Zacks Equity Research

March 7, 2011
Steven Ralston, CFA

www.zacks.com 111 North Canal Street, Chicago, IL 60606

Mexivada Mining Corp. (V.MNV – TSX-V)

V.MNV: Zacks Co. Report – OUTPERFORM



Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	03/04/2011
Current Price (03/04/11)	$0.14
Six- Month Target Price	**$0.25**

OUTLOOK

Mexivada is a junior gold exploration company proceeding with a funded $1 million exploration budget targeted at five of its nine properties in Canada, Nevada, Mexico and the Republic of the Congo. News flow is expected from several of the projects, and positive assay results and/or the initiation of a revenue stream from its Republic of the Congo property could potentially increase the stock's valuation. We initiate coverage with an Outperform rating and an initial target of $0.25.

SUMMARY DATA

52-Week High	**$0.18**
52-Week Low	**$0.11**
One-Year Return (%)	**-12.1**
Beta	**1.09**
Average Daily Volume (shrs.)	**129,646**
Shares Outstanding (million)	**51.4**
Market Capitalization ($ mil.)	**7.20**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using #Lin Estimate	**N/M**
P/E using #Lin Estimate	**N/M**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small - Value**
Industry	**Mining - Gold**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in thousands of $ CAD)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2009	0 A	0 A	0 A	0 A	0 A
2010	0 A	0 A	0 A	0 A	0 A
2011	0 A	0 A	0 E	0 E	0 E
2012					56 E

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2009	-$0.01 A	-$0.01 A	-$0.01 A	-$0.05 A	-$0.08 A
2010	-$0.00 A	-$0.01 A	-$0.00 A	-$0.01 A	-$0.02 A
2011	-$0.00 A	-$0.01 A	-$0.10 E	-$0.00 E	-$0.02 E
2012					-$0.02 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/M**

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KEY POINTS

- Mexivada is a junior gold exploration company currently proceeding with nine unique properties in Canada, Nevada, Mexico and the Republic of Congo.
- Management's strategy is to increase shareholder value by acquiring and exploring properties near or adjacent to proven multi-million ounce gold trends and/or significant mineral deposits. In general, the company is involved in properties with near-term, drill-ready targets, and after a phase of additional investigation and exploration (the company's core competency), management often seeks a joint venture partner to further explore and develop each property, thereby laying off significant exploration costs onto the partner and generating cash from the series of option payments.
- In 2011, management has a $1 million exploration budget targeted at five properties: Golden Porcupine (Canada), Goldstorm (Nevada), Gold Jackpot (Nevada), Yécora (Mexico) and Malambani (Republic of Congo). Positive news flow is expected from:
  - **Golden Porcupine** as additional channel sampling and excavator trenching is performed around two trenches that have previously assayed at 2.2 o/t and 1.1 o/t.
  - Mexivada is seeking a joint venture partner for the 100% owned **Yécora** gold-silver-zinc-lead property. The company appears close to announcing a partner relationship after the public Mexican mining concession auction, which is being held on March 11, 2011.
  - Recently, Zamarat optioned and assumed operatorship of Mexivada's **Malambani** gold and diamond properties. Zamarat is moving aggressively forward towards receiving an alluvial mining permit from the Republic of the Congo government, with the desire to begin mining in September. Initially, Mexivada will earn 10% of the mining production proceeds, thereby potentially generating a production-related revenue stream for the company.
- The quality of Mexivada's properties and management's strategy of joint ventures have aided the company's **access to the capital markets** in order to fund exploration costs and purchase/option additional promising properties. Management is also conservative in its expenditures and benefits from its cash flow model of receiving Optionees payments to help fund its own Optionor payments.
- We initiate coverage of Mexivada with an Outperform rating and a target of $0.25.

OVERVIEW

Based in Vancouver, British Columbia, Mexivada (MXVDF: OTC-BBO and MNV: TSX-V) is a Canadian junior mineral exploration company that targets and acquires properties in Mexico, Nevada, Canada and the Republic of Congo (ROC), and then explores for gold, silver, tellurium, diamonds, uranium and other rare metals. CEO Richard R. Redfern is a Certified Professional Geologist and Qualified Person[1]. The company's primary focus is on the precious metals of gold and silver; however, management is opportunistic and also pursues tellurium, rare metal, molybdenum, diamond and uranium deposits that are situated close to existing mines.

Management's strategy is to increase shareholder value by acquiring and exploring properties that potentially could yield economically viable geologic deposits of precious metals, diamonds and/or rare metals. Management primarily targets projects in areas near or adjacent to proven multi-million ounce gold trends and the infrastructure to support both further exploration and the ultimate development of a producing mine. In general, the company is involved with properties with near-term, drill-ready targets and the potential of three-to-five million ounces of gold reserves. After a phase of additional investigation and exploration to further prepare the property (the company's core competency), management often

[1] A "Qualified Person" is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development, or mineral project assessment, or any combination of these; and is a member or licensee in good standing of a professional association.

seeks a joint venture (JV) partner to further explore and develop each property, thereby laying off significant exploration costs onto the partner and generating cash from the series of option payments.

The company is pursuing a large number of projects: 1 in Canada (**Golden Porcupine**), 5 in Nevada (**Goldstorm**, **Gold Jackpot**, **Poker Flats**, **Jefferson** and **Ziggurat**), 2 in Mexico (**Yécora** and **AuroTellurio** in the State of Sonora) and 1 in the Republic of the Congo (composed of the **Malambani** and **Bitsandou** projects). Management believes Golden Porcupine, Gold Jackpot, Goldstorm and ROC are potentially world class gold deposit projects (multi-million ounce Au potential). In 2011, management has a $1 million exploration budget targeted at five properties: Golden Porcupine, Goldstorm, Gold Jackpot, Yécora and the Republic of Congo. Mexivada retains controlling ownership of Gold Jackpot (100%), Golden Porcupine (80%) and in the Mexican property (100%); however, it is expected that an option agreement will announced concerning the Mexican property during early 2011. The properties under joint ventures are Goldstorm (up to 75% potential ownership by West Kirkland), Republic of Congo (up to 70% by Zamarat), Ziggurat (up to 70% to Spartan Gold and Sphere Resources) and Jefferson (up to 90% by Trilogy Mining). Mexivada prefers a collegial relationship with its Optionees to better share the geological and historically available information about specific properties, along with background knowledge about analogous formations with proven deposits.

Junior gold companies with successful projects are potential targets for larger producers, which are seeking acquisitions for growth. Mexivada could become an attractive acquisition candidate for a major gold production company.

Since exploration programs are capital-intensive, sources of cash are necessary to continue exploration programs. The company has accessed the capital markets three times (see Financing section below) since its Initial Public Offering (IPO) at C$0.50 per share on November 30, 2005, when Mexivada became a publicly traded company on the TSX Venture Exchange. In addition, management attempts to match cash inflows from Optionee payments with cash outflows for its own Optionor payments. The Canadian dollar is the functional currency of the company.

GOLD ASSAY PRIMER

The interpretation of assay results is best left to Qualified Persons[2] and geologists. Generally, however, there are a three main factors to be considered when evaluating assay results from an exploration stage company: (i) Grade, which includes the grade of the sample, the grade distribution from sample to sample and the grade continuity from section to section (the strike length); (ii) Width, which relates to the number of sequential grade-bearing samples, with broader widths allowing for lower grade bulk tonnage open pit mining[3] (ten to 50+ meters) and narrower widths (three to ten meters) generally requiring higher grades and potentially underground mining; and (iii) Depth, with near surface deposits allowing for lower economic grades extractable by open pit bulk tonnage methods.

All three of these factors should be considered concurrently. For example if a deposit is lower grade, its economics will be dependent on the width of mineralization and proximity to surface, whereas if mineralization occurs over narrower widths then the grade must be higher to warrant the greater dilution caused by open pit mining (if near surface) or capital expenditures for underground mining (if at depth). Cut-offs and thresholds vary from deposit to deposit based on the economic modeling in the feasibility

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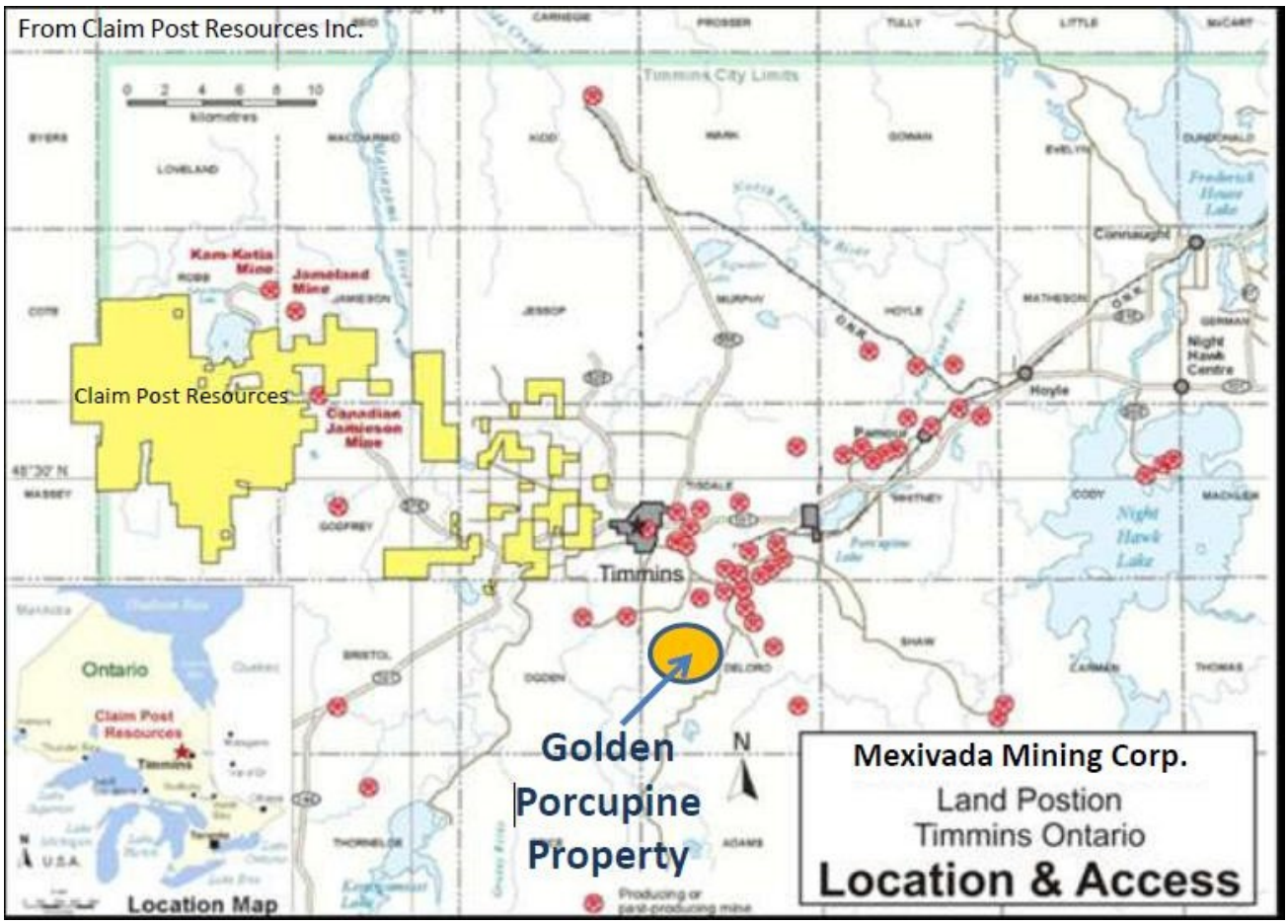
[3] An open pit mine is constructed by excavating material from the surface in order to expose and mine the ore. In addition, it is necessary to excavate and relocate large quantities of waste rock.

report. Other factors that can affect the economics of a mineral deposit, such as metallurgy and mining method, but these factors are addressed during the feasibility stage.

From a financial analyst point of view, assay results from drilling programs tend to fall into four categories: below 0.75 g/t[4] (generally uneconomical but with a few exceptions), 0.85 to 2.0 g/t (bulk tonnage), 0.20 to 5.0 g/t (mid-grade mineralization), and above 5.0 g/t (high-grade mineralization). Gold can be economically extracted through open pit surface mines at 0.85 to 2.0 g/t near-surface concentrations, and in certain specific cases depending on the deposit's grade, width and depth, gold mineralization below 0.75 g/t can be economical to extract.

