

**MAXTECH VENTURES INC.**

**Consolidated Financial Statements**

**July 31, 2010  
and  
July 31, 2009**

(An exploration stage company)

Maxtech Ventures Inc.  
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## AUDITORS' REPORT

To the Shareholders of Maxtech Ventures Inc.

We have audited the consolidated balance sheets of Maxtech Ventures Inc. as at July 31, 2010 and 2009 and the consolidated statements of operations, comprehensive income and deficit, shareholders' equity and cash flows for each of 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 audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2010 and 2009 and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

*De Visser Gray LLP*

CHARTERED ACCOUNTANTS

Vancouver, British Columbia  
November 23, 2010

**MAXTECH VENTURES INC.**  
**CONSOLIDATED BALANCE SHEETS**

(stated in Canadian dollars)

As at July 31,

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 103,250	\$ 32,222
Short term investments (Note 3)	5,022,032	2,481,075
Marketable securities (Note 4)	250,000	212,500
Amounts receivable	4,480	15,356
Prepaid	11,672	10,500
Loan receivable (Note 5)	-	2,526,792
	5,391,434	5,278,445
Long term investments (Note 6)	1	1
Equipment (Note 7)	8,133	10,166
Resource property interests (Note 8)	931,530	929,530
	\$ 6,331,098	\$ 6,218,142
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 15,252	\$ 15,272
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	8,130,000	8,130,000
Contributed surplus (Note 10)	5,349,127	5,349,127
Accumulated other comprehensive income (Note 4)	137,500	100,000
Deficit	(7,300,781)	(7,376,257)
	6,315,846	6,202,870
	\$ 6,331,098	\$ 6,218,142
<b>Nature of operations (Note 1)</b>		
<b>Subsequent events (Note 16)</b>		

Approved by the Board of Directors:

*"Thomas R. Tough"*  
Thomas R. Tough, Director

*"Thomas Kennedy"*  
Thomas Kennedy, Director

**MAXTECH VENTURES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND DEFICIT**  
(stated in Canadian dollars)  
For the years ended July 31,

	<b>2010</b>	<b>2009</b>
<b>Expenses</b>		
Amortization	\$ 2,033	\$ 2,542
Consulting	58,339	41,625
Management fees	-	22,500
Office facilities and administrative services	62,477	94,362
Professional fees	25,686	85,878
Property investigation	-	1,316
Shareholder information and printing	591	2,246
Stock-based compensation	-	197,784
Transfer agent, filing and stock exchange fees	15,631	12,921
Travel and promotion	14,654	5,138
	<u>(179,411)</u>	<u>(466,312)</u>
<b>Other items</b>		
Interest income	180,227	75,542
Interest on loan receivable	-	101,792
Loan fee income	75,000	37,500
Write-off of accounts payable	-	75,419
Impairment of resource property interest	-	(150,000)
Gain (loss) on foreign exchange	(340)	516,981
	<u>254,887</u>	<u>657,234</u>
<b>Net income for the year</b>	<u>\$ 75,476</u>	<u>\$ 190,922</u>
<b>Other comprehensive income</b>		
Unrealized gain on marketable securities	37,500	100,000
<b>Comprehensive income for the year</b>	<u>\$ 112,976</u>	<u>\$ 290,922</u>
<b>Net income for the year</b>	75,476	190,922
<b>Deficit, beginning of the year</b>	(7,376,257)	(7,567,179)
<b>Deficit, end of the year</b>	<u>\$ (7,300,781)</u>	<u>\$ (7,376,257)</u>
<b>Basic and diluted earnings per share</b>	<u>0.01</u>	<u>0.01</u>
<b>Weighted average number of common shares outstanding</b>	<u>33,649,002</u>	<u>33,649,002</u>

**MAXTECH VENTURES INC.  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

Issued and outstanding:	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
<b>BALANCE AS AT JULY 31, 2008</b>	<b>33,649,002</b>	<b>\$ 8,130,000</b>	<b>\$ 5,151,343</b>	<b>\$ -</b>	<b>\$ (7,567,179)</b>	<b>\$ 5,714,164</b>
Stock-based compensation (Note 10)	-	-	197,784	-	-	197,784
Net income for the year	-	-	-	-	190,922	190,922
Unrealized gain on marketable securities (Note 4)	-	-	-	100,000	-	100,000
<b>BALANCE AS AT JULY 31, 2009</b>	<b>33,649,002</b>	<b>8,130,000</b>	<b>5,349,127</b>	<b>100,000</b>	<b>(7,376,257)</b>	<b>6,202,870</b>
Net income for the year	-	-	-	-	75,476	75,476
Unrealized gain on marketable securities (Note 4)	-	-	-	37,500	-	37,500
<b>BALANCE AS AT JULY 31, 2010</b>	<b>33,649,002</b>	<b>\$ 8,130,000</b>	<b>\$ 5,349,127</b>	<b>\$ 137,500</b>	<b>\$ (7,300,781)</b>	<b>\$ 6,315,846</b>

The total of deficit and accumulated other comprehensive income at July 31, 2010 was (\$7,163,281) (July 31, 2009 – (\$7,276,257))

**MAXTECH VENTURES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**For the years ended July 31,**  
(stated in Canadian dollars)

