

**COOPER MINERALS INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**November 30, 2009**

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**AUDITORS' REPORT**

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**To the Shareholders of  
COOPER MINERALS INC.**

We have audited the Consolidated Balance Sheets of **COOPER MINERALS INC.** as at November 30, 2009 and 2008 and the Consolidated Statements of Comprehensive (Loss), (Deficit), Accumulated Other Comprehensive Income and Cash Flows for the years 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

*"Delves Freer Anderson Raniga Caine"*

**DELVES FREER ANDERSON RANIGA CAINE**

Certified General Accountants

Surrey, B. C.

March 28, 2010

**COOPER MINERALS INC.  
CONSOLIDATED BALANCE SHEET**

<b>November 30</b>	<b>2009</b>	2008
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**ASSETS**

**Current**

Cash and cash equivalents	\$ 990,335	\$ 3,689,956
Accounts receivable (Note 3)	106,051	35,711
Marketable Securities (Note 4)	1,283,245	16,109
Prepaid expenses	-	5,364
Deferred acquisition costs (Note 5)	42,938	150,000

	<b>2,422,569</b>	<b>3,897,140</b>
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Property, plant and equipment (Note 6)	4,728	10,339
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Mineral properties (Note 7)	6,999,424	11,807,150
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	<b>\$ 9,426,721</b>	<b>\$ 15,714,629</b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current**

Accounts payable	\$ 60,326	\$ 108,420
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**Shareholders' equity**

Share capital (Note 8)	28,764,788	28,764,788
Contributed surplus	2,275,479	2,275,479
(Deficit)	( 21,741,361)	( 15,384,411)
Accumulated other comprehensive income	67,489	( 49,647)

	<b>9,366,395</b>	<b>15,606,209</b>
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	<b>\$ 9,426,721</b>	<b>\$ 15,714,629</b>
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**RELATED PARTY TRANSACTIONS (Note 9)**

Approved:

“Simon Tam” Director

“Craig Walker” Director

See accompanying Notes.

**COOPER MINERALS INC.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)**

<b>Year ended November 30</b>	<b>2009</b>	<b>2008</b>
<b>Administrative and general expenses</b>		
Amortization	\$ 5,611	\$ 5,800
Bank charges and interest	1,088	269
Consulting	82,000	174,490
Marketing and promotion	45,990	62,839
Office and general	4,114	2,880
Professional fees	113,472	74,449
Rent	18,000	15,000
Shareholder relations	2,426	7,666
Telephone	474	343
Transfer agent and exchange fees	8,077	19,383
<b>(Loss) before other items</b>	<b>( 281,251)</b>	<b>( 363,119)</b>
<b>Other items</b>		
Interest income	38,623	154,003
Royalty income	250,000	-
Write-down of abandoned mineral properties	(6,359,986)	-
Loss of deposit	-	( 34,341)
Other	( 4,336)	4,915
	<b>( 6,075,699)</b>	<b>( 34,341)</b>
<b>(Loss) before taxes</b>	<b>( 6,356,950)</b>	<b>( 238,542)</b>
<b>Income taxes (Note 10)</b>	<b>-</b>	<b>-</b>
<b>Net (loss)</b>	<b>( 6,356,950)</b>	<b>( 238,542)</b>
<b>Other comprehensive income</b>		
Unrealized gain on available-for-sale financial assets	117,136	( 53,566)
<b>Comprehensive (loss) for the year</b>	<b>\$( 6,239,814)</b>	<b>\$( 292,108)</b>
<b>Basic and diluted (loss) per share</b>	<b>\$( 0.14)</b>	<b>\$( 0.01)</b>
<b>Weighted average number of shares outstanding</b>	<b>44,019,220</b>	<b>43,997,302</b>

See accompanying Notes.