High-grade, gold-bearing mineralization above the 5.0 g/t concentration level usually can rationalize an underground mine and is often the catalyst to an increase of the company's stock price when both the valuation multiple (price/reserves) and the valuation parameter (reserves) increase simultaneously. Drilling assays of over 8.0 g/t usually indicate the discovery of a high-grade gold vein. However, the entire drilling program should be analyzed in the attempt to ascertain the grade continuity and geological strike length of the high-grade gold mineralization discovery in order to estimate the impact on the company's estimated resource and/or reserve value.

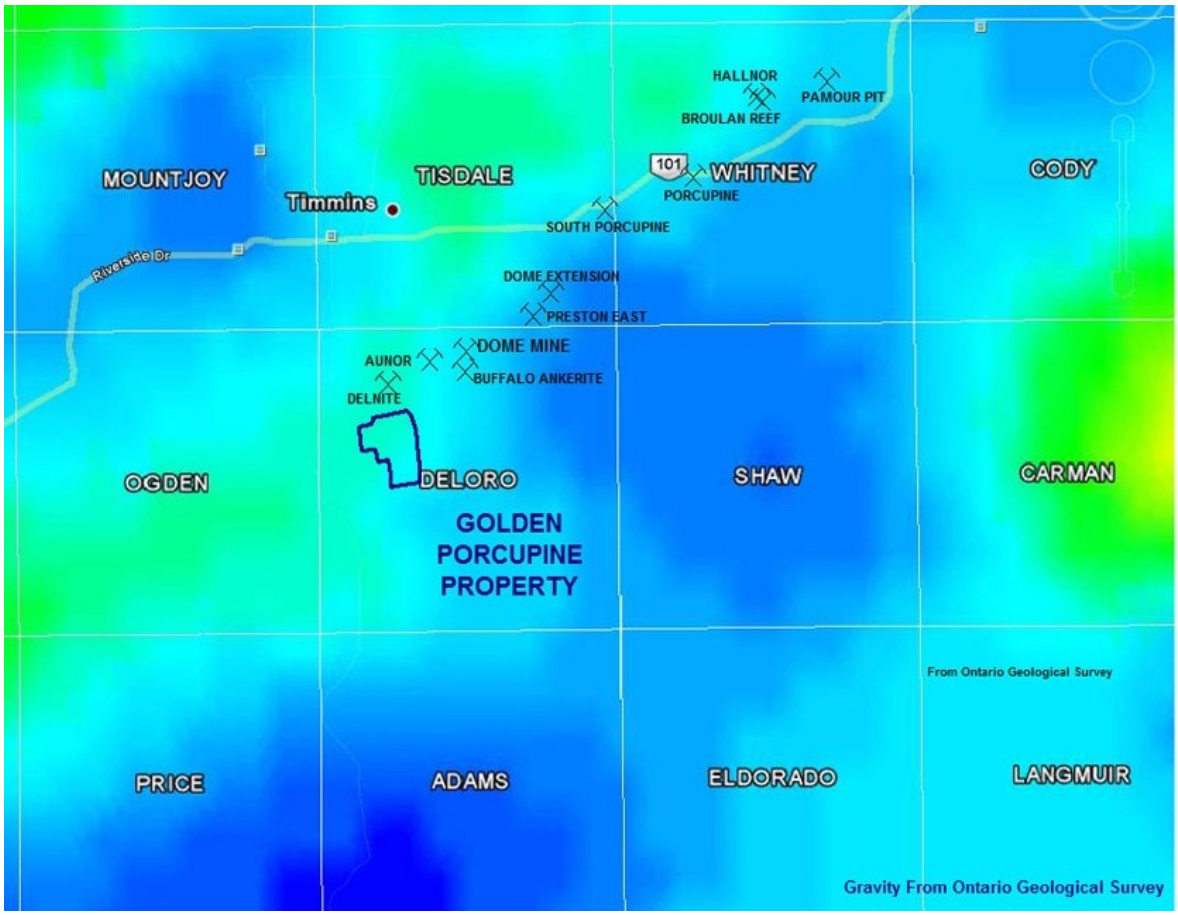
GOLDEN POCUPINE (TIMMINS, ONTARIO) PROPERTY



[4] grams per tonne (metric ton)

The Golden Porcupine property is in the Timmins-Porcupine gold camp at Timmins, Ontario in eastern Canada. This gold camp is one of the most prolific gold mining districts in North America, with past gold production exceeding 67 million ounces. Gold was first discovered near Timmins in 1907. Three historic world-class gold mines (the Dome, Hollinger and McIntyre mines) were opened soon thereafter, each having producing over 10 million ounces from at surface deposits to depths of 2,000 meters. The Golden Porcupine property is along the main trend, 8 km south of the 19 million ounce Au Hollinger mine, 10 km south of the 11 million ounce McIntyre mine and 8 km southwest of 17 million ounce Dome Mine[5]. Closer to Golden Porcupine are Delnite (0.7 km), Aunor (2.5 km) and Buffalo Ankerite (3.9 km) mines, which together have produced over 0.9, 2.5 and 1.0 million ounces of gold, respectively.

In October 2010, Mexivada acquired an option from Mhakari Gold (a private company) to purchase up to 80% of the Golden Porcupine (aka Deloro due to its location in Deloro Township) gold property located in the Timmins gold camp of Ontario. Mexivada plans to conduct exploratory drilling on the property during the summer of 2011. Previously, trenching exposed areas of 1 oz/ton gold mineralization. Management already has multiple targets for the drilling program, and plans to define additional targets during early 2011.



In order to earn an 80% interest in the Golden Porcupine (Deloro) property, Mexivada must compensate Mhakari in structured payments of $165,000 in cash between October 28, 2010 and October 28, 2012 (of which $25,000 has been paid), at least[6] 1,520,517 common shares[7] of Mexivada (of which 555,000 has been issued), and also invest $800,000 in exploration and development expenditures[8] before October 28,

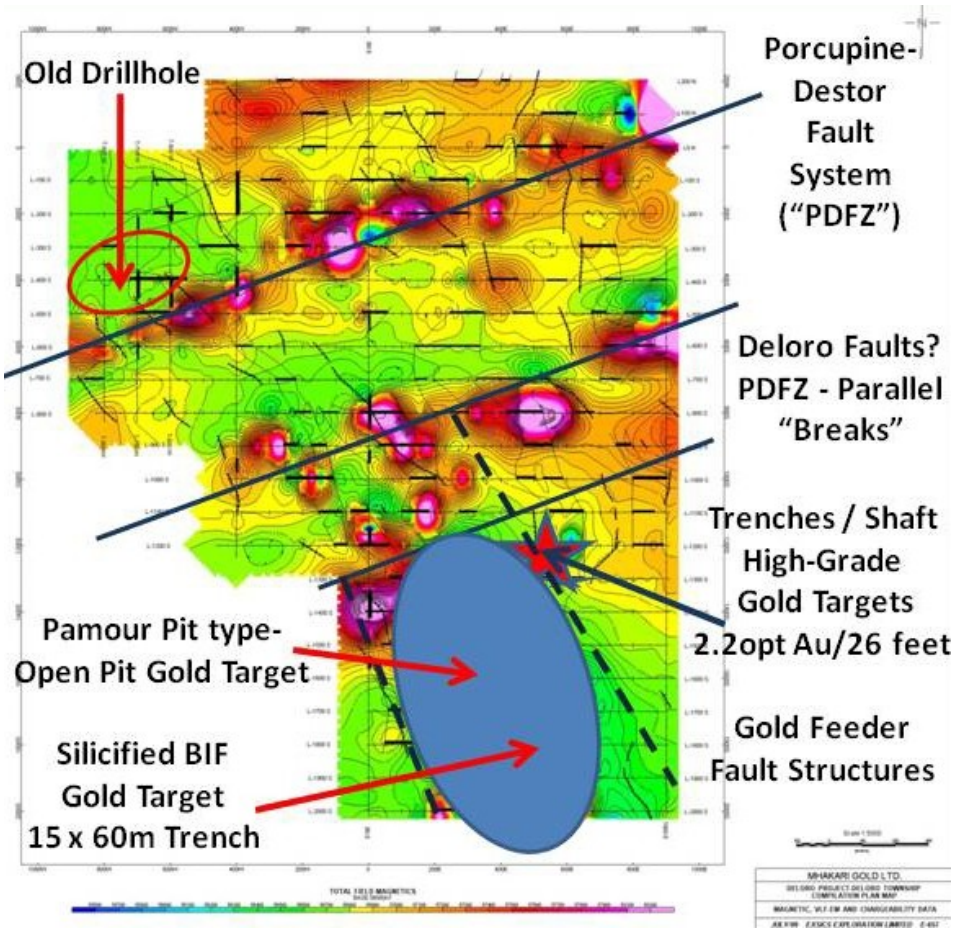
[5] Owned by Goldcorp (GG:NYSE)
[6] The number of shares is determined by a specific dollar amount priced at the 30-day moving average of the Mexivada stock price on a specific date, but also subject to a minimum price of $0.145 per share.

[7] In addition to 1,520,517 shares, a finder's fee of 175,000 shares of Mexivada is payable.

[8] includes assessment work

2013. Mexivada expects to fund exploration costs with flow-through financing[9]. In the event that more than 200,000 ounces of gold is proven, indicated, or inferred by October 28, 2015, Mexivada will issue 0.5 shares of Mexivada stock for each ounce of gold up to a maximum of 1,400,000 shares. Upon commercial mine production, Mexivada and Mhakari must pay 4% net smelter returns royalties (NSR).

Along with taking enzyme leach soil samples, Mhakari has conducted ground magnetic, VLF-EM[10], and induced polarization (IP) surveys on the Golden Porcupine gold property by Wright Geophysics. In January 2011, Mexivada received a new 3-D chargeability data plot[11] (see diagram below). In the north part of the property, the chargeability plot clearly outlines the Porcupine-Destor Fault Zone (PDFZ), where at one time, Comaplex Minerals drilled a hole in the northwestern part of the property. In the southern part of the property, the IP results confirm the presence of a very large, north-northwest trending chargeability high, at the site of a large magnetic low zone. Mexivada believes this anomaly[12] is analogous to the 4.5 million ounce Pamour Pit mine east of Timmins; and therefore, it represents an open pit-style gold target. A 45 foot deep shaft is present in this target area, along with two (2) old trenches that contained very high-grade gold mineralization, with **one trench assaying 2.2 ounces per tonne gold over 26 feet** and the **other trench assaying 1.1 ounces per tonne gold over 36 feet**. **In the first half of 2011, management plans to** compile further historic data on the property, geologically map the area and **perform additional channel sampling and excavator trenching** to verify the geological features and ascertain specific targets on the property, prior to conducting Landdrill or BDW drilling in the summer of 2011, using flow-through cash funds already raised by Mexivada.



[9] Unique to Canada, flow-through financing allows junior resource companies to finance exploration costs by passing on their exploration expenses incurred in Canada to Canadian investors, who can deduct these expenses from their income while owning securities that may appreciate in value.

[10] VLF/EM (very low frequency electromagnetic) surveys utilize instruments to measure changes in the propagating wave fronts of electromagnetic signals as they move through geologic material for the purpose of locating fractures, faults and structures at depths.

[11] Data collected by Exsics. Exploration of Timmins, Ontario; processed and interpreted by Wright Geophysics of Spring Creek, NV

[12] an altered, metallized (originally sulfidized) intrusive body of felsic Pearl Lake-style porphyry

NEVADA

Mexivada has 5 projects in Nevada: **Goldstorm**, **Gold Jackpot**, **Poker Flats**, **Jefferson** and **Ziggurat**. Nevada is home to many world-class gold and silver deposits. Mines in Nevada produced over 5.03 million ounces of gold in 2009[13], and accounted for 75% of total U.S. and 7% of global gold production. Only China (13% of world production), Australia (9%), South Africa (9%), Russia (8%) and Peru (8%) produce more gold than Nevada. The "Silver State" also led the United States in silver production with 7.31 million ounces in 2009.

Nevada has several significant gold trends, specifically the Carlin, Getchell, Cortez and Round Mountain trends (see map above), each of which contains considerable gold deposits of over 10 million ounces of economically mineable gold. In 2009, 50% of Nevada's gold production came from mines on the Carlin trend, which is pertinent to the **Goldstorm** and **Poker Flats** properties. The **Jefferson** and **Ziggurat** properties are situated along the Round Mountain trend, which produced 415 thousand ounces gold and 850 thousand ounces silver in 2009, and holds 3 million ounces gold in proven and probable reserves[14].