	<b>2010</b>	<b>2009</b>
<b>Cash provided by (used for):</b>		
<b>Operating Activities</b>		
Net income for the year	\$ 75,476	\$ 190,922
Adjustments for non-cash items:		
Accrued interest	(22,031)	(157,867)
Amortization	2,033	2,542
Stock-based compensation	-	197,784
Gain on marketable securities	-	(112,500)
Deferred loan fee	-	75,000
Impairment of unproven mineral properties	-	150,000
Write-off of accounts payable	-	(75,419)
	55,478	270,462
<b>Changes in non-cash operating accounts</b>		
Amounts receivable	10,876	(5,419)
Prepaid expenses	(1,172)	(10,500)
Accounts payable and accrued liabilities	(20)	(50,493)
	65,162	204,050
<b>Investing Activities</b>		
Term deposit	(2,518,926)	(2,425,000)
Loan receivable	2,526,792	(2,500,000)
Deferred exploration costs	(2,000)	(211,279)
	5,866	(5,136,279)
Net increase (decrease) in cash	71,028	(4,932,229)
<b>Cash</b> , beginning of the year	32,222	4,964,451
<b>Cash</b> , end of the year	\$ 103,250	\$ 32,222
 <b>Supplementary disclosure of non-cash investing and financing activities</b>		
Interest received	\$ 180,227	\$ -
Marketable securities received as partial consideration on the issuance of short term loan	\$ -	\$ 112,500

**MAXTECH VENTURES INC.**  
Notes to the Consolidated Financial Statements  
For the years ended July 31, 2010 and 2009  
(stated in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Maxtech Ventures Inc. (the "Company") is a development stage company and is primarily engaged in the acquisition, exploration and development of mineral resource properties.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or the realization of proceeds from the disposition of an interest or interests.

Current economic conditions have limited the Company's ability to access financing through equity markets and this has created significant uncertainty as to the Company's ability to fund ongoing operations for the next operating period. In a response to conserve capital the Company has significantly curtailed operations. See Note 15 for further discussion on the Company's conservation and management of capital.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue in the normal course of business.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of presentation and principles of consolidation***

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. Realization values may be substantially different from carrying values as presented in the financial statements should the Company be unable to continue as a going concern.

The consolidated financial statements include the accounts of the Company and its subsidiaries Max Oil and Gas Corporation (100% owned), PT Muba Max Gas (75% owned) and MaxTech Resources Private Limited (100% owned).

***Resource property interests***

Mineral right acquisition costs and their related exploration costs are deferred until the rights are placed into production or disposed of. These costs will be amortized over the estimated useful life of the rights following the commencement of production, or written-off if the rights are disposed of.

Cost includes the cash consideration and the fair market value of shares issued on acquisition of mineral rights. Rights acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from options granted are netted against the cost of the related mineral rights and any excess is applied to operations.

The Company reviews capitalized costs on its mineral rights on a periodic basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the rights or from the sale of the rights. Management's assessment of the right's estimated current fair market value is also based upon a review of other similar mineral rights transactions that have occurred in the same geographic area as that of the rights under review.

**MAXTECH VENTURES INC.**  
Notes to the Consolidated Financial Statements  
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(stated in Canadian dollars)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property investigation costs***

Costs incurred for the initial review of mineral property prospects, where no interests are acquired within the area of investigation, are written off in the period incurred.

***Asset retirement obligations***

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred and when a reasonable estimate of the fair value can be made based on expected future cash outflows discounted to present value.

The associated asset retirement costs are capitalized as part of the carrying amount of long lived assets. The liability is accreted over the estimated time period until settlement of the obligation and the asset is depreciated over its estimated remaining useful life. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease in the carrying amount of the liability and the related capitalized asset retirement cost.

***Impairment of long-lived assets***

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount of the asset exceeds its estimated undiscounted net cash flow from use and fair value. In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings.

***Foreign Currency Translation***

The financial statements are presented in Canadian dollars. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalent using foreign exchange rates at the balance sheet dates. Non-monetary items are translated at historical exchange rates. Revenues and expenses are translated using average rates of exchange during the year. Exchange gains or losses arising from currency translation are included in the determination of net income.

***Cash equivalents***

Cash equivalents consist of highly liquid investments with maturity dates of less than three months that are readily convertible into known amounts of cash. Interest earned is recognized immediately in operations.

***Use of estimates***

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from these estimates.

***Equipment***

Equipment is carried at cost less accumulated amortization. Amortization is calculated using the declining balance method at the following annual rate: Office and field equipment – 20%. In the year of acquisition, amortization is recorded at one-half the normal rate.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### ***Earnings (loss) per share***

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding.

The Company uses the treasury stock method for computing diluted earnings (loss) per share. This method assumes that any proceeds obtained upon exercise of options or warrants would be used to purchase common shares at the average market price during the period.

Diluted earnings (loss) per share are equal to basic earnings (loss) per share as the effect of applying the treasury stock method is insignificant.

### ***Share capital***

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the TSX Venture Exchange.

### ***Stock-based compensation***

The Company accounts for stock options granted to directors, officers, employees and non-employees using the fair value method of accounting. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting periods. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

The proceeds received by the Company on the exercise of options are credited to share capital.

### ***Environmental expenditures***

The operations of the Company have been and may in the future, be affected in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly from country to country and are not predictable. Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against operations as incurred or capitalized and amortized depending on their expected future economic benefit. Estimated future removal and site restoration costs are recognized when the ultimate liability is reasonably determinable, and are charged against operations over the estimated remaining life of the related business operations, net of expected recoveries.

### ***Comprehensive income***

Comprehensive income is the overall change in the net assets of the Company for the period, other than changes attributed to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which Canadian generally accepted accounting principles requires to be recognized in a period but excluded from net income for that period.