**COOPER MINERALS INC.  
CONSOLIDATED STATEMENT OF (DEFICIT)**

<b>Year ended November 30</b>	<b>2009</b>	<b>2008</b>
<b>Deficit, beginning of year</b>	<b>\$( 15,384,411)</b>	<b>\$( 15,145,869)</b>
<b>Net (loss) for the year</b>	<b>( 6,356,950)</b>	<b>( 238,542)</b>
<b>(Deficit), end of year</b>	<b>\$( 21,741,361)</b>	<b>\$( 15,384,411)</b>

**COOPER MINERALS INC.  
CONSOLIDATED STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME**

<b>Year ended November 30</b>	<b>2009</b>	<b>2008</b>
<b>Other comprehensive (loss), beginning of year</b>	<b>\$( 49,647)</b>	<b>\$ 3,919</b>
<b>Unrealized gain on available-for-sale financial assets</b>	<b>117,136</b>	<b>( 53,566)</b>
<b>Other comprehensive income, end of year</b>	<b>\$ 67,489</b>	<b>\$( 49,647)</b>

See accompanying Notes.

**COOPER MINERALS INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>Year ended November 30</b>	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM:</b>		
<b>Operating activities</b>		
Cash paid to suppliers	\$( 293,046)	\$( 189,619)
Interest received	38,623	154,003
Royalties received	150,000	-
	( 104,423)	( 35,616)
<b>Investing activities</b>		
Sale of equipment	-	68,000
Deposits	( 42,938)	( 150,000)
Mineral properties	( 1,402,260)	( 1,716,135)
	( 1,445,198)	( 1,798,135)
<b>Financing activities</b>		
Marketable securities	(1,150,000)	-
<b>(Decrease) in cash</b>	<b>( 2,699,621)</b>	<b>( 1,833,751)</b>
<b>Cash at beginning of year</b>	<b>3,689,956</b>	<b>5,523,707</b>
<b>Cash at end of year</b>	<b>\$ 990,335</b>	<b>\$ 3,689,956</b>
<b>Supplemental cash flow disclosure</b>		
The following non-cash transactions were recorded during the year ended:	<b>2009</b>	<b>2008</b>
<b>Investing activity</b>		
Shares issued for mineral property acquisition	\$ -	\$ 1,800,000

See accompanying Notes.

**COOPER MINERALS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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November 30

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## **1 Nature of business**

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The Company was incorporated under the Business Corporations Act (Yukon) on May 20, 1958. The Company changed its name from JNB Developments Co. Ltd. to Cooper Minerals Inc. on July 14, 2004 as the Company changed its business focus from investment and development of residential real estate properties to acquiring, exploring and developing mineral properties. The Company's shares are listed on the TSX Venture Exchange and the Frankfurt Stock Exchange.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. As at the end of November 30, 2009, the Company had a working capital of \$2,362,243.

The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or disposition thereof.

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## **2 Significant accounting policies**

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### **Principle of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Namura Finland Oy ("Namura"), (Incorporated under the laws of Finland), Cooper Minerals International (Barbados) Corp. ("CMIBC") and Cooper Minerals Holdings (Barbados) Corp., ("CMHBC"), both incorporated under the laws of Barbados. All significant inter-company balances and transactions are eliminated on consolidation. See Note 3 for details of the acquisition.

### **Foreign currency translation**

The Company's subsidiary is an integrated foreign operation and is translated into Canadian dollar equivalent using the temporal method. The monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date and non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the rates approximating those in effect at the time of the transaction. Exchange gains and losses arising on translation are included in the consolidated statement of comprehensive (loss).

### **Cash and cash equivalents**

Cash and cash equivalents represent cash on deposit and term deposits having terms to maturity of 180 days or less when acquired.

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**2 Significant accounting policies (continued)**

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**Mineral properties and deferred exploration and development expenditures**

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The recorded cost of mineral exploration interests is based on cash paid, the value of share consideration and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production or the proceeds from disposal.

Management evaluates each mineral interest on a reporting period basis or as changes in events and circumstances warrant, and makes a determination based on exploration activity and results, estimated future cash flows and availability of funding as to whether costs are capitalized or charged to operations. Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded. The Company defers all exploration costs relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the estimated reserves available on the related property following commencement of production or written-off to operations in the period related properties are abandoned.