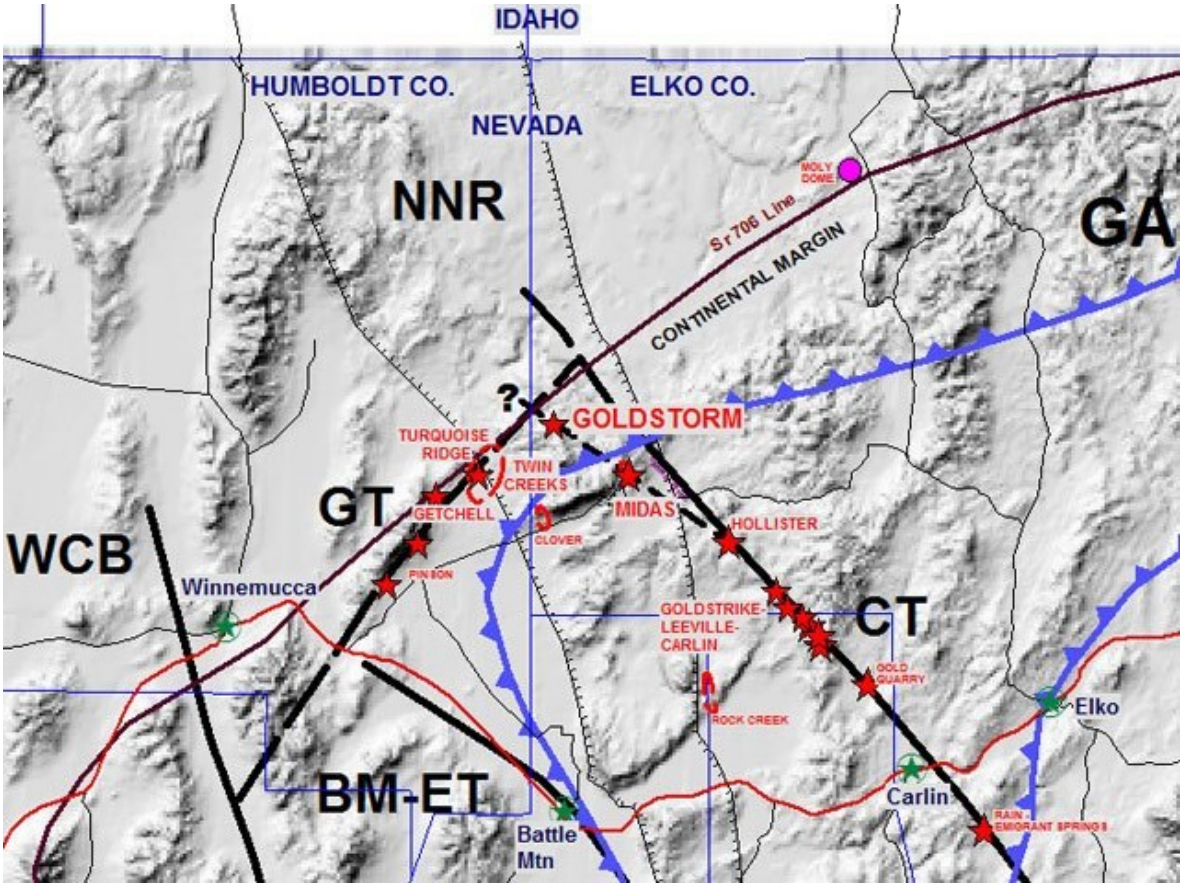
Also, Nevada is home to volcanic-hosted uranium deposits, particularly in eastern part of the State. Mexivada has staked an area in northeastern Nevada at **Opal Spring** (part of the **Gold Jackpot** property), where surface sampling has turned up uranium and molybdenum enriched rocks.

[13] Nevada Bureau of Mines and Geology Special Publication MI-2009: The Nevada Mineral Industry 2009.

[14] Nevada Bureau of Mines and Geology Special Publication MI-2009: The Nevada Mineral Industry 2009.

GOLDSTORM (NEVADA) PROPERTY

The Goldstorm property in Elko County, Nevada is in a favorable geologic setting and near producing gold mines with multi-million ounce reserves. Both the Turquoise Ridge and Twin Creeks mines are 18 kilometers southwest of the Goldstorm property. The Turquoise Ridge mine, owned 75% by Barrick Gold and 25% by Newmont Mining, produced 177 thousand ounces of gold in 2009 and has 5.4 million ounces of proven and probable reserves. The Twin Creeks mine, wholly owned by Newmont Mining, has reserves of 3.9 million ounces of Au and produced 438 thousand ounces of gold and 84.2 thousand ounces of silver. Eighteen (18) kilometers southeast of Goldstorm is the Midas mine, which is wholly owned by Newmont Mining, and produced 123,621 ounces of gold and 1.63 million ounces of silver in 2009. Milling facilities are available close-by at Newmont Mining's Midas Mine.



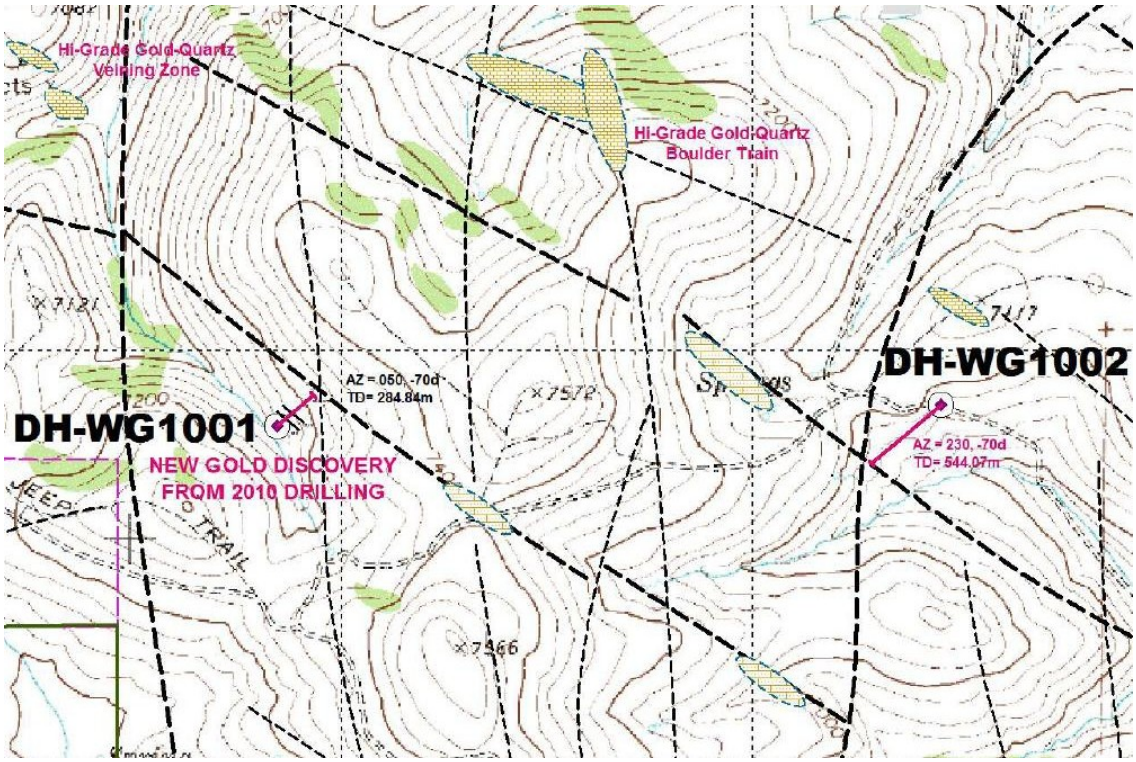
Goldstorm is a large exploration property (5,660 acres) composed of more than 227 lode mining claims[15] and leased interests[16] of private land. Geologically on the surface, Goldstorm appears analogous to the Midas mine to the southeast with outcroppings of gold-bearing quartz veining in felsic and mafic[17] volcanic rocks, in addition to a high-grade (39 g/t Au) float boulder train that was found at the surface. Originally near the top of the Midas mine gold-silver system, similar high-grade gold-silver mineralization was present. Mexivada has acquired a large database from Metallic Ventures, and has the results of 51 exploration holes drilled in the 1980's and 1990's by the Prochnau Syndicate, Touchstone, Battle Mountain Gold (acquired by Newmont Mining), Crown Resources, Romarco, and Newmont Mining. Field geologic mapping has defined a vein network system exposed over 5.25 km and another 1.4 km

[15] 4,540 acres

[16] 1,120 acres held by a renewable 20-year mining lease beginning January 16, 2008. The claims are subject to a 3% net smelter return royalty (NSR).
[17] Igneous rocks containing silica. Common mafic rocks are basalt and gabbro. The most common felsic rock is granite.

outcropping of a northwest-trending quartz vein system, the latter having been explored by a few shallow 39 meter test air-track[18] rotary holes; however, these Midas-type vein zones have never been drilled at depth until the two holes drilled in late 2010 by Mexivada's JV partner, West Kirkland Mining (see results below). Mexivada completed ground gravity, ground magnetic and induced polarization surveys, which indicated Carlin-style gold mineralization in Paleozoic sedimentary rocks, analogous to the nearby Twin Creeks and Turquoise Ridge mines. The surveys point to several potential exploration targets.

In December 2009, and amended on May 18, 2010[19], Mexivada optioned up to a 56% interest in the Goldstorm property to West Kirkland Mining (WKM: TSX-V). In order to earn the 56% interest, West Kirkland must compensate Mexivada in structured payments of $353,000 in cash between December 21, 2009 and December 21, 2012 (of which $102,949 has been paid), 450,000 common shares of WKM.V (of which 50,000 have been received), and also invest $2,900,000 in exploration and development expenditures before December 21, 2013. West Kirkland Mining can acquire an additional 19% interest (for a total of 75% interest) in the Goldstorm property by incurring an additional US$2,250,000 in exploration expenditures and issuing an additional 250,000 shares to Mexivada by December 21, 2015. Upon commercial mine production, Mexivada and West Kirkland Mining must pay 3% net smelter returns royalties (NSR).



In January 2011, Mexivada announced the results of assays from two diamond drill holes that West Kirkland performed on Goldstorm in late 2010. The first hole (WG1001) was drilled into a Midas-style target and intersected four zones of gold mineralization in the top 118.4 meters of the hole (see table below). The intercepts indicate the presence of volcanic-hosted gold veins, which management believes are similar to the Midas mine 18 km southeast of Goldstorm. The second hole (WG1002) was drilled by

[18] A self=propelled drilling machine operated with a rotary compressor. It drills holes 3 or 4 inches (7.6 or 10.2 cm) in diameter at any angle, but it is mainly used for vertical holes up to 80 ft (24.4 m) in depth

[19] Amended due to the discovery that title to the leased lands portion of the Goldstorm Property is subject to an exception whereby an undivided one-half of all oil, gas and minerals in or under the surface of the land was a Reserved Interest in a deed recorded in 1960 for a Nevada corporation which no longer exists (however, the Reserved Interest may currently be held by a trust).

West Kirkland on a steep 70 degree angle and did not reach the intended geologic target. The 544.1 meter hole did not find any significant zones of gold mineralization.

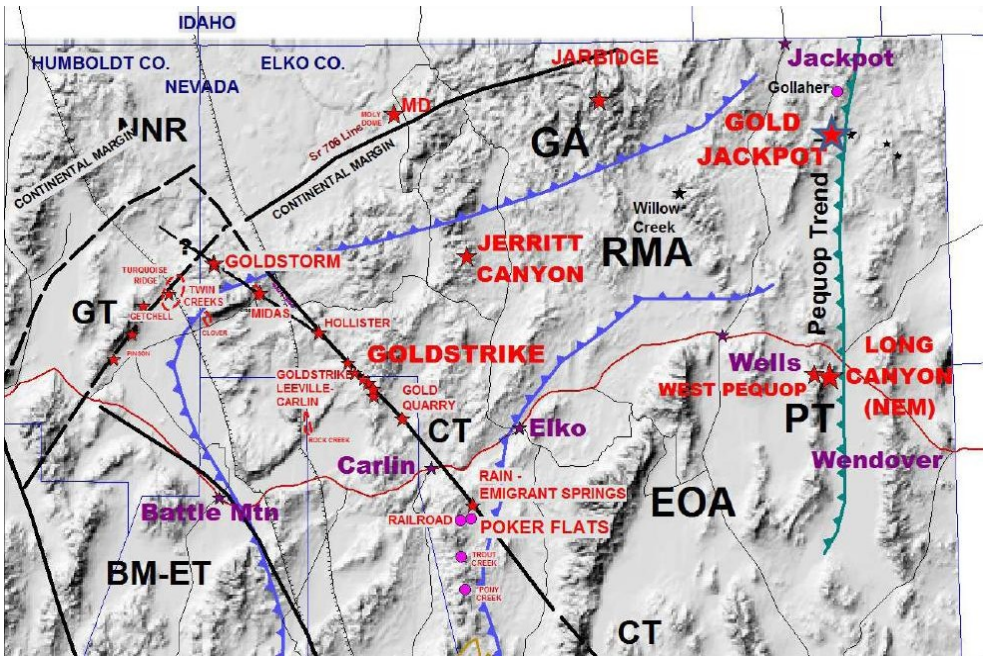
In this analyst's opinion, the assay results from WG101 are encouraging for a Midas-type discovery, but other conditions must be present. The felsic and mafic volcanic geology and the high-grade vein (5.51 g/t over 2 meters) are analogous to the Midas mine; **however, further drilling results are needed to determine that the length of lateral vein ore continuity (over one kilometer) and the characteristic high silver-to-gold mineralization ratio (roughly 8-to-1 or more)** are consistent with the widely-accepted Midas exploration model.