### ***Income taxes***

Income taxes are accounted for using the liability 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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### ***Financial instruments***

The Company classifies its financial instruments into one of the following categories: held-to-maturity investments, loans and receivables, available-for-sale, held for trading or other financial liabilities. The Company has designated its cash and short-term investments as held-for-trading, marketable securities as available-for-sale, amounts receivable as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend upon initial classification as follows: held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Transactions costs that are directly attributable to the acquisition or issue of financial instruments and that are classified as other than held-for-trading, are expensed as incurred and included in the initial carrying value of such instruments.

### ***Comparative figures***

Certain comparative figures have been reclassified to conform to the current year's presentation.

### ***Adoption of New Accounting Standard***

#### ***Financial Instrument Disclosure***

In May 2009, the CICA amended Section 3862, Financial instruments- Disclosures to include additional disclosure requirements about the fair market value measurements for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The required disclosure is in Note 14.

#### ***Goodwill and Intangible Assets (CICA Section 3064)***

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace Section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relation to fiscal years beginning on or after October 1, 2008 and therefore the Company has implemented it as of August 1, 2009. The adoption of this statement did not have an impact on the consolidated financial statements.

**MAXTECH VENTURES INC.**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accounting standards not yet adopted***

*Internal Financial Reporting Standard (“IFRS”)*

In 2006, The Canadian Accounting Standard Board “AcSB” published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expect five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, although early adoption may be permitted. Due to the Company’s July 31 fiscal year, the transition date for the Company is August 1, 2011. Therefore, the IFRS adoption will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. The Company is currently in the process of establishing a steering committee, developing a formal project plan, allocating internal resources and engaging expert consultants to monitor the transition from Canadian GAAP to IFRS reporting.

*Business combination, Consolidated Financial Statements and None-controlling Interest*

For interim and annual financial statements relating to its fiscal year commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 “Business Combinations”, Section 1601 “Consolidated Financial Statements” and Section 1602 “None-Controlling Interests”. Section 1582 replaces existing Section 1581 “Business Combinations”, and section 1601 and 1602 together replace Section 1600 “Consolidated Financial Statements”. The adoption of Section 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 “Business Combinations” and International Accounting Standard IAS 27 “Consolidated and Separate Financial Statements” respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

**3. SHORT TERM INVESTMENTS**

Short term investments consists of highly liquid investments, including guaranteed investment certificates with major financial institutions, having a maturity of 12 months or less at acquisition and that are readily convertible to contracted amounts of cash.

**4. MARKETABLE SECURITIES**

	Cost	Carrying Value	Market Value	2010 Unrealized Gain (Loss)
<b>Available for sale</b>				
Abacus Mining & Exploration Corp. – 1,250,000 shares	\$112,500	\$ 250,000	\$ 250,000	\$ 37,500

On April 1, 2009 Maxtech Venture Inc. received 1,250,000 shares of Abacus Mining and Exploration Corp (“Abacus”) as partial consideration for the loan (see Note 5). The shares were recorded at the fair value of \$112,500.

At July 31, 2009, the fair value of the Abacus shares was \$212,500. Consequently, Maxtech recorded other comprehensive income of \$100,000.

At July 31, 2010, the fair value of the Abacus shares was \$250,000. Consequently, Maxtech recorded other comprehensive income of \$37,500.

**MAXTECH VENTURES INC.**  
Notes to the Consolidated Financial Statements  
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**5. LOAN RECEIVABLE**

In March 2009, the Company entered into a secured loan agreement (the "Loan Agreement") with Abacus Mining and Exploration Corp. ("Abacus") in the aggregate amount of \$2,500,000. Under the terms of the Loan Agreement, Abacus shall pay the principal and interest due on the loan no later than twelve months from the date of advance of the loan subject to the right of Abacus to prepay the loan, in whole or in part, at any time after six months, without further interest or penalty. Interest on the loan accrues at the rate of twelve percent per annum, compounded monthly.

The Loan is secured, inter alia, by a first-ranking security interest in Abacus' expected 2007 and 2008 Mineral Exploration Tax Credits receivables from the British Columbia government, and a general security agreement covering all present and after acquired personal property of Abacus.

On April 1, 2009, the Company received 1,250,000 shares of Abacus as partial consideration for the loan. The shares were recorded at their fair value of \$112,500 and was reported by the Company as a loan fee and included in income.

On October 6, 2009, Abacus paid the Company \$605,117 towards the outstanding loan amount.

On February 19, 2010, Abacus paid the Company \$2,147,460, repaying the total outstanding loan amount and the interest.

**6. LONG TERM INVESTMENT**

On October 22, 2007 the Company entered into a subscription agreement with Societe Miniere Genevieve-Haiti, S.A. ("SGH"), a Haitian private company, to purchase 320,000 SGH common shares at \$12.50 US per share for a total investment of US \$4,000,000. SGH holds a number of advanced-stage exploration properties in Haiti which require additional expenditures to further explore and develop the properties. The Company, in order to earn an interest in the projects, has agreed to provide the necessary funding for this development through the purchase of common shares of SGH. The Company purchased 24,160 SGH common shares for US \$302,000 during the year ended July 31, 2008.

The Company did not receive the 24,160 shares from SGH and decided to not continue with its investment and to instead pursue the recovery of the advances paid. At July 31, 2008, the Company wrote down its investment of US \$302,000 to a nominal amount due to the uncertainty surrounding its recovery. SGH then underwent a name change to SOMINE, S.A.