The amounts shown for mineral properties and deferred exploration costs represent costs incurred to date, and do not necessarily represent present or future values which are entirely dependent upon the economic recovery from production or from disposal.

**Asset retirement obligation**

The Company has adopted the standard for "asset retirement obligation" as set out in the CICA Handbook section 3110. The standard requires the recognition and measurement of liabilities related to the legal obligation to abandon and reclaim property, plant and equipment upon acquisition, construction, development and/or normal use of the asset. The initial liability must be measured at fair value and subsequently adjusted for the accretion of discount and changes in the fair value. The asset retirement cost is capitalized as part of property, plant and equipment and depleted into earnings over time.

At November 30, 2009 and 2008, management has determined that there are no material asset retirement obligations to the Company.

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**2009**

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**2 Significant accounting policies (continued)**

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**Impairment of long lived assets**

The Company follows the recommendations of the CICA Handbook section 3063, "Impairment of Long Lived Assets". Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is an impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value, calculated using discounted cash flows when quoted market prices are not available.

**Property, plant and equipment**

Equipment is recorded at cost. Amortization of equipment is provided using the straight-line method over five (5) years. In the year of acquisition, only 50% of the amount is used.

**Earnings (loss) per share**

Basic earnings (loss) per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at their prevailing market rate.

**Use of estimates**

The preparation of the Company's 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses recognized during the reporting period. To these financial statements, the most significant application of estimates is in the assessment of the underlying value of mineral properties and assumptions for determining the fair value of stock-based payments. Actual results and values could differ from those estimates and these differences could have a material impact on the financial statements.

**Income taxes**

Income taxes are accounted for using the future income tax method. Under this method, income taxes are recognized for the estimated income taxes payable for the current year, and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are likely to be realized. Future income tax assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

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**2 Significant accounting policies (continued)**

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**Financial instruments**

Under Section 3251, Equity, Section 3855, Financial Instruments - Recognition and Measurement and Section 3861, Financial Instruments - Disclosure and Presentation, all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held to maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, de-recognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financial instruments will be expensed in the period incurred.

The Company has designated its cash as held-for-trading, which is measured at fair value. Marketable securities are classified as available for sale and are measured at fair value with changes in fair value recorded in other comprehensive income. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The Company does not have derivatives or embedded derivatives.

**Joint venture accounting**

Certain of the Company's mineral property exploration and development activities are conducted with others, and accordingly, the accounts reflect only the Company's proportionate interest in such activities.

**Stock-based compensation plans**

The Company accounts for stock-based compensation using the fair value method for all direct awards of stocks. The fair value of the options granted are estimated at the date of grant using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, and volatility factors of the expected life of the options. The fair value of direct awards of stock is determined by the quoted price of the Company's stock.

**Share issue costs**

Commissions paid to underwriters on the issue of the Company's shares are charged directly to share capital.

**Non-monetary consideration**

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up, is not readily determinable, the fair market value (as defined) of shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the management.

**COOPER MINERALS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**November 30**

**2009**

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**2 Significant accounting policies (continued)**

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**Changes in accounting policies:**

Effective December 1, 2008, the Company adopted new accounting policies of the Canadian Institute of Chartered Accountants (“CICA”) Handbook:

*Impairment of long-lived assets*

In March 2009, the Emerging Issues Committee (“EIC”) issued EIC-174 “Mining Exploration Costs”, which provides guidance on capitalization of exploration costs related to mineral properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long lived assets. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-174. The Company adopted this recommendation in its fair value determinations effective for the year ended November 30, 2009. This new standard did not impact the Company’s financial results in any period presented.

*Assessing going concern*

The Canadian Accounting Standards Board (“AcSB”) amended CICA Handbook Section 1400 “General Standards of Financial Statement Presentation”, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008 and has been adopted by the Company on December 1, 2008. This section relates to disclosures and did not have an impact on the Company’s financial results.