Area	Hole ID	From (meter)	To (meter)	Interval (meters)	Au (g/t)	Hole Length (meters)
Goldstorm	WG1001	65.0	67.0	**2**	**5.51**	284.8
	including	66.0	67.0	**1**	**9.29**	
	and	86.7	88.7	**2**	**3.29**	
	and	103.0	104.0	**1**	**1.56**	
	and	116.4	118.4	**2**	**1.95**	

Announced January 12, 2011

GOLD JACKPOT (NEVADA) PROPERTY

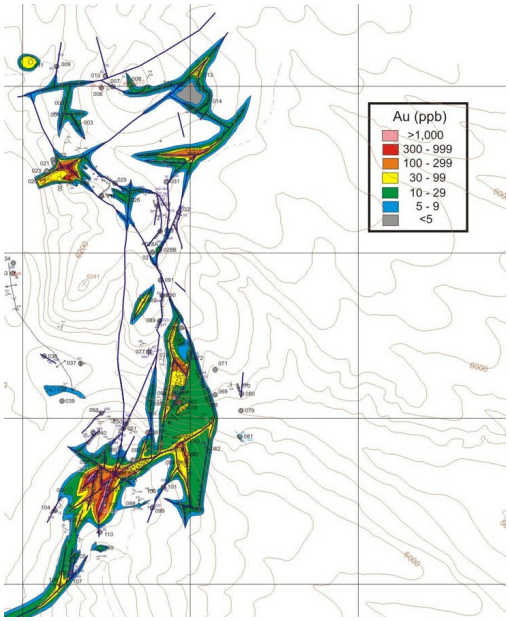
Mexivada owns 100% of 124 mining claims at its Gold Jackpot property in Elko County, Nevada. The property is located on the Pequop gold trend, 35 kilometers southeast of the city of Jackpot and 70 kilometers north of the Long Canyon gold discoveries[20] controlled by Newmont Mining (NEM: NYSE) and Agnico-Eagle Mines (AEM: NYSE). Also, Gold Jackpot lies south of West Kirkland Mining-Fronteer Gold's Gollaher gold property[21]. Western Pacific Resources (WRP: TSX-V) has also staked claims approximately 10 kilometers to the east of Gold Jackpot.



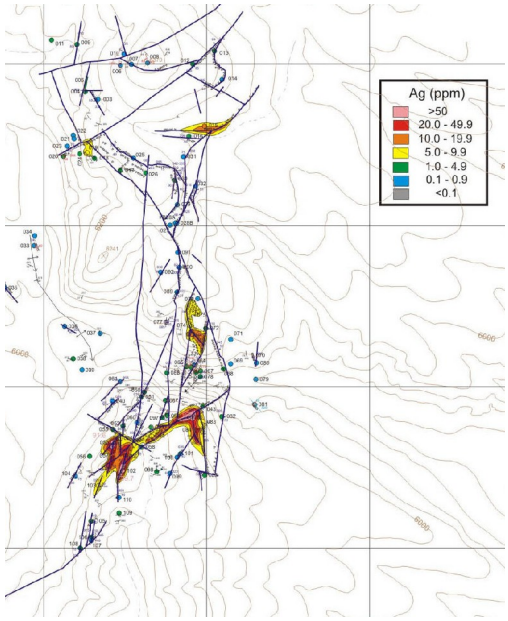
[20] The latest (2009) resource estimate for Long Canyon is 672,000 ounces of gold; the inferred resource is 552,000 ounces of gold.
[21] This 133 square km project has had only 7 defined drill targets through December 2010.

Based on Mexivada's geologic mapping and sampling, the Gold Jackpot area appears to have potential to produce multi-metal (gold, silver, tellurium, copper and lead) deposits from shallow depths utilizing open pit, heap leach methodologies. This unpopulated area has good access and has sufficient room for large-scale mine facilities and the associated dumps/heaps. In addition, the fault intersections are analogous to the top of a deep precious metal mineral system.

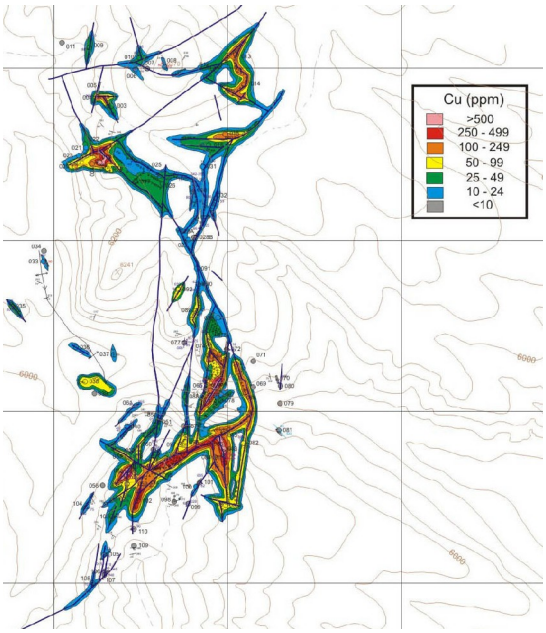
Field surface sampling of the company's main 6 kilometer long target area revealed mineralization **values up to 16 g/t Au**, 239 g/t Ag, **1046 ppm Cu**, 2% lead and **3.48 kg/t Te**, one of the highest grade tellurium exploration samples found in the US to date. Tellurium is an extremely rare metal and is used as a photovoltaic metal (cadmium telluride - CdTe) by First Solar (FSLR: NASDAQ) in the thin-film photovoltaic cells for solar panels. There are only a few known deposits where tellurium is found at very high concentrations: one in Mexico, one in Papua New Guinea and one in China. The average price of Tellurium in 2010 was $230 per kg, up 50% from 2009. As of February 2011, Te was trading between $290 and $330 per kg. Demand is expected to double within the next two years driven by the growing solar industry.



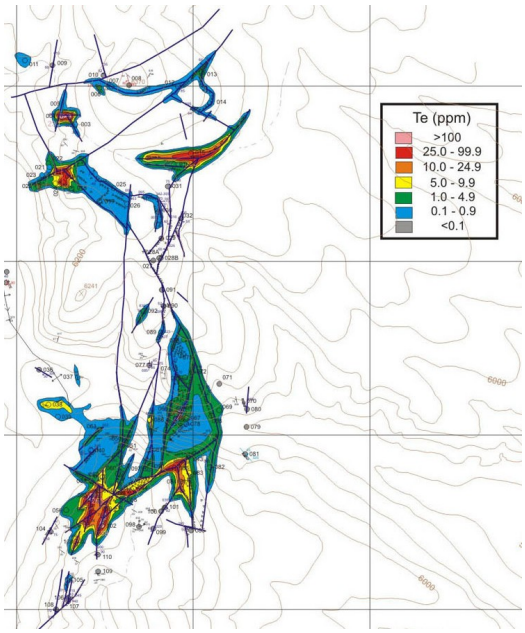
Gold (Au)



Silver (Ag)

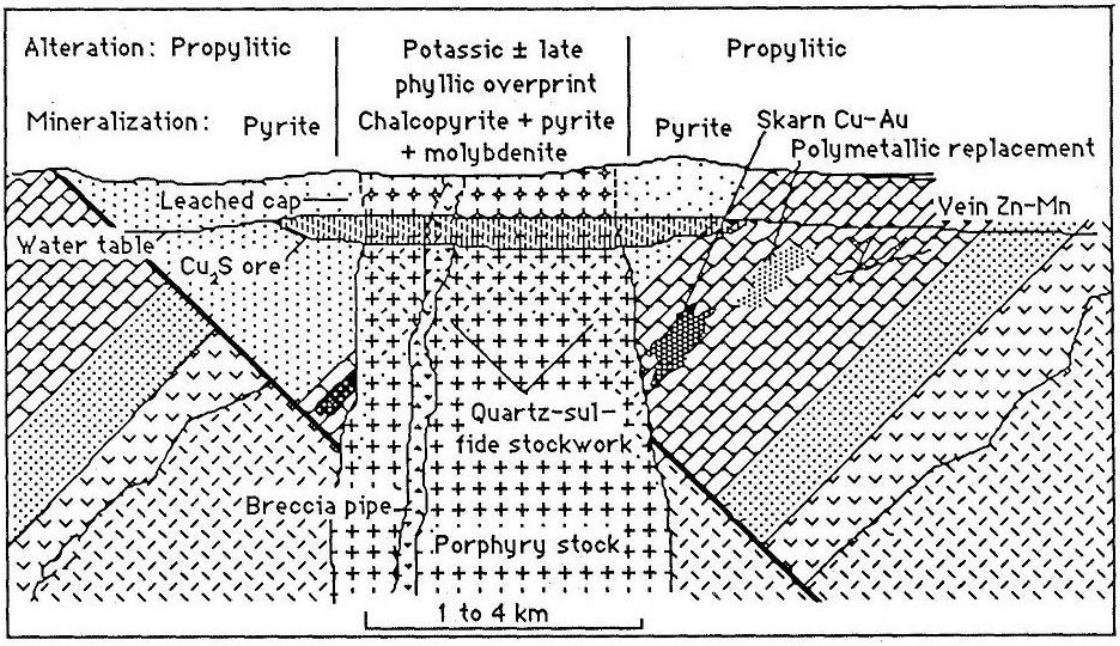


Copper (Cu)



Tellurium (Te)

The Stag's Leap zone is an area of fault intersections that contains high-grade gold-silver-tellurium-copper mineralization based on Mexivada's field geology and sampling work in the east and south of the Gold Jackpot property. Management believes that the core of the Stag's Leap target area may be the top of a volcanic breccia pipe above a metallized porphyry gold-copper system. The 1046 ppm copper value suggests to management that a possible porphyry copper metal event. Management also believes that the structure may have been re-fractured and used by epithermal gold-silver-tellurium mineralization process. The cartoon cross section available from the US Geological Survey[22] below illustrates the vertical breccia pipe (composed of rock fragments cemented together by cooled magma) over a porphyry system (igneous rock characterized by crystals created by the cooling process). Such porphyritic metal systems can yield significant gold and copper resources.



Cartoon cross section illustrating generalized model for porphyry Cu deposits

In 1988 and 1989, Tenneco Minerals drilled at least 3 reverse-circulation (RC) holes in the mineralization outcrops in Stag's Leap area. Mexivada is analyzing data from the Tenneco work in preparation for geophysical and further drilling work.

In early 2011, Mexivada plans to complete the geological mapping of the property. Thereafter, in mid-2011, Mexivada plans to conduct additional ground geophysics (gravity and ground magnetic surveys) over targeted areas and produce a final geologic definition. Thereafter, the company plans to drill three initial drill holes to test the Porphyry and Emperor-style gold targets. Mexivada is actively seeking a new joint venture partner for Gold Jackpot. Through the fiscal year ended June 30, 2010, Mexivada has incurred costs of $9,011 for staking claims and has incurred $45,144 in deferred exploration costs.