Subsequent to July 31, 2010, the Company entered into an agreement with Simact Mining Holding Inc. ("SMHI") pursuant to which SMHI will transfer 1,413,000 shares of Majescor Resources Inc. ("MJX") to the Company on behalf of SOMAINE, S.A. for reimbursement of the US \$302,000 investment in SOMAINE, S.A. Any amounts recovered will be recorded when the MJX common shares are received.

**7. EQUIPMENT**

	Cost	Accumulated Amortization	July 31, 2010 Net Book Value	July 31, 2009 Net Book Value
Field equipment	15,000	8,088	6,912	8,640
Office equipment	2,650	1,429	1,221	1,526
	\$17,650	\$ 9,517	\$ 8,133	\$ 10,166

**MAXTECH VENTURES INC.**  
Notes to the Consolidated Financial Statements  
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(stated in Canadian dollars)

**8. RESOURCE PROPERTY INTERESTS**

	Ariane &			Total
	Guercheville	Julia	Other	
Total as at July 31, 2008	\$ 440,831	\$ 281,134	\$ 150,000	\$ 871,965
Land acquisition & holding costs	-	-	-	-
Analytical/assays	-	-	-	-
Geologist and geophysics	203,249	-	-	203,249
Land administration	-	4,316	-	4,316
Total expenditures	203,249	4,316	-	207,565
Property write-offs	-	-	(150,000)	(150,000)
Total as at July 31, 2009	\$ 644,080	\$ 285,450	\$ -	\$ 929,530
Land acquisition & holding costs				
Analytical/assays	-	2,000	-	2,000
Geologist and geophysics	-	-	-	-
Land administration	-	-	-	-
Total expenditures	-	2,000	-	2,000
Property write-offs	-	-	-	-
Total as at July 31, 2010	\$ 644,080	\$ 287,450	\$ -	\$ 931,530

***Ariane & Guercheville***

By an Option agreement dated March 5, 2007, the Company may acquire a 100% interest in two prospective gold properties consisting of 40 mineral claims totaling approximately 2,300 acres in the Abitibi region of Quebec for consideration of:

- Cash payment of \$45,000 for each property (\$90,000 total paid); and
- Undertaking the drilling of at least three holes on each property (incomplete)

For each property upon which an economic discovery is made, a bonus of \$70,000 in the Company's common shares and a 2% NSR will be issued to the vendor. The Company can acquire 1% of the NSR for \$1 million.

In 2010, the Company spent \$nil (2009- \$203,249) of expenditures on the properties, and all the claims are in good standing during the year ended July 31, 2010.

Subsequent to July 31, 2010, by an option agreement dated October 20, 2010, the Company has been granted the sole and exclusive right and option to acquire an undivided 100% interest in the original Ariane and Guercheville properties mentioned above along with a further right and option to acquire an undivided 100% interest in additional mineral claims that were added to both properties. The Company will earn an undivided 100% interest in both properties for consideration of completing NI43-101 reports (incomplete) on each property for the cost of \$67,500 (paid).

## **8. RESOURCE PROPERTY INTERESTS (Continued)**

### ***Julia***

By an Option agreement dated November 30, 2005 and amended September 7, 2006, the Company has acquired a 50% interest, subject to a 2% NSR, in a property consisting of 7 mineral claims totaling approximately 2,300 hectares in the Atlin Mining Division of British Columbia for consideration of:

- Cash payment of \$5,000 on signing (paid);
- Cash payment of \$20,000 on decision to proceed with the second program (paid); and
- Incurring \$150,000 in exploration expenditures on or before November 1, 2007 (completed).
- A total of \$250,000 was spent on the exploration program initiated. (paid)

The Company can acquire 1% of the NSR for \$1 million.

The Company incurred expenditures of \$2,000 (2009- \$4,316) on the property during the year ended July 31, 2010, and all the claims are in good standing as of July 31, 2010. Subsequent to July 31, 2010, the expiry date of all the claims was extended to October 30, 2017, and an additional \$76,272 (paid) was spent on geochemical and geophysical surveys.

### ***Maple***

By an Option agreement dated September 4, 2007, the Company may acquire an 80% interest, subject to a 2% NSR, in a property covering 253 square kilometres located 15 kilometres south of the town of La Vega in the central part of the Dominican Republic. The Company can earn its interest for consideration of incurring \$2,000,000 US in exploration expenditures over the first three years and \$150,000 in cash payments (\$75,714 paid).

In 2009, the property was written off. The Company has no further obligations in respond to it. The Company wrote off \$150,000 during the 2009 fiscal year and also wrote off \$74,286 owed to the property vendor as part of the \$150,000 cash payment required to be paid to the vendor at the time of acquisition.

### ***S.E Guinea***

On September 28, 2009, the Company entered into an Option Agreement with Soprex Mines/Hunter Mining Guinea "SM.HM Guinea" SARL, a company registered in Conakry, Guinea. Under the agreement, Maxtech can earn up an undivided 70% interest in a uranium concession and an iron concession located in S.E. Guinea. The Company is required to spend a total of CAD\$1,000,000 on exploration over a period of four years commencing no later than March 1, 2010 (incomplete). The Company is required to make cash payments totaling CAD\$100,000 over the next two years in equal payments of CAD\$25,000 commencing 28 days after signing a formal agreement (unpaid). During the year, the Company decided not to renew the Option Agreement.

### ***Lalitpur District, India***

In March 2010, the Company's wholly owned subsidiary, Maxtech Resources Private Limited ("MRPL"), was granted a Reconnaissance Permit in the Lalitpur District, Uttar Pradesh (U.P.) India to explore for platinum group minerals and gold mineralization.