**Future accounting changes:**

*Business combinations, consolidated financial statements and non-controlling interests*

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-Controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning on or after December 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

**COOPER MINERALS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**2 Significant accounting policies (continued)**

**Future accounting changes: (continued)**

*International Financial Reporting Standards (“IFRS”)*

In 2006, the AcSB published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with International Financial Reporting Standards (“IFRS”) over an expected five year transitional period. In February 2009, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2010. While the Company has begun the process of assessing the adoption of IFRS for 2011, the financial reporting impact of the transition cannot be reasonably estimated at this time.

**Comparative figures**

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

<b>3 Accounts receivable</b>	<b>2009</b>	<b>2008</b>
Accrued interest	\$ 385	\$ 15,203
Royalties receivable	<b>100,000</b>	-
GST and VAT receivable	<b>5,666</b>	20,508
	<b>\$ 106,051</b>	\$ 35,711

<b>4 Marketable securities</b>	<b>2009</b>	<b>2008</b>
Marketable securities consist of shares held in publicly traded companies. Marketable securities are reported at their fair market value:		
Agricola Resources Plc. (“Agricola”) (see below)	\$ 15,745	\$ 16,109
Rochester Resources Ltd. (“Rochester”) (see below)	<b>1,267,500</b>	-
	<b>\$ 1,283,245</b>	\$ 16,109

*Agricola Resources Plc*

As part of a mineral property deal with Agricola, the Company acquired common shares of Agricola Resources Plc. a company listed on the Plus Stock Exchange in the United Kingdom, (the “Plus”) for a price of £0.03 per share. At the time of purchase the shares were listed on the Plus for £0.0194 per share. The excess of £.0106 per share was allocated to the cost of acquiring the 50% interest in the mineral property. The fair market value of the shares as at November 30, 2009 was \$15,745, 2008 (\$16,109).

**COOPER MINERALS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**4 Marketable securities (continued)**

*Rochester Resources Ltd.*

As part of a joint venture deal with Rochester, the Company acquired 6,500,000 common shares of Rochester, a company listed on the TSX Venture Exchange in Canada for a weighted average price of \$0.18 per share. The fair market value of the shares as at November 30, 2009 was \$1,267,500.

**5 Deferred acquisition costs**

Costs such as legal, accounting, due diligence, sponsorship and filing fees related to potential business and asset acquisitions are deferred and applied towards the cost of the acquisition when completed. Such costs are expensed if the potential acquisition is no longer considered viable by management.

**6 Property, plant and equipment**

	<b>2009</b>			2008
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	Net Book Value
Equipment	\$ 30,373	\$ 25,645	\$ 4,728	\$ 10,339

**7 Mineral properties**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge; title to all of its properties is in good standing.

	<b>Acquisition Costs</b>	<b>Exploration and Development Expenditures</b>	<b>Disposal and Abandonment</b>	<b>2009 Total</b>	2008 Total
Heron Lake Property (see details next page)	\$ 247,500	\$ -	\$ 247,500	\$ -	\$ 247,500
Contact Lake Property (see details next page)	5,630,732	2,613,474	5,976,637	2,267,569	8,234,513
Paukkajanvaara Uranium Property (see details page 16)	51,467	84,382	135,849	-	135,849
Finland Uranium Property (see details page 16)	2,455,600	788,192	-	3,243,792	3,189,288
Mina Real and Santa Fe Property (see details page 16)	1,488,063	-	-	1,488,063	-
	<b>\$ 9,873,362</b>	<b>\$ 3,486,048</b>	<b>\$ 6,359,986</b>	<b>\$ 6,999,424</b>	<b>\$ 11,807,150</b>

**COOPER MINERALS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**7 Mineral properties (continued)**

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**Heron Lake Property**

By agreement dated September 16, 2005, the Company acquired a 100% interest in the Heron Lake Uranium Property entailing approximately 3,357 acres located 270 kilometres southwest of Yellowknife in the Northwest Territories. Upon commencement of commercial production, the optionor will be entitled to a net smelter royalty of 2% on all minerals. The optionees can buy down to a 1% net smelter royalty at a cost of \$1,000,000. The purchase price of \$232,500 was paid by issuance of 1,550,000 shares of the Company and payment of \$15,000 cash. Included in the purchase price are 150,000 shares issued for finder's fees.