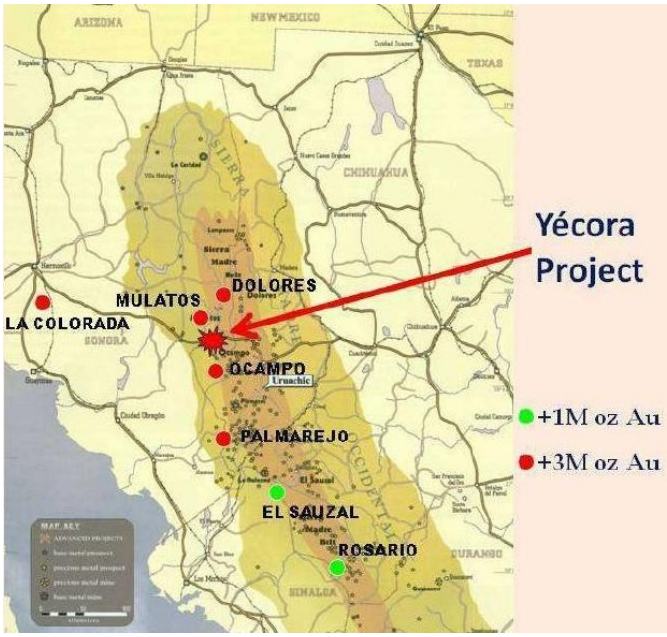
MEXICO

Mexico is a mining-friendly country with the Federal and State governments of Mexico actively seeking and supporting companies to conduct mineral exploration and to develop mines. The process of permitting mines usually requires less effort, consumes less time, and costs less than in the U.S. or Canada. In addition, the exploration process tends to be less expensive with lower labor costs. The North American Free Trade Agreement (NAFTA) allows foreign investors to invest in the capital stock of

[22] Mineral Deposit Models, US Geological Survey Bulletin 1693, Figure 50, page 79.

Mexican companies, and therefore, has attracted foreign investment into the Mexican mineral industry. In addition, the 1996 amendments[23] to the 1992 Mining Law removed many restrictions to foreign companies participating in the exploration and production of minerals, allowing up to 100% direct investment in exploration activities and permitting up to 100% participation in production incorporated Mexican entities.





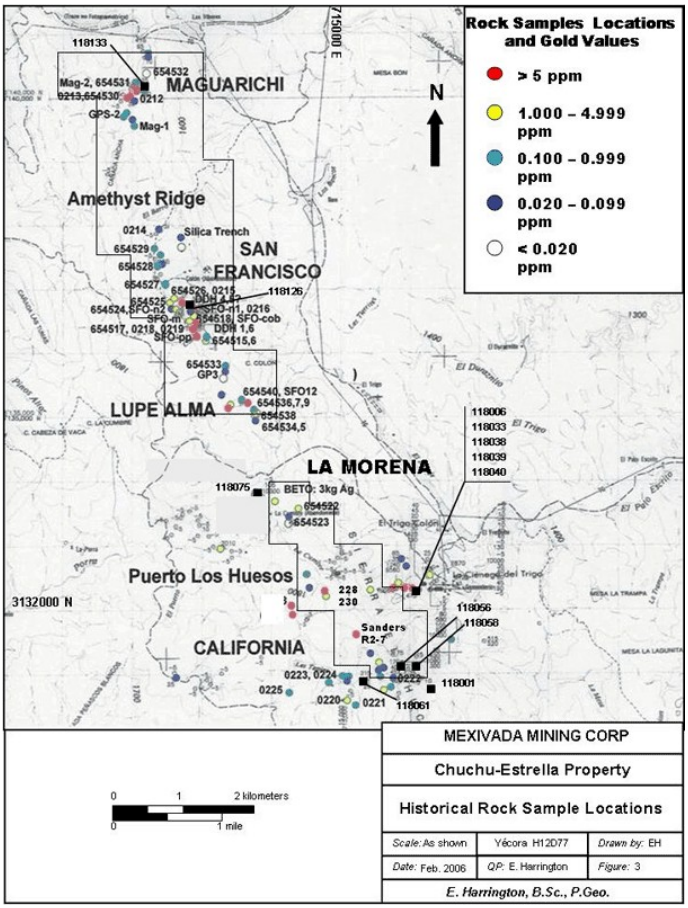
Mexivada Mining has two projects in Mexico: **Yécora** and **AuroTellurio**, both located in the eastern part of the State of Sonora in northern Mexico. The Sierra Madre Occidental gold-silver trend runs north-south in this area, which is home to numerous world-class mines, including the Palmarejo (Coeur d'Alene Mines: CDE - NYSE), Ocampo (Gammon Lakes Resources: GRS - NYSE), Mulatos (Alamos Gold: AGI - TSE), Pinos Altos (Agnico Eagle: AE9 - DE), Dolores (Minefinders: MFN - AMEX), Topia (Great Panther: GPR - TO) and El Sauzal (Goldcorp: GG - NYSE) mines. The Sierra Madre trend is expected to become the largest gold and silver producing area in Mexico by 2020.

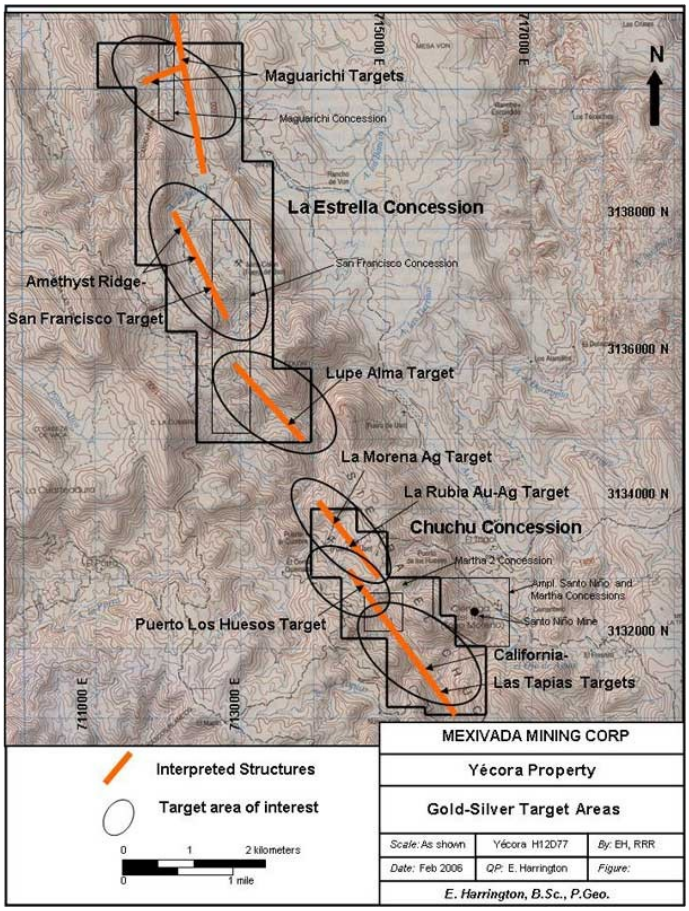
YECORA (SONORA, MEXICO) PROPERTY

Mexivada's 1,041 hectare Yécora property is situated 290 kilometers east of Hermosillo and is comprised of two non-contiguous government 50-year mineral exploration concessions (Chuchu and La Estrella). Located in the Sierra Madre Occidental gold-silver trend, a geologically tertiary volcanic area associated with the Yécora Caldera, it is broken by numerous faults and fractures related to past tectonic motions. The mesa-like topography is conducive to the optimal placement of mine locations, tailings management facilities and heap leach pads. The climate is favorable for year-round mining, and a trained mining workforce is readily available. Gold/silver processing and extraction facilities are nearby at the Palmarejo (Bolnisi), Ocampo (Gammon Lake Resources), Mulatos (Alamos Gold) and Dolores (Minefinders) properties.

[23] On December 24, 1996, Article 13 A was amended.

In May 2007, Mexivada completed a Phase 1 drill program[24] to define the location of gold-silver copper--zinc-lead-molybdenum mineralization along an 11 kilometer trend for a later Phase 2 drilling program to develop specific ore targets. A total of 18 drill holes totaling 2,630 meters were completed in 2007.





Selected assay results in the tables below are from the holes drilled in 2007. The results indicate two different metal systems at Yécora: 1) high-grade gold/silver-rich vein systems (holes C4-1, HR-1, but especially LA-1) and 2) a silver vein enriched with zinc and lead (hole PR-1).

Selected Assay Results:

Area	Hole ID	From (meter)	To (meter)	Interval (meters)	Au (g/t)	Ag (g/t)	Cu (g/t)
Lupe Alma	LA-1	50.0	72.0	**22**	**1.94**	**98.1**	**3.51**
(La Estrella)	*including*	60.0	66.0	**6.0**	**4.58**	**282.7**	**10.79**
	including	61.5	62.0	**0.52**	**22.30**	**1640**	**57.55**

Announced May 17, 2007

[24] Sample preparation and assays were performed by ALS Chemex Laboratories in Hermosillo, Sonora and Vancouver, BC using standard fire assaying protocols. Silver and base metal values were determined by using 4-acid, near total digestions and induction-coupled plasma geochemical analyses (ME-MS61).

Area	Hole ID	From (meter)	To (meter)	Interval (meters)	Au (g/t)	Ag (g/t)	Cu (g/t)
Cumbrita-4	C4-1	170.0	193.5	**23.5**	**1.12**	**54.4**	**2.75**
	including	182	184	**2.0**	**5.97**	**255**	**12.21**
	including	188	189	**1.0**	**3.27**	**57.0**	**5.16**

Announced May 17, 2007

Area	Hole ID	From (meter)	To (meter)	Interval (meters)	Au (g/t)	Ag (g/t)	Cu (g/t)
Hornitos	HR-1	14	17	**3.0**	**1.25**	**6.2**	**5.04**
	including	14	15	**1.0**	**3.52**	**10.7**	**6.28**
	and	35	39	**4.0**	**2.27**	**2.3**	**3.19**

Announced May 17, 2007

Area	Hole ID	From (meter)	To (meter)	Interval (meters)	Ag (g/t)	Pb (g/t)	Zn (g/t)
Puerto Rico	PR-1	149.0	152.0	**3.0**	**9.3**	**0.15**	**0.64**
	and	153.5	154.0	**0.5**	**8.6**	**0.15**	**0.30**
	and	154.0	156.0	**2.0**	**26.1**	**5.74**	**5.13**
	and	156.0	161.0	**5.0**	**1.7**	**0.36**	**0.78**

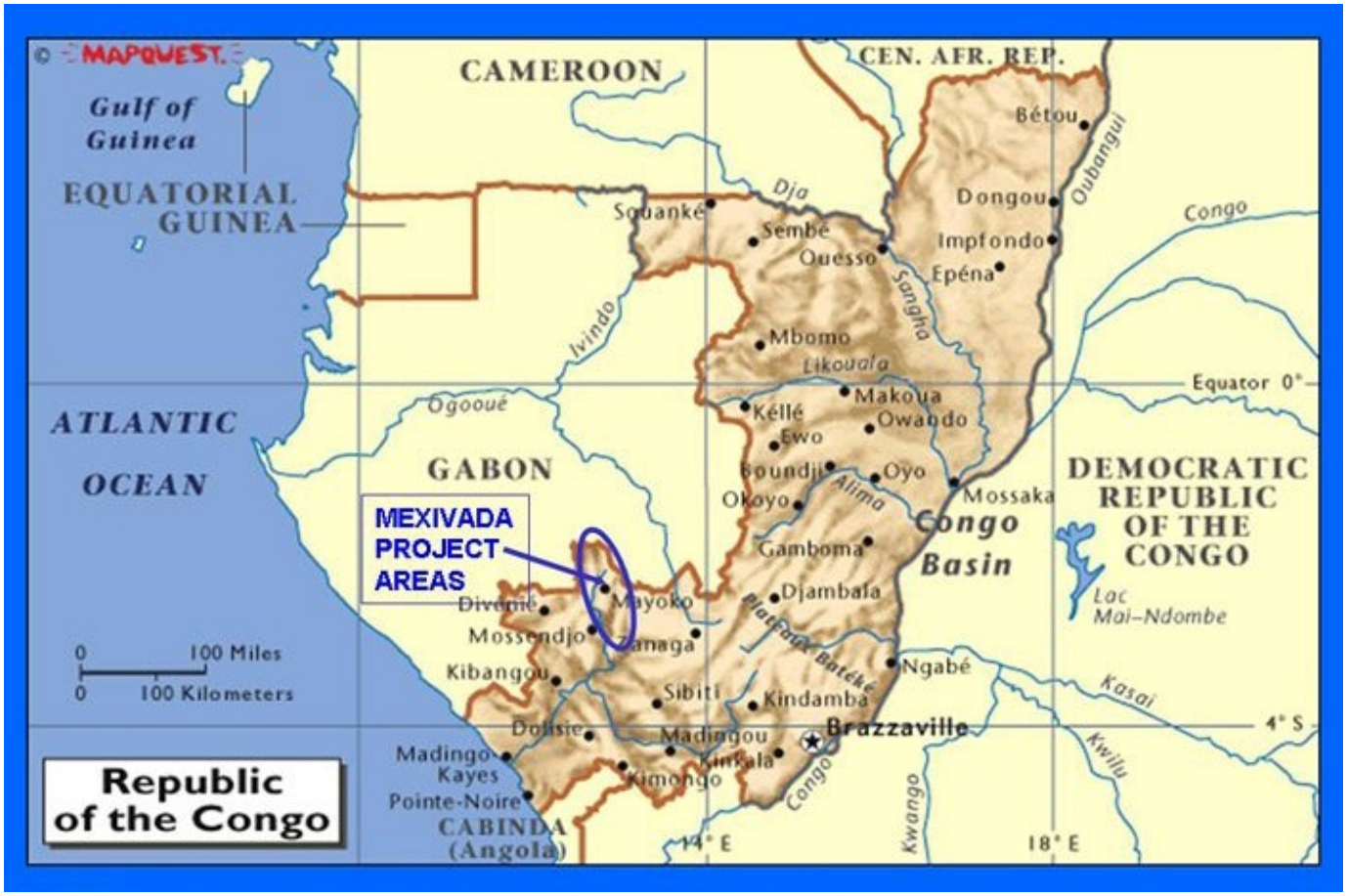
Announced May 17, 2007

Mexivada is seeking a joint venture partner for the 100% owned Yécora gold-silver-zinc-lead property. The company appears close to announcing a partner relationship after the public Mexican mining concession auction to be held on March 11, 2011.