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**9. SHARE CAPITAL**

The authorized share capital of the Company consists of 100,000,000 common shares without par value.

The Company's issued and outstanding share capital is as follows:

	Shares	Amount
Balance, July 31, 2010 and 2009	33,649,002	\$ 8,130,000

**Stock 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 6,116,000. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the TSX Venture Exchange (the "Exchange") on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies, subject to a minimum of \$0.10 per common share. Stock options granted under the Plan vest over a period of 18 months from the date of grant and vesting of the options shall occur equally every six months.

During the year, the Company cancelled a total of 4,791,000 stock options.

A summary of the status of the Company's outstanding stock options as at July 31, 2010 and 2009 and changes during the periods then ended are as follows:

	2010			2009		
	# Shares	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	# Shares	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
Outstanding, beginning of year	4,791,000	\$ 1.60	1.48	5,406,000	\$ 1.67	3.50
Granted	-	-	-	-	-	-
Exercised/ cancelled	(4,791,000)	-	-	(615,000)	\$ 3.00	-
Outstanding, end of year	-	\$ -	-	4,791,000	\$ 1.60	1.48

The company has no outstanding stock options for the year ending July 31, 2010. (2009 - 4,791,000)

The company has no outstanding warrants for the years ending July 31, 2010 and 2009.

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**10. CONTRIBUTED SURPLUS**

	July 31, 2010	July 31 2009
Balance, beginning of year	\$ 5,349,127	\$ 5,151,343
Additions		
Stock-based compensation	-	197,784
Balance, end of year	\$ 5,349,127	\$ 5,349,127

**Stock-based compensation**

Stock-based compensation has been recorded in the amount of \$nil (2009 - \$197,784). The amount is management's estimate of the fair value of the stock options vested in the year, and has been expensed in the statement of operations. No stock options were vested this fiscal year, thus there are no stock-based compensation expense.

The above 2009 fair value amounts were calculated during the 2007 year using the Black Scholes option pricing model using the following current assumptions:

Risk free interest rate	3.99% to 4.15%
Expected life	2.5 to 5 years
Expected volatility	85% to 87%
Dividend yield	0%

There were no stock options granted in 2010 or 2009.

**11. RELATED PARTY TRANSACTIONS**

During the year ended July 31, 2010 the Company paid \$3,775 (2009 - \$Nil) for consulting services provided by a company controlled by an officer of the Company. As at July 31, 2010, \$Nil (2009 - \$Nil) was receivable from this company.

Payments to related parties are made in normal course of operations and were valued at fair value as determined by management. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

**MAXTECH VENTURES INC.**  
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**12. INCOME TAXES**

A reconciliation of income taxes at statutory rates is as follows:

	<u>2010</u>	<u>2009</u>
Net income for the year	\$ 75,476	\$ 190,923
Expected income tax expense	21,510	57,277
Net adjustment for current year non-deductible amounts	(16,389)	87,636
Recognized benefits of non-capital losses	<u>(5,121)</u>	<u>(144,913)</u>
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2010</u>	<u>2009</u>
Future income tax assets:		
Mineral properties and equipment	\$ (147,965)	\$ (154,412)
Unamortized share issuance costs	14,901	15,496
Non-capital loss carry forwards	<u>176,250</u>	<u>283,660</u>
Future income tax assets:	43,186	144,744
Valuation allowance	<u>(43,186)</u>	<u>(144,744)</u>
	<u>\$ -</u>	<u>\$ -</u>

As at July 31, 2010, the company has accumulated non capital losses for Canadian income tax purposes totalling approximately \$1.0 million. The losses expire in the following periods:

Year of Origin	Year of Expiry	Non Capital Losses
2005	2015	\$ 149,000
2006	2026	230,000
2007	2027	90,000
2008	2028	<u>602,000</u>
		<u>\$ 1,071,000</u>

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**13. FINANCIAL INSTRUMENTS**

**Carrying Amounts and Fair Values of Financial Instruments**

The fair value of a financial instrument is the price at which a party would accept the right and/or obligations of the financial instrument from an independent third party. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realized for these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1- Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2- Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3- Inputs that are not based on observable market data

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at July 31, 2010

	Financial assets at fair value as at July 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash	\$ 103,250	\$ -	\$ -	\$ 103,250
Short term investments	\$ 5,022,032	\$ -	\$ -	\$ 5,022,032
Marketable securities	\$ 250,000	\$ -	\$ -	\$ 250,000

**Financial Instrument Risk Exposure and Risk Management**

The fair values of the Company's cash, marketable securities, short-term investments, amounts receivable, loan receivable, long-term investment, accounts payables and accrued liabilities approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest risk.

(a) Currency risk

The Company's property subsidiaries in India and Indonesia make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies.

From time to time the Company invests in US currency short term investments with a high-credit quality financial institution. The Company is affected by changes in exchange rates between the Canadian dollar and the US dollar

The Company does not invest in foreign currency contracts to mitigate the risks.

### **13. FINANCIAL INSTRUMENTS (Continued)**

(b) Credit risk

Credit risk is that company will not be able to collect the amounts due and which will result in financial loss. The Company's cash and cash equivalents are held in a Canadian financial institution. The Company does not have any asset-backed commercial paper in its cash, marketable securities or short-term investments. A portion of the Company's amount receivable consists of recovered travel expense.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash and cash equivalents is limited because they are generally held to maturity.

