



Grant Thornton

Cotera y Asociados

VERITAS MINING CR, S.A.

PREOPERATIVE STAGE

ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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VERITAS MINING CR, S.A.

DIRECTORS AND ADVISERS

Directors: David Brian Jackson President
Andrew von Kursell Chief Operating Officer

Lawyer: Lic. Adolfo Garcia Baudrit – Lex Counsel

Company ID Number: 3-101-468793 (Costa Rica)

Registered Office: Edificio Terraforte
150 South from Multiplaza
Escazú, San José

Auditors Grant Thornton Cotera & Asociados
Avenue 10 y Street 29
San José, Costa Rica

Bankers: Banco Nacional de Costa Rica
Avenue 1 y 3, Street 4
San José, Costa Rica

VERITAS MINING CR, S.A.

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VERITAS MINING CR, S.A.

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Business review

The company is continuing to develop operations in the contracted concessions, located in Las Juntas, Guanacaste.

Management Discussion and Analysis

We are pleased to have this opportunity of providing you with an update on your Company's activities over the past months. Despite challenging world-wide circumstances Veritas Mining, has continued to move at a fast pace and expects to meet its objective of producing gold at its wholly owned Costa Rican projects in 2009.

The price of Gold has reached, and maintained, new highs. Management believes Veritas Mining is well positioned to benefit from what is expected to be a strong and sustained market for Gold. Veritas Mining continues to be presented with opportunities to acquire additional concessions in Costa Rica and elsewhere and will be aggressively pursuing this course of action once its existing projects are fully operational and stabilized.

We look to 2010 and beyond with confidence and would like to thank its shareholders for their continued support.

Operations Update

The Company is advancing its plans to step up mining activities at its wholly owned Tres Hermanos and El Recio projects with the initial intention of trucking ore to the Chassoul mill for processing, while the new gravity mill is built and commissioned at Tres Hermanos.

Once the new gravity mill at Tres Hermanos is in operation the concentrate produced will be shipped to The Chassoul mill for final processing into gold dore.

The new gravity mill is estimated to be in operation by March 2010. Initial production of 10 ounces per day is planned to be followed by incremental increases to 35 and 50 ounces per day.

Significant events

- ✓ Work continued to delineate ore at the Boston concession with good intersections being encountered estimates range between 6 to 8 gm per ton (0.2 to 0.26 oz/ton).
- ✓ Studies to build the new plant are ready. The report is finished and will be submitted shortly to the authorities in order to obtain the final permits for the gravity plant.
- ✓ This plant will be located on, what is referred to as Marvin's farm, which is an ideal location in that the Marvin vein, part of the Tres Hermanos system and concession is located on this farm. Hydroelectric power is readily available nearby and there is an ample water supply, Veritas Mining has a 15 year renewable lease covering the farm land.
- ✓ The plant will originally have a capacity of ten tons per day to be increased gradually to 50 tons per day. All of the machinery and equipment needed have been identified and are available in Costa Rica.
- ✓ In order to reduce maintenance costs of vehicles and equipment, the company has leased a yard and building in Las Juntas. A qualified mechanic has been hired who performs all maintenance work.

.....
David Jackson
Chairman
16 November 2009

VERITAS MINING CR, S.A.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

The directors present their report and the financial statements for the year ended 30 September 2009.

Principal activities

The company was incorporated to rehabilitate and exploit mining concessions in the area of Las Juntas, Guanacaste, Costa Rica.

Business review

The company is continuing to develop operations in the contracted concessions.

Financial risk management

Details of the company's financial instruments and its policies with regard to financial risk management are given in notes to the financial statements.

Results for the year and dividends

The loss for the year was £22,572. The directors do not recommend the payment of a dividend.

Directors

David Brian Jackson	Managing Director	(Appointed 15 November 2007)
Andrew von Kursell	Chief Operating Officer	(Appointed 15 November 2007)

Supplier payment policy and practice

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

Auditors

Grant Thornton Cotera & Associates were reappointed auditors on 2009.

A resolution to re-appoint the auditors, Grant Thornton Cotera & Associates, will be proposed at the next Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In the case of each person who was a director at the time this report was approved:

- So far as the directors are aware there is no relevant audit information of which the group's auditors are unaware; and
- That the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

Post balance sheet events

- The studies to build the Plant at Marvin's Farm are ready.

Approved by the board of directors and signed on behalf of the board

D Jackson
Director
16 November 2009



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Stockholders and Board of Directors
VERITAS MINING CR, S.A.

We have audited the financial statements of Veritas Mining CR, S.A., (in a preoperative stage) that include the balance sheet as of September 30, 2009 and 2008, and the income statements, statements of change in equity and statements of cash flows for the years then ended, as well as a summary of the main accounting policies and other explanatory notes.

Company's management is responsible for the preparation and reasonable presentation of the financial statements according to the International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining the internal control related for the reasonable preparation and presentation of the financial statements so that they be free of significant errors, fraud or error and selecting and applying the appropriate accounting policies and making the accounting estimates that are reasonable under the circumstances.

Our responsibility is to express an opinion on those financial statements based on our audit. We make our review based on the International Standards on Auditing. These standards require that we comply with ethical requirements as well as to plan and execute the audit with the purpose of obtaining reasonable security that the financial statements are free of errors or significant omissions.

An audit implicates procedures to obtain evidence on amounts and revelations in the financial statements. The selected procedures depend on the auditor's judgment, including the evaluation of significant risks of errors in the financial statements, because of fraud or error. When making this evaluation, the auditor considers the relevant internal controls used by management in relation to the reasonable preparation and presentation of the financial statements, with the purpose of designing the audit procedures that are appropriate under the circumstances, but with the purpose of expressing an opinion on the internal controls of the Company. An audit also includes the evaluation of appropriate accounting policies and the reasonability of the significant estimates made by management, as well as an evaluation of the general presentation of the financial statements.

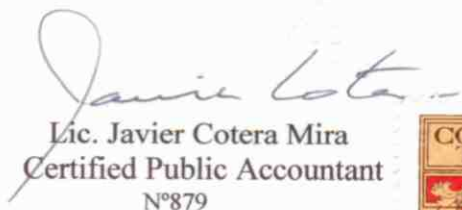
We consider that the evidence obtained for the audit is sufficient and appropriate to express our opinion.

In our opinion, the Financial Statements above mentioned, presents farley, in all important aspects, the financial situation of VERITAS MINING CR, S.A. as of September 30, 2009 and 2008, and that its financial position, and cash flows for the years then ended are in conformity to the International Financial Reporting Standards.

Fidelity policy N° R-1153
with due date
September 30, 2010

Law N°6663 stamp fax for ₡1,000
Paid and attached
to the original

Audidores y Consultores
Member of Grant Thornton International Ltd


Lic. Javier Cotera Mira
Certified Public Accountant
N°879



San José, Costa Rica
November 16, 2009

VERITAS MINING CR, S.A.

INCOME STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER,

		2009 £	2008 £
Revenue	Notes	-	107,421
Cost of sales		<u>-</u>	<u>174,642</u>
Gross loss		-	(67,221)
Operating costs	3	89,153	234,000
Other operating income	5	<u>66,882</u>	<u>-</u>
Operating loss		22,271	(301,221)
Finance costs	6	<u>301</u>	<u>-</u>
Loss before taxation		22,572	(301,221)
Taxation	7	<u>-</u>	<u>-</u>
Loss after taxation		22,572	(301,221)
Deferred tax income	7	<u>166,163</u>	<u>-</u>
Net profit (loss)		<u>143,591</u>	<u>(301,221)</u>

The accompanying notes are an integral part of these financial statements

