stock options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the stock options cannot be less than the discounted market price on the date on which the option is granted. The number of shares reserved for issuance under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company.

The Company had the following stock options outstanding at October 31, 2010, 2009 and 2008:

Expiry Date	Exercise Price	Balance, Oct. 31, 2008	Balance, Oct. 31, 2009	Granted	Exercised	Cancelled/ Expired	Balance, Oct. 31, 2010
Mar. 11, 2013	\$0.10	711,500	711,500	-	-	-	711,500
Apr. 17, 2013	\$0.11	320,000	320,000	-	-	(150,000)	170,000
Feb. 03, 2015	\$0.15	-	-	1,225,000	-	-	1,225,000
May 15, 2015	\$0.15	-	-	400,000	-	-	400,000
Sep. 20, 2012	\$0.20	-	-	275,000	-	-	275,000
		1,031,500	1,031,500	1,900,000	-	(150,000)	2,781,500
Weighted average exercise price		-	\$0.10	\$0.16	-	\$0.11	\$0.13

During the year, the Company granted 1,900,000 (2009 – nil) stock options to employees and directors with a total estimated fair value of \$138,818.

Fair value was determined using the Black-Scholes model with the following assumptions:

Expected life	2 and 5 years
Volatility	87.94% to 118.98%
Dividend yield	nil
Risk free rate	1.52% to 2.59%

During the year, the Company expensed \$108,527 to stock based compensation expense, with a corresponding credit to contributed surplus. Remaining unrecognized fair value of \$30,291 will be recognized over their vesting terms in the next fiscal years.

Weighted average grant-date fair value of each stock option granted during the year was \$0.07. During the year, 150,000 of fully vested stock options were cancelled. As at year-end, weighted average contractual life remaining on stock options outstanding was 2.72 years. Total exercisable stock options were 1,412,361 (2009 – 1,031,500).

Jiminex Inc.

Notes to Financial Statements October 31, 2010 and 2009

7. STOCK OPTIONS AND BROKER WARRANTS (Cont'd)

(ii) Broker Warrants

Expiry Date	Exercise Price	Balance, Oct. 31, 2008	Balance, Oct. 31, 2009	Granted	Exercised	Cancelled/ Expired	Balance, Oct. 31, 2010
Mar. 24, 2010	\$0.10	350,000	350,000	-	(347,250)	(2,750)	-
Dec. 09, 2011	\$0.12	-	-	286,666	-	-	286,666
Dec. 23, 2011	\$0.12	-	-	838,787	-	-	838,787
Apr. 23, 2012	\$0.115	-	-	140,000	-	-	140,000
		350,000	350,000	1,265,453	(347,250)	(2,750)	1,265,453
Weighted Average Exercise Price		\$0.10	\$0.10	\$0.12	\$0.10	\$0.10	\$0.12

During the year, the Company granted 1,265,453 (2009 – nil) agent's options or broker warrants as finders' fees, with a total estimated fair value of \$81,716.

Fair value was determined using the Black-Scholes model with the following assumptions:

Expected life	2 years
Volatility	80.75% to 99.79%
Dividend yield	nil
Risk free rate	1.25% to 2.07%

During the year, the Company debited \$81,716 to share capital as share issuance costs, with a corresponding credit to contributed surplus.

During the year, 347,250 broker warrants were exercised at \$0.10 per warrant, resulting in a debit to contributed surplus and corresponding credit to share capital for its grant-date fair value of \$29,760.

Weighted average grant-date fair value of each broker warrant granted during the year was \$0.06. Of the 350,000 broker warrants outstanding, with expiry on March 24, 2010, 347,250 was exercised during the year and 2,750 expired. As at year-end, weighted average contractual life remaining on broker warrants outstanding was 1.17 years. Total exercisable broker warrants were 1,265,453 (2009 – 350,000).

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

8. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders.

The Company includes equity, comprised of issued capital stock, contributed surplus, warrants capital and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements.

9. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibilities of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligation as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

(b) Mineral Property Risk

Mineral property risk is significant. In particular, if an economic ore body is not found, the Company cannot enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability or provide a return on investment in the future from any of the properties it has an interest in.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

9. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Market Risk

The Company operates in Canada and incurs expenses in Canadian dollars. Therefore, the Company is not exposed to any currency risk. The Company's cash and cash equivalents earn interest at variable rates and therefore, the Company is exposed to cash flow interest rate risk. The cash flow interest rate risk is the risk that the amount of future cash flows fluctuates with the market interest rate. Management does not consider this to be a significant risk since interest rates are not expected to fluctuate in the short term.

(d) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to valuable minerals to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of minerals may be produced in the future, a profitable market will exist for them. As of October 31, 2010, the Company is not a producer of valuable minerals. 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.

(e) Fair Value

As at year-end, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent. Under the fair value hierarchy, cash and cash equivalents has been classified as Level 1.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

10. INCOME TAX

(i) Income Tax Expense

There is no current income tax expense or recovery. The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

	2010	2009
Net Loss	\$ (324,632)	\$ (142,854)
Statutory rate	31.0%	33.1%
Computed Tax Expense (Recovery) - combined rate	\$ (100,663)	\$ (47,313)
Effect on income taxes of:		
Non-deductible expenses	66,042	280
Share issue costs	(18,353)	(2,340)
Future income tax recovery	(104,575)	-
Effect of change in tax rate effective in future	(61,251)	20,073
Unrecognized tax losses	(27,750)	-
Change in valuation allowance	(90,700)	29,300
Income tax expense (recovery)	\$ (337,250)	\$ -

(ii) Future Income Taxes

The temporary differences that give rise to future income tax assets and liabilities are as follows:

	2010	2009
Non capital loss carried forward	\$ 202,000	\$ 75,000
Share issue costs	49,500	15,700
Mineral properties	(279,250)	-
Less: valuation allowance	-	(90,700)
Future Income Tax Asset (Liability)	\$ (27,750)	\$ -

As at October 31, 2010, the Company had the following non-capital losses available to reduce future years income for tax purposes, due to expire as follows:

2027	25,500
2028	112,000
2029	162,000
2030	508,000

During the year, the Company filed for renunciation of flow-through share exploration expenditures of approximately \$1,460,000, affecting a future tax liability of approximately \$365,000, offset against capital stock. As a result, the Company has Canadian exploration resource deductions carried forward of nil (2009 - \$394,000) for the reduction of future incomes taxes and can be carried forward indefinitely to reduce taxable income of future years.

Jiminex Inc.

Notes to Financial Statements
October 31, 2010 and 2009

11. SUBSEQUENT EVENTS

On November 20, 2010, the Company has successfully privately placed 3,930,000 Non Flow Through Units ("NFT Units") at \$0.20 per NFT Unit and 4,360,000 Flow Through Units ("FT Units") at \$0.25 per FT Unit for gross proceeds of \$1,876,000. Each NFT Unit consists of one common share ("Common Share") and one common share purchase warrant ("Warrant") of the Company. Each Warrant will entitle the holder to acquire one Common Share for a period of two years from the date of issuance at an exercise price of \$0.30 per Common Share. Each FT Unit consists of one flow through Common Share and one-half of a Warrant. The Warrants issued in connection with this offering are non-transferable and may be redeemed by the Company if the Common Shares trade at a specified premium to the exercise price. The securities issued pursuant to this private placement will be subject to a four month hold period which expires on March 20, 2011. The Company has agreed to pay cash finder's fees totaling \$111,800 and issue 665,000 Finder's Warrants. Each Finder's Warrant entitles the holder to acquire one NFT Unit of the Company at a price of \$0.20 per NFT for a period of two years from the date of issuance.

On December 10, 2010, the Company granted 550,000 stock options to officers and directors of the Company and 25,000 stock options to one consultant. These incentive stock options are exercisable at \$0.25 with an expiry date of December 10, 2015. There is an eighteen-month vesting period, which includes a four month hold period expiring on April 11, 2011.