### **14. MANAGEMENT OF CAPITAL RISK**

The Company manages its cash and cash equivalents, common shares, stock options and warrants as capital (see Note 9). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral and oil and gas properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

### **15. MANAGEMENT OF CAPITAL RISK (Continued)**

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities 12 months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

### **16. SUBSEQUENT EVENTS**

See notes 6 and 8.



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## **Management's Discussion and Analysis For the Year Ended August 31, 2010**

### **DATE**

This MD&A is prepared as of November 25, 2010.

### **NOTICE TO READER**

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Maxtech Ventures Inc. ("Maxtech" or the "Company"), its history, business environment, strategies, performance and risk factors from the viewpoint of management. The information provided should be read in conjunction with the Company's audited consolidated financial statements and notes for the years ended July 31, 2010 and 2009. The Company's consolidated financial statements and related notes have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all amounts are presented in Canadian dollars unless otherwise noted.

The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results will change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review financial statement results, including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review Company statutory filings on [www.sedar.com](http://www.sedar.com) and to review general information, including maps, on the Company's website at [www.maxtechventures.com](http://www.maxtechventures.com).

### **BACKGROUND**

Maxtech Ventures Inc. is a development stage company actively engaged in the acquisition, exploration and development of mineral resource properties located in British Columbia, Quebec, and internationally. The Company is listed on the TSX Venture Exchange under the symbol MVT.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or the realization of proceeds from the disposition of an interest or interests.

Current economic conditions have limited the Company's ability to access financing through equity markets and this has created significant uncertainty as to the Company's ability to fund ongoing operations for the next operating period. In a response to conserve capital the Company has significantly curtailed operations. See Note 15

in the audited financial statement for the year ended July 31, 2010 for further discussion on the Company's conservation and management of capital.

## **FORWARD LOOKING INFORMATION**

Certain statements contained in the MD&A constitute forward looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made.

## **OVERALL PERFORMANCE**

### ***Loan Receivable from Abacus Mining & Exploration Corp.***

In March 2009, the Company entered into a secured loan agreement (the "Loan Agreement") with Abacus Mining and Exploration Corp. ("Abacus") in the aggregate amount of \$2,500,000. Under the terms of the Loan Agreement, Abacus shall pay the principal and interest due on the Loan no later than twelve months from the date of advance of the Loan subject to the right of Abacus to prepay the Loan, in whole or in part, at any time after six months, without further interest or penalty. Interest on the Loan accrues at the rate of twelve percent per annum, compounded monthly.

On April 1, 2009 Maxtech Venture Inc. received 1,250,000 shares of Abacus as partial consideration for the loan. The shares were recorded at the fair value of \$112,500 and have been treated as a loan fee by the Company. The loan fee of \$112,500 was deferred at inception and has been recognized over a one year period which is the expected term of the loan.

Abacus fully repaid the Company the outstanding principal plus accrued interest of \$605,117 and \$2,147,461 (totalling \$2,752,578) in October 2009 and February 2010 respectively.

### ***Investment in Société Minière Ste. Genevieve-Haiti, S.A. ("SGH")***

The Company entered into a Memorandum of Understanding with Société Minière Ste. Genevieve-Haiti, S.A. ("SGH"), a private Haitian company located in Port-au-Prince, Haiti. SGH holds a number of advanced stage exploration properties in Haiti which require additional expenditures to further explore and develop the properties. The Company, in order to earn an interest in the projects, has agreed to provide the necessary funding for this development, through the purchase of 320,000 SGH common shares at \$12.50 US per share for a total investment of \$4,000,000 US.

During the year ended July 31, 2008, the Company purchased 24,160 shares for \$302,000 US. The Company did not receive the shares from SGH and has decided not to continue with its investment and to instead pursue the recovery of the advances paid. At July 31, 2008, the Company wrote down its investment of US \$302,000 to a nominal amount due to the uncertainty surrounding its recovery. SGH then underwent a name change to SOMINE, S.A. Also see Subsequent Events.

## **EXPLORATION UPDATE**

### ***Guinea, West Africa***

In October 2009, the Company entered into an Option Agreement with SM/HM Guinea SARL, a company registered in Conakry, Guinea, whereby the Company can earn up to an undivided 70% interest in a uranium concession and iron concession located in S.E. Guinea. The Company is required to spend a total of CAD\$1,000,000 over a period of four (4) years in exploration expenditures commencing not later than March 1, 2010 and make cash payments totalling CAD\$100,000 over the next two (2) years in four (4) equal payments of CAD\$25,000 commencing 28 days after signing a formal agreement. The option agreement on two S.E Guinea concessions expired and the Company decided not to pursue the agreement further.

### ***Lalitpur District, India***

The Company's wholly owned subsidiary, Maxtech Resources Private Limited ("MRPL"), has been granted a Reconnaissance Permit in the Lalitpur District, Uttar Pradesh (U.P.) India to explore for platinum group minerals and gold mineralization. The Company has also appointed Mr. B.D. Shukla, M.Sc. (Geology), a geologist with thirty years of experience, as Vice President of Exploration (India) for MRPL. Mr. Shukla is currently preparing an exploration program with respect to this Reconnaissance Permit. No exploration activity was started in the current quarter.

MRPL has applied for four other Reconnaissance Permits in the District of Almora and Pauri, Dehradun, Pithoragarh, and Sirmur of India for the exploration of Lead, Zinc, Copper, Gold, and other associated minerals. The applications are pending approval from the government. Also see Subsequent Events.