REPUBLIC OF THE CONGO

Lying on the equator in Africa, the Republic of the Congo (ROC) has an area of 342,000 square kilometer or 132,047 square miles, roughly the size of Montana. The capital of this former French colony is Brazzaville, and the country is often referred to as Congo Brazzaville. ROC is located northwest of the Democratic Republic of the Congo (DRC), with which it is often confused.

The country is considered to be business-friendly; however, the ROC has had three different Constitutions between 1990 and the present, and experienced a civil war in 1997, after which the current President Denis Sassou N'Guesso formed a transitional government and ultimately a constitutional government. His latest seven-year term was attained after the July 2009 elections, from which the main opposition candidate was excluded; and hence, the elections were boycotted by the opposition.

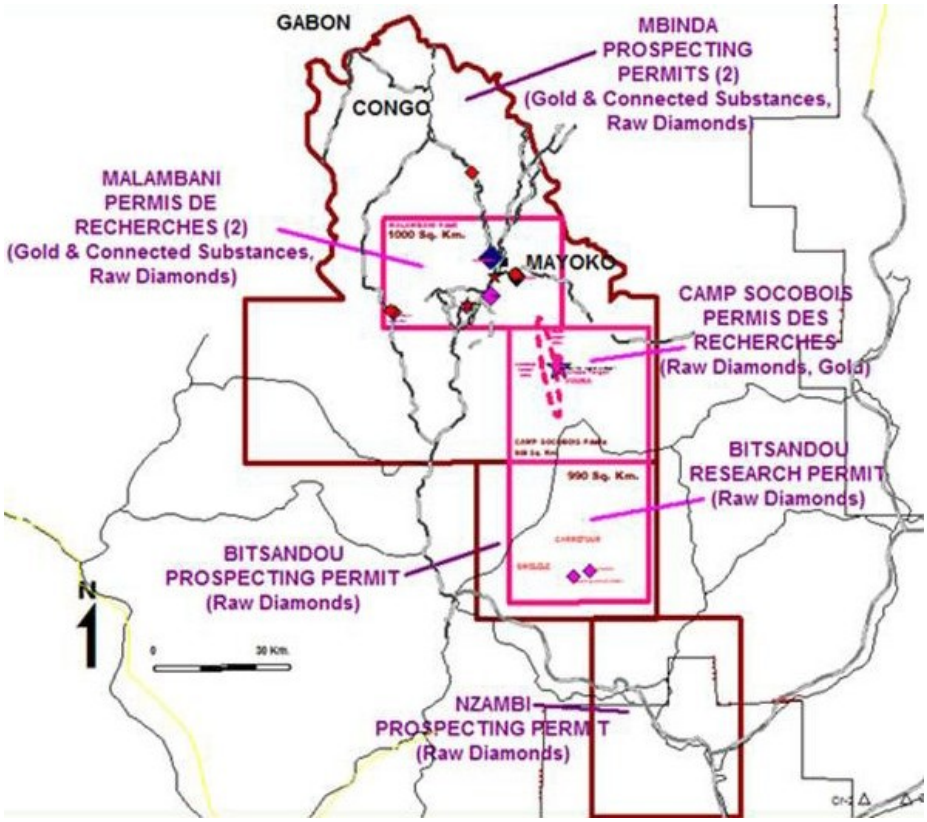


The Mexivada properties are located in the southwestern part of the ROC Republic of Congo, adjacent to and near the border with Gabon, 280 kilometers northeast of the oil port city of Pointe Noire and 370 kilometers northwest of the capital city of Brazzaville. The permit areas lie in the Chaillu Massif, an 8 by 21 kilometer long greenstone belt[25].

REPUBLIC OF THE CONGO PROPERTY (the Malambani Research Permit)

Through its subsidiary, Compagnie Miniere du Chaillu, Mexivada controls 5 exclusive Permis des Recherches (PR) concessions[26] for diamonds and gold & connected substances, and one prospecting permit[27] for gold at Moussondji. Collectively, these concessions and permit are known as the **Malambani Research Permit**, a six-year permit effective September 12, 2006, renewable annually and extendable for two additional two-year periods before the company must apply for a mining exploitation permit. Through the end of fiscal year 2010, Mexivada has incurred exploration costs of $2,587,536 on the Congo Property.

[25] Greenstone belts are basically metamorphosed volcanic belts, dominated by basalt, with minor sedimentary rocks inter-leaving the volcanic formations. Greenstone belts often contain ore deposits of gold, silver, copper, zinc and lead.
[26] Exclusive Phase 1 prospecting permits at Mbinda, Malambani, Camp Socobois (Vouka), Bitsandou and Nzambi.
[27] An exclusive, provisional phase research permits at Moussondji

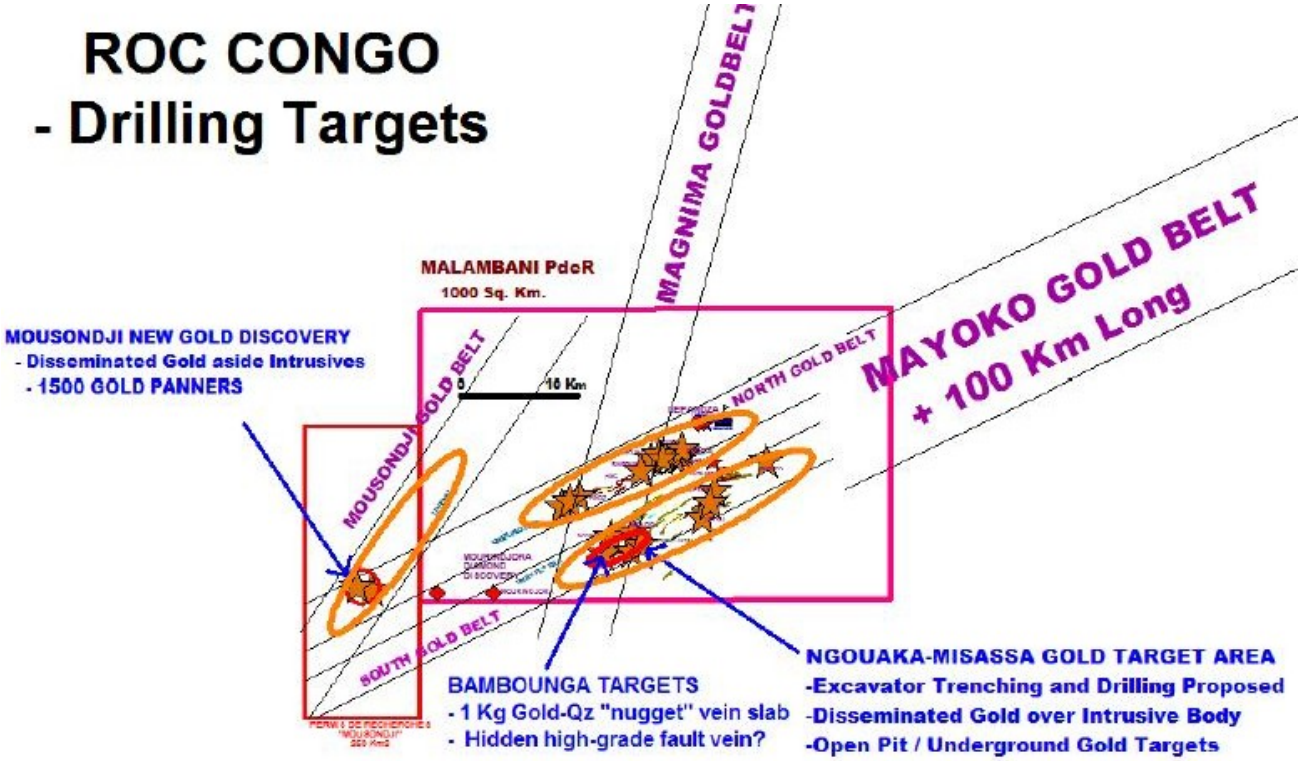


Mexivada is prospecting and evaluating several targets for diamonds in the **Malambani, Camp Socobois** (**Vouka)**, **Nzambi** and **Bitsandou** concessions of the Malambani Research Permit area. The company's focus on gem diamond deposits is primary on diamondiferous kimberlite deposits that potentially could yield large-size gem stones, particularly fancy-colored[28] diamonds.

Large gem diamonds have been previously found in several of Mexivada's concessions. After World War II, the Avoine Company found a 75 carat white diamond and a 1.5 carat blue-yellow diamond on Mexivada's **Malambani** concession area, along with two other gem diamonds (2-to-3 carats each)**.** And from Mexivada's **Nzambi** concession, SOREDIA (Society for Diamond Research) mined 13,100 carats of alluvial diamonds during the same time period. The kimberlitic source of these diamonds was never found. Since geologic studies suggest that such diamonds typically do travel far from their original sources, there may be a hidden kimberlite pipe or dike in the permit area.

Mexivada found a few diamonds[29] on its **Bitsandou** concession (which includes the areas of Carrefour, Bikélélé, Mahouta and Mpoukou). A 0.15 carat flawless, light blue-green diamond and several brownish-orange colored diamonds were found by CEO Richard Redfern, and prospectors have mined diamonds up to 4 carats over the last several years at Bikélélé. In the late 1960's, a group of expert Russian diamond investigators led by Dr. V.I. Elisseev found a zone of high alluvial concentration of somewhat larger-size diamonds and inferred a geological resource of 4,500 carats of diamonds at an area of creek drainage on the Bitsandou concession[30]. Also, Mexivada has made new diamond discoveries on its **Malambani** concession near Mayoko at Bouawsa (a 3.5 mm white diamond), Madoka (a 4.5mm diamond along with two smaller ones), Lepandza (a 1 carat white diamond), and Mourindjoka.

[28] Blue, green, bluish-green and violet diamonds
[29] at Carrefour, north of Bikélélé, at the intersection of several fault structures
[30] at Mahouta east of Bikélélé



Management believes that Mayoko greenstone belt has the potential for the discovery of a world class gold mine, and Mexivada is exploring for economically viable deposits of gold in Malambani Research Permit area. Between 1945 and 1962, 33,661 ounces of alluvial gold, including a 1 kilogram gold nugget[31], was found and mined by the Avoine Company in what-is-now Mexivada's concessions; however, detailed exploration or mining for lode gold had been conducted. Mexivada seeks to benefit in the near-term from placer gold mining operations that should begin in late 2011 by its Optionee, Zamarat Mining, and in the long-term from the discovery of significant lode gold deposits. Mexivada completed a Phase 1 prospecting program for lode gold systems at Malambani. Several target areas were delineated: **Ngouaka-Mingassa** (bulk samples from five sites assayed at 1.22 g/t gold), **Riviere Bambounga** (the location of the 1 kilogram gold nugget) and **Lemagna** (where Mexivada assayed 11 g/t in one meter channels).

On January 28, 2011, Mexivada optioned up to 70% of its Republic of the Congo properties to Zamarat Mining Ltd. of London and Paris. **As soon as mine permitting for environmental approval is granted, Zamarat expects to commence placer gold mining operations** on the areas defined as alluvial deposits delineated by Mexivada's mining engineering staff in the Malambani permit area. Some of the streams on the property are being panned by artisanal miners[32] who continue to find 10 gram gold nuggets and on average produce one-to-three grams of gold per cubic meter. Zamarat estimates that the placer potential may be 200,000 ounces of gold and **expects operations to begin September 2011**. In addition, the five kilometer Ngouaka-Bangadi-Bambougna gold zone is targeted for surface gold mining evaluations and drilling.