The Heron Lake Property was abandoned during the year ended November 30, 2009 and all related acquisition and deferred exploration costs in the amount of \$247,500 have been written off.

**Contact Lake Property**

By agreement dated October 4, 2005, the Company acquired a 100% interest in the Contact Lake Property entailing approximately 74,505 acres located 423 kilometres north of Yellowknife in the Northwest Territories. Upon commencement of commercial production, the optionor will be entitled to a net smelter royalty of 2% on all minerals. The Company can buy down to a 1% net smelter royalty at a cost of \$2,000,000. Included in the purchase price are 208,594 shares issued for finder's fees.

By agreement dated March 12, 2008, the Company acquired a 100% interest in the Contact Lake Property entailing approximately 98,801 acres located 423 kilometres north of Yellowknife in the Northwest Territories and adjacent to the above claim. Upon commencement of commercial production, the optionor will be entitled to a net smelter royalty of 2.5% on all minerals. The Company can buy down to a 1.5% net smelter royalty at a cost of \$2,000,000. Included in the purchase price are 223,529 shares issued for finder's fees.

By agreement dated November 12, 2008, the Company acquired a 100% interest in the Contact Lake Property entailing 131 claims and covering approximately 306,027 acres located 423 kilometres north of Yellowknife, Northwest Territories. This property is adjacent to the two properties already held by the Company. Upon commencement of commercial production, the Vendor will be entitled to a net smelter royalty of 2.5% on all minerals. The Company can buy down to a 1.5% net smelter royalty at a cost of \$2,000,000. The deal was closed on December 3, 2009.

During the year ended November 30, 2009, the Company abandoned 176 claims covering an area of 404,828 acres and did not renew the licences for these areas. \$5,976,637 of acquisition and deferred exploration costs associated with these claims have been written off.

As at November 30, 2009 the Company had 50 claims covering a total of 74,505 acres in the Contact Lake area.

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**7 Mineral properties (continued)**

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**Paukkajanvaara Uranium Property**

By agreement dated February 14, 2005, the Company entered into an option agreement with Agricola Resources Plc. ("Agricola") of the United Kingdom to acquire an undivided 50% interest in the Paukkajanvaara Uranium Property located in Paukkajanvaara, Kauhee claim area, Joensuu District, in Eastern Finland. Consideration is a commitment by the Company to spend \$500,000 in exploration expenditures on the property over two years and the Company's commitment to subscribe to 1,650,000 ordinary shares of Agricola at a subscription price of £0.03 per share. Since the shares of Agricola were trading at £0.0194 at the time of purchase, the excess amount of £0.0106 was allocated to the purchase price of the mineral property.

Under the agreement, the Company is to also contribute in equal shares to the cost of converting the property to full exploration licence in May 2008 (such cost being estimated to be €100,000 in aggregate). As of November 30, 2009 the Company had spent \$84,382 towards exploration of the property.

The Paukkajanvaara Uranium Property was abandoned during the year ended November 30, 2009 and all related acquisition and deferred exploration costs in the amount of \$135,849 have been written off.

**Finland Uranium Property**

By agreement dated July 25, 2006, the Company acquired on January 2, 2007, 100% of the outstanding shares of Namura. As consideration, the Company issued 6,000,000 common shares of the company at a deemed price of \$0.32 per share and paid \$335,000 in cash. The cost of due diligence paid in cash of \$151,118 was also added to the cost of this purchase. The shares issued were restricted so that they may not be traded before May 3, 2007.

Namura is the beneficial holder of 33 mineral claim reservations (an "MCR") over 27 known uranium occurrences located in central and southern Finland. Each of the properties is subject to a 3% net smelter return royalty. The Company has the right to reduce the royalty to 1.5% on all the properties by paying \$3,000,000 to the vendors.