### ***Julia Property, British Columbia***

The Company retained the services of Geotronics Consulting Inc. to carry out 150 line-kilometres of ground magnetic and electromagnetic surveys in conjunction with an MMI soil sampling program and geological mapping on the optioned claims. This work was carried out between September 10, 2007 and January 30, 2008. The Atlin property is located 28 kilometres east of the town of Atlin in the north-western part of British Columbia and is prospective for precious metals. On April 28, 2009, the Company received a report with respect to the work carried out prior to January 30, 2008. The Company has been maintaining the claims in good standing.

The Company incurred expenditures of \$2,000 (2009- \$4,316) on the property during the year ended July 31, 2010, and all the claims are in good standing as of July 31, 2010. Also see Subsequent Events.

### ***Ariane & Guercheville, Quebec***

By an Option agreement dated March 5, 2007, the Company may acquire a 100% interest in two prospective gold properties consisting of 40 mineral claims totaling approximately 2,300 acres in the Abitibi region of Quebec for consideration of:

- Cash payment of \$45,000 for each property (\$90,000 total paid); and
- Undertaking the drilling of at least three holes on each property (incomplete)

For each property upon which an economic discovery is made, a bonus of \$70,000 in the Company's common shares and a 2% NSR will be issued to the vendor. The Company can acquire 1% of the NSR for \$1 million.

In 2010, the Company spent \$nil (2009- \$203,249) of expenditures on the properties, and all the claims are in good standing during the year ended July 31, 2010.

The cost incurred as at July 31, 2010 for the exploration of the mineral properties is as follows:

	July 31, 2009	Net Expenditures	July 31, 2010
	\$	\$	\$
<b><i>Ariane &amp; Guercheville properties, Quebec</i></b>			
Acquisition	10,000	-	10,000
Geological and geophysical	634,080	-	634,080
	644,080	-	644,080
<b><i>Julia properties, British Columbia</i></b>			
Acquisition	27,500		27,500
Analytical/assays	253,634	2,000	255,634
Land administration	4,316		4,316
	285,450	2,000	287,450
Total	929,530	2,000	931,530

## SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for Maxtech for each of the three most recently completed fiscal years. The information set forth below should be read in conjunction with the audited consolidated financial statements, prepared in accordance with Canadian GAAP.

	Year ended July 31, 2010	Year ended July 31, 2009	Year ended July 31, 2008
Total revenue	\$ Nil	\$ Nil	\$ Nil
Stock-based compensation	-	197,784	498,632
Impairment of resource property interests	-	1	1
Other administrative expenses	179,411	268,528	362,767
Comprehensive gain (loss) before income taxes	112,976	290,922	(1,338,630)
Future income tax recovery	-	-	-
Net income (loss)	75,476	190,922	(1,338,630)
Basic and diluted gain (loss) per share	0.01	0.01	(0.04)
Total assets	6,331,098	6,218,142	5,859,062

## RESULTS OF OPERATIONS

### SUMMARY OF QUARTERLY RESULTS

The selected quarterly information for the past eight fiscal quarters is outlined below:

(In thousands of dollars except amounts per share)	2010				2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and term deposits	5,125	5,170	3,055	3,100	2,513	2,559	5,106	5,114
Loan Receivable	-	-	2,052	1,995	2,526	2,525	-	-
Working Capital	5,376	5,604	5,423	5,379	5,263	5,264	5,053	5,025
Total Assets	6,331	6,546	6,367	6,355	6,218	6,208	6,214	6,195
Shareholders' Equity	6,315	6,544	6,364	6,320	6,203	6,204	6,137	6,088
Administrative expenses	65	47	19	49	60	68	67	271
Foreign exchange gain (loss)	-	-	-	-	(3)	-	92	427
Impairment of Resource Property Interests	-	-	-	-	-	150	-	-
Other comprehensive income	(175)	125	-	88	100	-	-	-
Net Income (Loss)	(54)	56	43	30	(45)	10	49	176
Net Earnings (Loss) per Share	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01
Weighted Average Shares Outstanding (000's)	33,649	33,649	33,649	33,649	33,649	33,649	33,649	33,649

## RESULTS OF OPERATIONS

The Company is a development stage company and does not generate operating revenue. The only source of revenue was the interest earned on cash deposits and the loan receivable to Abacus.

This review of the Results of Operations should be read in conjunction with the Company's audited consolidated financial statements and notes attached thereto for the year ended August 31, 2010.

The Company's net profit for the year ending July 31, 2010 was \$75,476 (\$0.01 per share) (2009 - \$190,922 - (\$0.01 per share)) The Company is a development stage company and does not generate operating revenue.

The Company earned Interest income in the year of \$180,227 (2009- \$75,542), an increase of \$104,685 from the previous year, which is the result of earning more interest income from the loan receivable from the Abacus loan. The Company acknowledged a deferred loan fee of \$75,000 (2009- \$37,500) from the Abacus Loan arrangement.

Other significant variances include a significant decrease in stock-based compensation in 2010 - \$nil as compared to 2009 - \$197,784, the decrease was because the Company did not issue any stock options during the year.

The other general and administrative expenses accumulated to \$179,411 as compared to 2009 of \$268,528, a reduction of \$89,117.

Other administrative costs in 2010 included \$62,477 (2009 - \$94,362) for office and administration costs, a reduction of \$31,885 due to less administrative services required in the year.

Consulting fees were \$58,339 as compared to \$41,625 incurred in 2009, which is an increase of \$16,714. The consulting services were for financial consulting and property review and investigative services.

Professional services decreased in 2010 by \$60,192 from an expense of \$85,878 in 2009 to \$25,686 in the current year. The decrease was a result of much less legal services required in the year.