In order to earn the 70% interest, Zamarat must compensate Mexivada in structured payments of $175,000 in cash between January 28, 2011 and December 31, 2012 and invest $4.5 million in exploration and development expenditures by December 31, 2013. If the venture is successful, Mexivada ultimately receives 30% of the revenues from the gold production from the property.

[31] The nugget currently resides in the home of the French ambassador in Brazzaville.
[32] Artisanal miners extract minerals with the simplest of tools, on a subsistence level and outside the legal and regulatory framework. The majority of artisanal miners are very poor and exploiting marginal deposits.

With the recent optioning of the Republic of Congo properties, Zamarat has assumed the operatorship of Mexivada's Republic of Congo gold and diamond properties. The planned geophysical surveys, program of ground magnetics, geologic mapping, Magnetics-VTEM-FEM survey, sampling, excavator trenching, and the exploratory drilling of the numerous targets for gold and diamonds delineated by Mexivada are in the hands of new Optionee of the Republic of the Congo properties. Zamarat is moving aggressively forward and will apply for a mining license early in 2011, and prepare an environmental impact statement in April. By June or July, management hopes to receive an alluvial mining permit from the Republic of the Congo government, with alluvial mining commencing in September. Initially, Mexivada will earn 10% of the mining production proceeds, thereby potentially generating a production-related revenue stream for the company.

RECENT NEWS

On March 3, 2011, Mexivada announced financial results for the three-month period (second fiscal quarter) ending December 31, 2010. The company received an option payment of $10,287. The company reported a loss of $251,059 compared to a loss of $361,695 in the comparable year-ago quarter. The 30.6% decrease in the loss was primarily due to decreased stock-based compensation and lower shareholder communications. However, professional fees increased 116% from $29,064 to $62,925 due to increased legal fees. Expenses totaled $261,346, resulting in a loss for the period of $251,059 or $0.01 per diluted share. During the quarter, management tried to minimize expenditures in order to conserve cash. During the quarter, the company reported cash inflows of $1,043,135 from the issuance of stock, which will help fund the company's aggressive $1,000,000 exploration budget for the Golden Porcupine, Goldstorm, Gold Jackpot, Yécora and the Republic of Congo properties.

On February 24, 2011, Mexivada announced the definition of a Pamour-type open pit gold target at the company's Golden Porcupine property in Timmins, Ontario. The Pamour open pit mine is northeast of Golden Porcupine, in the eastern part of the Timmins camp, and Mexivada is looking for an analogous style of gold mine at Golden Porcupine. Ground magnetic, VLF-EM, and induced polarization surveys confirm the presence of a very large, north-northwest trending chargeability high, at the site of a large magnetic low zone. Mexivada's management believes this anomaly is analogous to the Pamour Pit mine, which has produced 4.5 million ounces of gold. Management plans to compile further historic data on the property, geologically map the area and perform additional channel sampling and excavator trenching to verify the geological features and ascertain specific targets on the property, prior to conducting Landdrill or BDW drilling in the summer of 2011, using flow-through cash funds already raised by Mexivada.

On February 4, 2011 Mexivada provided updates on both Gold Jackpot and the Republic of the Congo projects. In addition, the company reported that Mexivada was dismissed from a lawsuit to which Mexivada was enjoined related to claim on the Gold Jackpot property.

At Gold Jackpot, surface rock sampling discovered an area of high grade tellurium mineralization where samples contained up to 3.48 kg/t of tellurium. Another surface sample assayed at over 16 g/t gold. In early 2011, Mexivada plans to complete the geological mapping of the property. Thereafter, in mid-2011, Mexivada plans to conduct additional ground geophysics (gravity and ground magnetic surveys) over targeted areas and produce a final geologic definition. At the Republic of the Congo property, with the optioning of the property on January 28th, Mexivada now expects alluvial gold mining operations to begin during the third quarter of 2011. Initially, Mexivada will earn 10% of the mining production proceeds

FINANCIAL POSITION

At fiscal year-end 2010 (June 30, 2010), Mexivada had $498,085 in cash and marketable securities, no long-term debt, and $4,576,600 in shareholders' equity. At the end of the second fiscal (December 31, 2010), cash and marketable securities increased 123% to $1,112,964 primarily through the issuance of securities. There still was not any long-term debt; and shareholders' equity increased to $5,440,274. During the first six months of fiscal 2011, the company's cash requirements for exploratory drilling programs (deferred exploration costs) and additions to minerals properties totaled $242,247 were funded by $1,043,135 from the sale of securities.

Mexivada has financed capital expenditures and the payments towards options to acquire potential mining properties through the issuance of securities and to a lesser extent, payments from other parties to secure or increase option rights on Mexivada's properties. In fiscal 2010, private placements in October 2009 and June 2010 netted the company $836,425, and warrant exercises provided $146,543. During the first six months of fiscal 2011, $1,083,135 was raised ($297,135 was obtained from a private placement in December 2010; $ 759,000 was received from the issuance of flow-through units in the same month; and warrant exercises provided an additional $27,000).

VALUATION

As a junior gold exploration company, Mexivada cannot be valued on a revenue, earnings, book value or cash flow basis. Management's strategy is to increase the value of each of its properties through value-added investigation and exploration (the company's core competency), including but not limited to geological mapping, geophysical surveys, geochemical analysis, field sampling, excavator trenching, exploratory drilling, analyzing historical work on the property, and especially referencing analogous geologic formations. Armed with new information, management attempts to option the properties to other parties who will further explore and ultimately mine the property, from which Mexivada retains a portion of future revenues and some equity interest to participate in the property's development and any potential new discoveries. More sophisticated methodologies based on market capitalization-to-reserves, average ore value per tonne, per-ounce costs or cash profit margins per ounce produced also are not germane. Therefore, an alternative valuation technique based on book value is the only appropriate alternative, especially in comparison to junior gold companies employing a similar exploration-discovery stage strategy to Mexivada's.

Book value of a junior gold exploration company represents the equity capital that has been raised to acquire the minerals rights on properties and to conduct exploration programs. An amalgamation of information is encapsulated within the raised capital total, including the quality of the properties (both in terms of mineral potential and political stability) and the exploration results from introductory geochemical surveys to assay results from drilling programs. Therefore, book value captures the complex valuation potential of the company's base gold resource value potential by sophisticated investors, most with expert knowledge of a junior gold exploration companies in the exploration phase with no stated revenues. Hence, we find the use of book value is a valid and appropriate metric by which to determine a junior gold exploration company's valuation.

Kaminak (KAM: TSXV) and Pelangio (PX: TSXV) appear similar to Mexivada. Kaminak and Pelangio operate in the exploration-discovery stage, focusing on the acquisition and exploration of gold properties. Both companies have not reached the gold production phase, and hence, do not yet generate revenues. Also, Kaminak and Pelangio initiate exploratory drilling programs after conducting geochemical analysis of their properties. Therefore, Kaminak and Pelangio should be analyzed as benchmarks for the valuation of a junior gold company without a resource calculation.

In late October 2009, Kaminak announced results from a trenching program of 11.72 g/t over ten meters from one trench and 8.56 g/t over 15m from the other trench. Prior to the discovery 2010, Kaminak's stock traded in a range between 1.4 and 2.2 times book value. After the announcement, the stock rallied to 3.2 times book value. Thereafter, stock steadily expanded its valuation to 3.7 times book. In late May 2010, the results of a successful drilling program (17.1 g/t over 15.5 meters) were announced, and the stock rallied to 7.1 times book value; in August 2010, after additional announced discoveries (15.9 and 21.3 g/t over 5 and 8 meters, respectively), the stock rallied further to 16.1 times book.

The valuation of Pelangio is more complex than Kaminak case, since Pelangio has two flagship properties (Manfo and Obuasi). In addition, Pelangio operates in Ghana instead of the Yukon Territory of Canada. Nevertheless, due to the announcements in the fourth quarter of 2010 concerning the successful drilling program on the Manfo property, Pelangio's stock began trading between 2.0 and 3.2 times book (C$0.75 and C$1.25).

The stocks of junior gold companies have a unique trading profile. The stocks tend to mark time, trading sideways-to-down, during an incubation phase until a discovery from a drilling program is announced. Significant positive results are the stimulus for upside gaps in stock's price in a mark-up phase as the new information is discounted by first-movers. Generally, the price appreciation continues, albeit at a slower pace, usually on heavy volume until the newly created demand instigated by the announcement of the discovery is fulfilled. After the initial rally, another period of time of sideways-to-down action occurs. Often the stock retraces some, or sometimes all, of the prior price-appreciation during this digestion phase. If and when a subsequent discovery is announced from a follow-on drilling program, another mark-up phase is set in motion.

After the initial speculative flurry after the company's IPO in late 2005, Mexivada's stock has traded in a relatively consistent range between 0.8 and 1.9 times book value. With management's commitment to a $1 million exploration program, and the expectation of an option or joint venture announcement concerning the Yécora property in the near-term, we would expect Mexivada's stock to begin trading between 1.4 and 2.2 times book (C$0.24 and C$0.16). If Mexivada's Malambani property in the Republic of the Congo begins producing gold in late calendar 2011, with Mexivada earning 10% of the mining production proceeds, we would expect the stock's valuation potentially to increase to between 2.0 and 3.2 times book (C$0.34 and C$0.21) on the announcement. Therefore, our intermediate-term single-point target is $0.25.

Gold producers have discovered less gold over the last five years while the price of gold has advanced from $492 at the end of 2005 to over $1,400 in March 2011. Consequently, dollar value of gold mining company mergers and acquisitions increased to over $32 billion in 2010. Another alternative valuation technique is based in context of prior transactions involving the acquisition of junior gold exploration companies by major gold producing firms. However, these benchmark transactions involve gold mining companies with stated reserves, which are not yet applicable to Mexivada.

PROJECTED FINANCIAL STATEMENTS

Mexivada Mining Corp.

Consolidated Statements of Operations and Retained Earnings

(in $ CAD)

For the years ending June 30	2007	2008	2009	2010	2011 E	2012 E
Revenue:	**0**	**0**	**0**	**0**	**0**	**0**
Gain on mineral property option payments	**0**	**0**	**0**	**0**	**10,287**	**56,000**
Amortization	37,585	62,987	50,199	30,000	22,120	23,558
Consulting fees	119,022	103,754	108,166	32,554	30,642	32,634
Foreign exchange	3,611	(37,111)	2,018	31,901	(27,730)	(29,532)
Management fees	131,125	134,084	192,284	172,909	156,602	166,781
Office, rent and Misc.	147,409	137,825	175,348	53,514	32,939	35,080
Professional fees	66,025	139,639	101,479	111,210	176,828	188,322
Property investigation costs	0	0	57,996	19,940	10,000	10,650
Shareholder communications	123,840	194,796	123,240	150,840	160,650	171,092
Stock-based compensation	215,612	347,430	168,487	209,075	388,968	414,251
Transfer agent and filing fees	27,831	24,783	22,098	25,201	27,127	28,890
Travel and related costs	56,541	76,760	64,221	24,027	49,230	52,430
Total Expenses	**928,601**	**1,184,947**	**1,065,536**	**861,171**	**1,027,376**	**1,094,155**
Loss from operations	**(928,601)**	**(1,184,947)**	**(1,065,536)**	**(861,171)**	**(1,017,089)**	**(1,038,155)**
Write-off of mineral properties	(13,840)	(185,015)	(175,060)	0	0	0
Write-off of deferred exploration costs	(4,297)	(1,546,766)	(1,305,303)	0	0	0
Gain (loss) on disposal of equipment	0	0	0	(2,299)	0	0
Gain (loss) on disposal of marketable securities	0	0	0	(2,670)	0	0
Recovery of mineral properties & def. expl. costs	0	0	0	5,088	0	0
Interest income	91,967	60,265	9,526	0	0	0
	73,830	(1,671,516)	(1,470,837)	119	0	0
Income (loss) before income taxes	(854,771)	(2,856,463)	(2,536,373)	(861,052)	(1,017,089)	(1,038,155)
Future income taxes						
Net income for the year	**(854,771)**	**(2,856,463)**	**(2,536,373)**	**(861,052)**	**(1,017,089)**	**(1,038,155)**
Net income per common share (diluted)	**(0.04)**	**(0.10)**	**(0.08)**	**(0.02)**	**(0.02)**	**(0.02)**
Weighted average common shares outstanding - diluted	23,537,219	29,264,426	31,388,434	36,747,300	46,429,015	56,000,000
Cash Flows from Investing Activities						
Mineral properties	(100,644)	(156,065)	(67,990)	77,282	(88,841)	(80,000)
Mineral property option payments received	0	0	(471,633)	(255,660)	145,986	175,000
Deferred exploration costs	(2,356,180)	(3,184,138)	0	36,533	(633,406)	(674,577)
Acquisition of equipment	(181,358)	(63,348)	0	0	0	0
Reclamation bond refund	(27,988)	(38,830)	0	4,830	0	0
Short-term investments	50,000	1,175,000	615,000	10,000	0	0
Net cash provided by investing activities	**(2,616,170)**	**(2,267,381)**	**75,377**	**(127,015)**	**(576,261)**	**(579,577)**
Cash Flows from Financing Activities						
Isuance of common shares	3,318,538	2,957,934	179,450	1,024,443	1,558,087	1,659,363
Share subcriptions received in advance	0	375,100	0	0	0	0
Advances payable (net)	0	0	0	0	(12,286)	(13,085)
Advances from (repayments to) related parties	36,032	(45,105)	0	0	0	0
Net cash provided by financing activities	**3,354,570**	**3,287,929**	**179,450**	**1,024,443**	**1,545,801**	**1,646,278**

Mexivada Mining Corp.