**Mina Real and Santa Fe Property**

Pursuant to an Agreement dated November 20, 2008 and an Amendment Agreement dated January 16, 2009, the Company entered into a Joint Venture Agreement with Rochester Resources Ltd. ("Rochester") to acquire an undivided 10% equity interest in the capital stock of Mina Real Mexico S.A. de C.V. ("Mina Real"), a private company incorporated in Mexico which is wholly owned by Rochester. Mina Real currently holds certain mining concessions and claims covering 20,662.42 hectares (the "Mina Real Property") located in Tepic, Mexico. In addition, Mina Real holds a 70% equity interest in Compania Minera Santa Fe S.A. De C.V. ("Santa Fe") which holds certain mining concessions and claims (the "Santa Fe Property") located in Tepic, Mexico. Under the Agreement, the Company made a cash payment of \$1,475,000 to Rochester and subscribed for 3,500,000 common shares of Rochester at a price of \$0.15 per common share for a cost of \$525,000.

As part of this Agreement, the Company will receive a gross overriding advance royalty payment of \$25,000 per month free and clear of any and all costs or expenses of every kind and nature whatsoever, incurred in connection with the operation of the Mina Real Property. The gross overriding advance royalty payment may be credited against the Company's 10% share of the net profit of the Mina Real Property and Santa Fe Property. However, the payment is not dependent on the profitability of the properties and shall be payable even if the properties do not generate any profit.

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**7 Mineral properties (continued)**

Under the Joint Venture Agreement, Rochester has an option to re-acquire the 10% interest in Mina Real from the Company (the "Back-In Option"). The Back-In Option has a term of three years commencing on December 22, 2008 and may be exercised by Rochester as follows:

- (i) If exercised during the second year of the term, by payment of \$2,075,000 cash to the Company; and,
- (ii) If exercised during the third year of the term, by payment of \$2,000,000 in cash to the Company.

The Back-In Option shall not be exercised during the first year of the term.

The Company and Rochester are related by way of sharing certain common directors.

**8 Share capital**

**a) Authorized:**

Unlimited common shares without par value

**b) Issued and outstanding:**

	Shares	2009 Amount	Shares	2008 Amount
Balance, beginning of year	44,019,220	\$ 28,764,788	40,019,220	\$ 26,964,788
Issued for property (Note 7)	-	-	4,000,000	1,800,000
Balance, end of year	44,019,220	\$ 28,764,788	44,019,220	\$ 28,764,788

**c) Warrants**

	Number of Warrants	2009 Weighted Average Exercise Price	Number of Warrants	2008 Weighted Average Exercise Price
Balance, beginning of year	-	\$ -	11,350,000	\$ 0.52
Warrants expired	-	-	( 11,350,000)	0.52
Outstanding and exercisable, end of year	-	\$ -	-	\$ -

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**8 Share capital (continued)**

**d) Options**

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the current issued and outstanding common shares. Options granted under the Plan may have a maximum term of (5) five years. The exercise price of options granted under the Plan will not be less than the discounted market price as calculated and defined in accordance with the policies of the TSX Venture Exchange. Stock options granted under the Plan are subject to a (4) four month hold period from the date the options are granted in addition to any other restrictions which may be imposed at the discretion of the Directors.

	<b>2009</b>		2008	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	<b>3,330,000</b>	<b>\$ 0.30 - \$0.80</b>	3,580,000	\$ 0.30 - \$0.80
Options expired	( 300,000)	<b>0.39</b>	( 250,000)	0.50
Outstanding and exercisable, end of year	<b>3,030,000</b>	<b>\$ 0.30 - \$0.80</b>	3,330,000	\$ 0.30 - \$0.80

The following summarizes the stock options outstanding and exercisable at November 30, 2009:

	<b>Exercise Price</b>	<b>Outstanding and Exercisable at November 30, 2009</b>	<b>Expiry Date</b>
	\$ 0.60	700,000	June 28, 2010
	0.60	200,000	July 13, 2010
	0.30	430,000	October 3, 2010
	0.53	400,000	March 29, 2011
	0.46	600,000	August 2, 2011
	0.80	700,000	November 13, 2012
	\$ 0.42	3,030,000	

**COOPER MINERALS INC.**  
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**9 Related party transactions**

The following amounts were paid or accrued to directors or companies controlled by directors or officers of the Company for services provided during the years ended November 30, 2009 and 2008.