Cash and short term investment was \$5,125,282 as at July 31, 2010 (2009 - \$2,513,297) which is an increase of \$2,611,985 from the year. The increase in cash is mainly the result of receiving the full repayment of the principal plus accrued interest (\$2,752,578) of the Abacus loan in October 2009 and February 2010. Details of the Abacus loan are discussed in the overall performance section.

## **LIQUIDITY**

Financing of operations is achieved primarily by issuing share capital. At July 31, 2010, the Company had \$103,250 in cash (2009 - \$32,222), and \$5,022,032 (2009 - \$2,481,075) in short term investments. Company has a positive working capital of \$5,376,182 as at July 31, 2010 (2009 - \$5,263,173). Increase in working capital is primarily due to the increase in short term investments, from the repaid interest and principal from Abacus.

The Company's investing activities revolve around developing its mineral properties, investing in term deposits, and the issuance of short term loan.

The Company did not generate any cash flows from financing activities during the current quarter. Exploration programs are expected to continue with the funds raised in previous fiscal years.

## **CAPITAL RESOURCES**

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets are resource properties. The Company capitalizes the acquisition and exploration cost directly related to the resource properties until the project is put into commercial production, sold, abandoned, or when delays in the development process require a revaluation.

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

The Company has adequate financial resources to conduct its activities for the year and currently does not anticipate difficulties in raising additional funding if needed.

## **TRANSACTIONS WITH RELATED PARTIES**

All transactions with related parties have occurred in the normal course of operations and are measured at fair value as determined by management. The amount due to the related party is non-interest bearing, unsecured, and due on demand.

During the year ended July 31, 2010 the Company paid \$3,775 for financial consulting services provided by a company controlled by John Morita, an officer of the Company. As at July 31, 2010, no amount was payable to this company.

## **PROPOSED TRANSACTIONS**

There are no proposed transactions that will materially affect the performance of the Company.

## **SHARE DATA**

As at November 25, 2010:

The authorized capital of the Company consists of 100,000,000 common shares and there are 33,649,002 common shares issued and outstanding.

Pursuant to the Company's Stock Option Plan, the Company may issue up to 6,729,800 incentive stock options to purchase common shares of the Company. As at November 25, 2010 there were no stock options outstanding.

There are no outstanding share purchase warrants.

## **RISK AND UNCERTAINTIES**

Risks of the Company's business include the following:

### *Mining Industry*

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

### *Government Regulation*

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation,

storage and disposal of solid and hazardous waste. Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

#### *Permits and Licenses*

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

#### *Environmental Risks and Hazards*

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water and the environment, the Company may become subject to liability for hazards that cannot be insured against.

#### *Commodity Prices*

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves

uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

#### *Uninsured Risks*

The Company carries insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

#### *Conflicts of Interest*

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

#### *Land Title*

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

#### *Aboriginal Land Claims*

No assurance can be given that aboriginal land claims will not be asserted in the future in which event the Company's operations and title to its properties may potentially be seriously adversely affected.

### **TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

In 2006, The Canadian Accounting Standard Board "AcSB" published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, although early adoption may be permitted. Due to the Company's July 31 fiscal year, the transition date for the Company is August 1, 2011. Therefore, the IFRS adoption will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. The Company is currently in the process of establishing a steering committee, developing a formal project plan, allocating internal resources and engaging expert consultants to monitor the transition from Canadian GAAP to IFRS reporting.

### **FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **SUBSEQUENT EVENTS**

### ***Investment in Société Minière Ste. Genevieve-Haiti, S.A. ("SGH")***

The Company entered into an agreement with Simact Mining Holding Inc. ("SMHI") pursuant to which SMHI will transfer 1,413,000 shares of Majescor Resources Inc. ("MJX") to the Company, in consideration for the US \$302,000 investment. MJX, a publicly traded company, is the parent company of Simact Alliance Copper Gold Inc. ("SACG"). SACG is the parent of SOMINE, S.A. Any amounts recovered will be recorded when the MJX common shares are received.

### ***Ariane & Guercheville***

Subsequent to July 31, 2010, by an option agreement dated October 20, 2010, the Company has been granted the sole and exclusive right and option to acquire an undivided 100% interest in the original Ariane and Guercheville properties mentioned above along with a further right and option to acquire an undivided 100% interest in additional mineral claims that were added to both properties. The Company will earn an undivided 100% interest in both properties for consideration of completing NI43-101 reports (incomplete) on each property for the cost of \$67,500 (paid). Please refer to note 8 of the Audited Financial Statements.

The expiry date of all the claims was extended to October 30, 2017, and an additional \$76,272 (paid) was spent on geochemical and geophysical surveys subsequent to July 31, 2010.

### ***Lalitpur District, India***

The Company, through its subsidiary MRPL has made arrangements with the Directorate of Geology and Mining of Uttar Pradesh to drill two diamond drill holes on its Reconnaissance Permit (212.75 km<sup>2</sup>) located in the district of Lalitpur to verify the values previously intercepted in holes drilled by the Directorate. The drilling, to be carried out by the Directorate under the Company's direction and supervision, is planned to intercept the auriferous banded iron formation which has been partially delineated by previous geophysical surveys, surface mapping and sampling over some 3,000 metres of strike length. Diamond drilling by the Directorate has previously been carried out over a strike length of some 1,500 metres. The drilling costs are to be borne by MRPL and the drilling is anticipated to commence in December, 2010 or January, 2011 depending on drill and crew availability and logistics.

## **OTHER**

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.maxtechventures.com](http://www.maxtechventures.com). You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com)