Consolidated Statements of Operations and Retained Earnings

(in $ CAD) For the years ending June 30	1Q 2010	2Q 2010	3Q 2010	4Q 2010	**2010**	1Q 2011	2Q 2011	3Q E 2011	4Q E 2011	**2011 E**
Revenue:	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gain on mineral property option payments	**0**	**0**	**0**	**0**	**0**	**0**	**10,287**	**0**	**0**	**10,287**
Amortization	7,500	7,500	7,500	7,500	30,000	5,530	5,530	5,530	5,530	22,120
Consulting fees	1,027	5,152	2,580	23,795	32,554	1,485	16,657	2,500	10,000	30,642
Foreign exchange	3,163	(24,248)	(2,045)	55,031	31,901	(773)	(26,957)	0	0	(27,730)
Management fees	45,739	44,522	43,780	38,868	172,909	39,017	38,085	39,000	40,500	156,602
Office, rent and Misc.	21,778	10,241	10,788	10,707	53,514	11,580	6,859	7,000	7,500	32,939
Professional fees	6,500	29,064	11,105	64,541	111,210	43,903	62,925	30,000	40,000	176,828
Property investigation costs	0	19,279	661	0	19,940	0	0	5,000	5,000	10,000
Shareholder communications	29,571	50,687	26,650	43,932	150,840	66,510	9,140	50,000	35,000	160,650
Stock-based compensation	0	209,074	0	1	209,075	61,258	125,710	152,000	50,000	388,968
Transfer agent and filing fees	4,088	6,887	8,922	5,304	25,201	2,296	14,731	7,600	2,500	27,127
Travel and related costs	2,259	3,537	8,214	10,017	24,027	17,564	8,666	15,000	8,000	49,230
Total Expenses	**121,625**	**361,695**	**118,155**	**259,696**	**861,171**	**248,370**	**261,346**	**313,630**	**204,030**	**1,027,376**
Loss from operations	**(121,625)**	**(361,695)**	**(118,155)**	**(259,696)**	**(861,171)**	**(248,370)**	**(251,059)**	**(313,630)**	**(204,030)**	**(1,017,089)**
Write-off of mineral properties	0	0	0	0	0	0	0	0	0	0
Write-off of deferred exploration costs	0	0	0	0	0	0	0	0	0	0
Gain (loss) on disposal of equipment	(2,299)	0	0	0	(2,299)	0	0	0	0	0
Gain (loss) on disposal of marketable securities	0	0	0	(2,670)	(2,670)	0	0	0	0	0
Recovery of mineral properties & def. expl. costs	0	0	0	5,088	5,088	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0	0	0
	(2,299)	0	0	2,418	119	0	0	0	0	0
Income (loss) before income taxes	(123,924)	(361,695)	(118,155)	(257,278)	(861,052)	(248,370)	(251,059)	(313,630)	(204,030)	(1,017,089)
Future income taxes										
Net income for the year	**(123,924)**	**(361,695)**	**(118,155)**	**(257,278)**	**(861,052)**	**(248,370)**	**(251,059)**	**(313,630)**	**(204,030)**	**(1,017,089)**
Net income per common share (diluted)	**(0.00)**	**(0.01)**	**(0.00)**	**(0.01)**	**(0.02)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.00)**	**(0.02)**
Weighted average common shares outstanding - diluted	31,983,109	34,723,348	38,442,081	40,235,662	36,747,300	42,672,534	44,191,123	47,593,839	51,258,565	46,429,015
Cash Flows from Investing Activities										
Mineral properties	(41,583)	(14,089)	(10,571)	143,525	77,282	(26,220)	(32,621)	(15,000)	(15,000)	(88,841)
Mineral property option payments received	0	10,600	102,910	(369,170)	(255,660)	0	145,986	0	0	145,986
Deferred exploration costs	(46,130)	(138,413)	(84,827)	305,903	36,533	(119,671)	(63,735)	(200,000)	(250,000)	(633,406)
Acquisition of equipment	0	0	0	0	0	0	0	0	0	0
Reclamation bond refund	0	0	36,532	(31,702)	4,830	0	0	0	0	0
Short-term investments	10,000	0	0	0	10,000	0	0	0	0	0
Net cash provided by investing activities	**(77,713)**	**(141,902)**	**44,044**	**48,556**	**(127,015)**	**(145,891)**	**49,630**	**(215,000)**	**(265,000)**	**(576,261)**
Cash Flows from Financing Activities										
Isuance of common shares	20,000	257,724	64,043	682,676	1,024,443	0	1,043,135	114,952	400,000	1,558,087
Share subcriptions received in advance	0	0	0	0	0	0	0	0	0	0
Advances payable (net)	211,376	(26,353)	0	(185,023)	0	0	(12,286)	0	0	(12,286)
Advances from (repayments to) related parties	0	0	58,155	(58,155)	0	0	0	0	0	0
Net cash provided by financing activities	**231,376**	**231,371**	**122,198**	**439,498**	**1,024,443**	**0**	**1,030,849**	**114,952**	**400,000**	**1,545,801**

Mexivada Mining Corp.

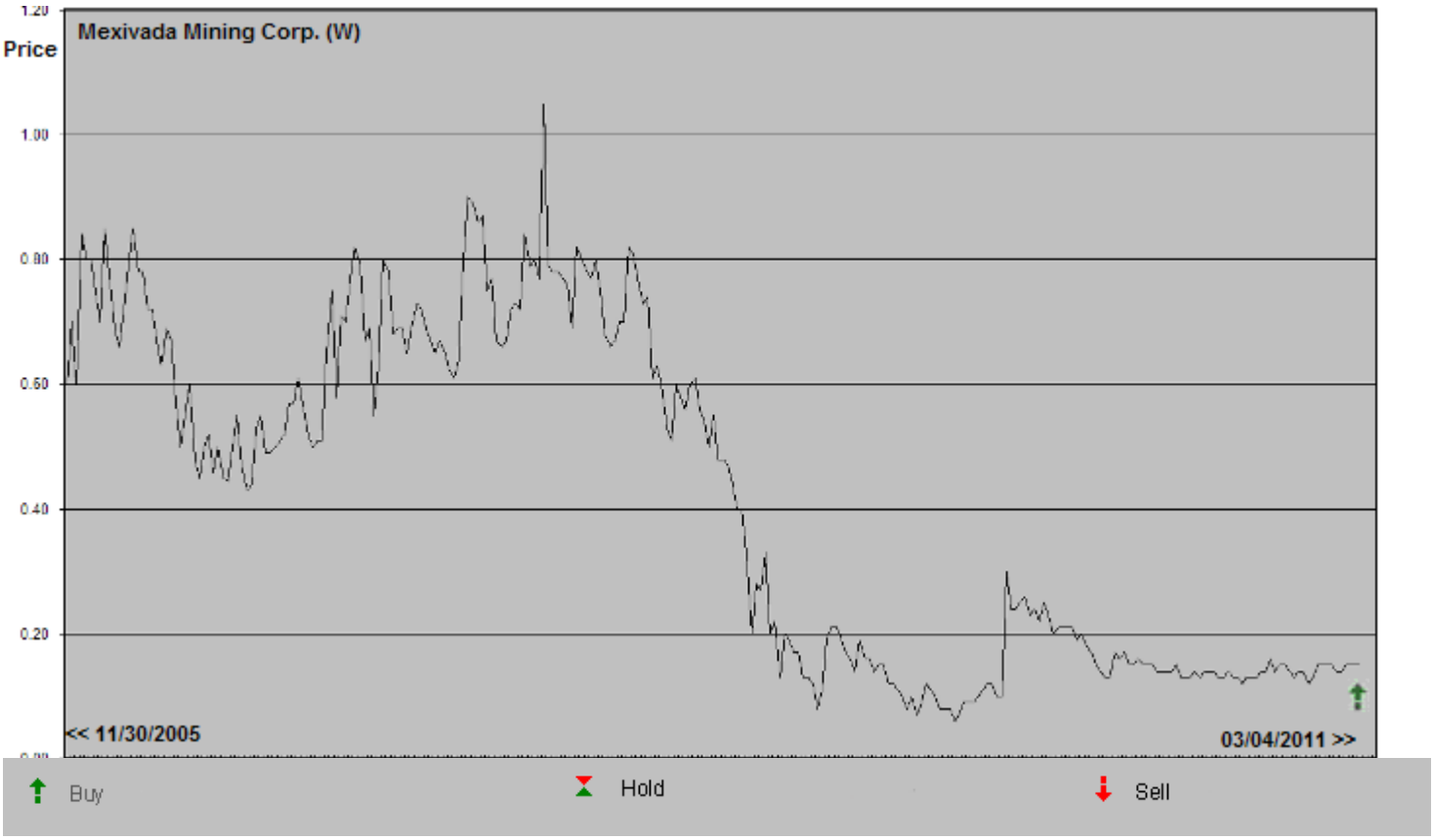
Consolidated Balance Sheets
(in $ CAD)

For the years ending June 30	2007	2008	2009	2010	2011 E	2012 E
ASSETS						
Cash and cash equivalents	126,248	582,699	45,247	449,085	750,000	400,000
Short-term investments	1,800,000	625,000	10,000	0	0	0
Marketable securities	0	0	6,000	49,000	90,750	57,000
Receivable	40,748	14,287	1,711	10,277	25,000	15,000
Prepaid expenses	220,395	22,820	863	850	1,555	3,215
Current Assets	2,187,391	1,244,806	63,821	509,212	867,305	475,215
Reclamation bond	27,988	66,818	66,818	30,285	30,285	30,285
Equipment	178,377	178,738	128,539	73,740	51,620	29,500
Deferred exploration costs	3,007,048	4,722,722	3,894,022	4,146,172	4,700,000	5,500,000
Mineral properties	356,268	327,318	205,248	127,966	278,000	325,000
Total Assets	**5,757,072**	**6,540,402**	**4,358,448**	**4,887,375**	**5,927,210**	**6,360,000**
LIABILITIES						
Accounts payable and accrued liabilities	142,397	146,831	106,336	131,937	110,000	100,000
Advances from related parties	45,105	0	55,977	178,838	140,000	100,000
Current Liabilities	187,502	146,831	162,313	310,775	250,000	200,000
Future income taxes	0	0	0	0	0	0
Share capital	6,785,535	9,778,176	10,332,726	11,357,169	12,600,000	13,500,000
Share subcriptions received in advance	0	375,100	0	0		
Contributed surplus	698,508	1,011,231	1,179,718	1,388,792	1,700,000	1,800,000
Retained earnings (deficit)	(1,914,473)	(4,770,936)	(7,307,309)	(8,168,361)	(8,667,790)	(9,200,000)
Accumulated other comprehensive income	0	0	(9,000)	(1,000)	45,000	60,000
SHAREHOLDERS' EQUITY	5,569,570	6,393,571	4,196,135	4,576,600	5,677,210	6,160,000
Total Liabilities and Equity	**5,757,072**	**6,540,402**	**4,358,448**	**4,887,375**	**5,927,210**	**6,360,000**

GLOSSARY AND KEY TO ABBREVIATIONS

Ag – silver
Au – gold
BLM – Bureau of Land Management
Cu – copper
g/t – grams per tonne (metric ton)
JV - joint venture
kg/t – kilograms per tonne
km – kilometer(s)
NSR– Net Smelter Return aka a payment of a royalty on production
oz – ounce(s) troy
o/t – ounces per tonne
Pb – lead
RC – reverse circulation drilling
Te – tellurium
Zn – zinc

HISTORICAL ZACKS RECOMMENDATIONS



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