- a) Professional fees of \$30,000 (2008 - \$30,000) were incurred for accounting services provided by a company owned by one of the directors of the Company.
- b) Consulting fees of \$60,000 (2008 - \$60,000) were paid to a company owned by one of the directors of the Company.
- c) Rental fees of \$18,000 (2008 - \$15,000) were paid to a company owned by one of the directors of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

<b>10 Income taxes</b>	<b>2009</b>	<b>2008</b>
A reconciliation of the statutory income tax rate to the effective rate for the Company is as follows:		
Loss before income tax	\$( 6,239,814)	\$( 292,108)
Expected income tax recovery	( 1,871,957)	( 105,158)
Non-capital losses	( 14,725)	-
Non-deductible items	1,923,177	35,298
Deductible items	( 36,495)	( 3,924)
Realization adjustment	-	73,784
Income taxes	\$ -	\$ -

The significant components of the Company's future income tax assets (liabilities) are as follows:

Future income tax assets (liabilities)	<b>2009</b>	<b>2008</b>
Capital loss carry-forwards	\$ 924,811	\$ 1,109,758
Non-capital loss carry-forwards	549,652	871,534
Equipment	7,694	7,212
Mineral properties and deferred exploration costs	2,600,434	3,116,988
Financing costs	1,355	3,252
	<b>4,083,946</b>	<b>5,108,744</b>
Valuation allowance	<b>4,083,946</b>	<b>5,108,744</b>
Total future income tax assets	\$ -	\$ -

**COOPER MINERALS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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<b>November 30</b>	<b>2009</b>
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<b>10 Income taxes (continued)</b>	<b>2009</b>	2008
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Future income tax benefits which may arise as a result of these losses have not been recognized in these financial statements as their realization is uncertain.

The Company has approximately \$1,832,161 of non-capital losses available for income tax purposes to reduce taxable income of future years. These non-capital losses will expire commencing in 2010 through to 2029.

The Company has approximately \$6,165,365 of capital losses carried forward for income tax purposes to reduce capital gains of future years. These capital losses can be carried forward indefinitely.

In addition, the Company has available mineral resource related expenditure pools totalling approximately \$8,668,055 which may be deducted against future taxable income on a discretionary basis.

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## **11 Financial instruments and risk management**

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Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and equivalents, marketable securities, receivables, accounts payable and accrued liabilities and loan payable approximate their fair value because of the short-term nature of these instruments.

### **Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of November 30, 2009 and 2008, the Company had cash and equivalents balances of \$990,335 and \$3,689,965 to settle current liabilities of \$60,326 and \$168,746, respectively. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

#### *Market risk*

Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of resources. The Company does not currently hold any financial instruments that mitigate this risk.

#### *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of November 30, 2009, the Company had \$851,473 investments in an investment-grade banker's acceptance.

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**2009**

**11 Financial instruments and risk management (continued)**

*Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in European Dollars (Euro). Amounts exposed to foreign currency risk include cash of \$22,633(Euro) as of November 30, 2009.

**12 Capital management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mining property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties, if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. During the year ended November 30, 2009, the Company was not subject to externally imposed capital requirements.

**13 Segmented information**

**2009**

2008

The Company operates in one industry segment, but has assets in other geographical locations. Breakdown of assets by geographical areas is as follows:

Canada	\$ <b>4,668,192</b>	\$ 12,473,525
Finland	<b>3,270,466</b>	3,242,104
Mexico	<b>1,488,063</b>	-
	<b>\$ 9,426,721</b>	\$ 15,715,629