

NAVISITE INC
Form DEF 14A
November 12, 2003

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under Rule 14a-12

NaviSite, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

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- ☒ No fee required.
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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**400 Minuteman Road
Andover, Massachusetts 01810**

November 12, 2003

To our Stockholders:

I am pleased to invite you to attend the 2003 Annual Meeting of Stockholders of NaviSite, Inc. to be held on Tuesday, December 9, 2003 at 10:00 a.m., local time, at the Wyndham Andover, 123 Old River Road, Andover, MA 01810.

Specific details regarding admission to the meeting and the business to be conducted at the Annual Meeting are included in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. We encourage you to carefully read these materials, as well as the enclosed Annual Report to Stockholders for the fiscal year ended July 31, 2003. NaviSite's Board of Directors recommends that you vote in favor of each of the director nominees and for each other proposal set forth in the Notice of Annual Meeting and Proxy Statement.

Your vote is important. Whether or not you plan to attend the Annual Meeting, I hope you will vote as soon as possible. Voting by written proxy will ensure your representation at the Annual Meeting if you do not attend in person. If you do attend the Annual Meeting, you may withdraw your proxy and vote in person if you so desire.

Thank you for your continued support.

Sincerely,

ARTHUR P. BECKER
Chief Executive Officer and President

NAVISITE, INC.

400 Minuteman Road
Andover, MA 01810

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS To Be Held Tuesday, December 9, 2003

To the Stockholders of NaviSite, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders of NaviSite, Inc., a Delaware corporation (NaviSite), will be held on Tuesday, December 9, 2003 at 10:00 a.m., local time, at the Wyndham Andover, 123 Old River Road, Andover, MA 01810, to consider and act upon the following matters:

- (1) To elect six members of the board of directors of NaviSite (the Board of Directors) to serve for a one-year term;
 - (2) To approve the Amended and Restated 2003 Stock Incentive Plan (the 2003 Stock Incentive Plan);
 - (3) To ratify the appointment by the Board of Directors of KPMG LLP as the independent auditors of NaviSite for the fiscal year ending July 31, 2004; and
 - (4) To transact such other business as may properly come before the meeting or any adjournment thereof.
- The Board of Directors has no knowledge of any other business to be transacted at the Annual Meeting.

Admission of stockholders to the Annual Meeting will be on a first-come, first-served basis, and picture identification will be required to enter the Annual Meeting. Each stockholder will be entitled to bring one guest to the Annual Meeting. An individual arriving without picture identification will not be admitted unless it can be verified that the individual is a NaviSite stockholder. Cameras, cellular phones, recording equipment and other electronic devices will not be permitted at the Annual Meeting. NaviSite reserves the right to inspect any persons or items prior to their admission to the Annual Meeting.

Only stockholders of record as of the close of business on October 29, 2003 are entitled to notice of, and to vote at, the Annual Meeting. All stockholders are cordially invited to attend the meeting.

By order of the Board of Directors,

KENNETH DRAKE
Secretary

Andover, Massachusetts
November 12, 2003

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND PROMPTLY MAIL IT IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES AT THE MEETING. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES.

NAVISITE, INC.

PROXY STATEMENT

*Annual Meeting of Stockholders
To Be Held on December 9, 2003*

General

This Proxy Statement is furnished in connection with the solicitation of proxies by the board of directors (the Board of Directors) of NaviSite, Inc., a Delaware corporation (NaviSite), for use at NaviSite's 2003 Annual Meeting of Stockholders to be held on Tuesday, December 9, 2003 (the Annual Meeting) at 10:00 a.m., local time, at the Wyndham Andover, 123 Old River Road, Andover, MA 01810, and at any adjournments thereof, for the purposes set forth in the Notice of Annual Meeting of Stockholders (the Notice of Annual Meeting).

The Notice of Annual Meeting, this Proxy Statement, the accompanying proxy card and NaviSite's Annual Report to Stockholders for the fiscal year ended July 31, 2003 (the 2003 Annual Report) are being mailed to stockholders on or about November 14, 2003.

Record Date, Voting Securities and Votes Required

Only holders of record of NaviSite Common Stock as of the close of business on October 29, 2003 (the Record Date) will be entitled to receive notice of and vote at the Annual Meeting and any adjournments thereof. On the Record Date, there were an aggregate of 24,691,476 shares of NaviSite Common Stock issued and outstanding and entitled to vote. The holders of NaviSite Common Stock are entitled to one vote for each share held as of the Record Date on any proposal presented at the Annual Meeting.

A quorum of stockholders is necessary to hold a valid annual meeting. Under NaviSite's Amended and Restated By-Laws, as amended (the By-Laws), a quorum will exist at the Annual Meeting if a majority of the shares of NaviSite Common Stock issued and outstanding and entitled to vote at the Annual Meeting are represented in person or by proxy. For purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting, votes cast, abstentions and broker non-votes (where a broker or nominee does not exercise discretionary authority to vote on a matter) will be counted as present.

The affirmative vote of the holders of a plurality of the votes cast at the Annual Meeting is required for the election of directors (Proposal No. 1). The affirmative vote of the holders of a majority of the shares of NaviSite Common Stock present or represented by proxy and voting on the matter is required to approve the 2003 Stock Incentive Plan (Proposal No. 2) and to ratify the appointment of KPMG LLP as NaviSite's independent auditors for the fiscal year ending July 31, 2004 (Proposal No. 3).

Shares which abstain from voting on a particular matter and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to a particular matter (broker non-votes) will not be counted as votes in favor of such matter and will also not be counted as votes cast or shares voting on such matter. Accordingly, neither abstentions nor broker non-votes will have any effect upon the outcome of voting with respect to the election of directors (Proposal No. 1), which requires a plurality of the votes cast, or the approval of the 2003 Stock Incentive Plan (Proposal No. 2) and the ratification of the appointment of NaviSite's independent auditors (Proposal No. 3), each of which requires an affirmative vote of a majority of the shares of NaviSite Common Stock present or represented by proxy and voting on the matter.

An automated system administered by NaviSite's transfer agent tabulates the votes. The votes on each matter are tabulated separately.

Proxies

Voting Your Proxy

You may vote in person at the Annual Meeting or by proxy. We recommend you vote by proxy even if you plan to attend the Annual Meeting. You can change your vote at the Annual Meeting.

Voting instructions are included on your proxy card. If you properly complete, sign and date your proxy card and return it to us (in the postage prepaid envelope provided) in time to vote, one of the individuals named as your proxy will vote your shares as you have directed. If you sign and timely return your proxy card but do not indicate how your shares are to be voted with respect to one or more of the proposals to be voted on at the Annual Meeting, your shares will be voted for each of such proposals and in accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Annual Meeting, and the individuals named in the proxy card will have discretionary authority to vote upon any adjournment of the Annual Meeting.

Revoking Your Proxy

You may revoke your proxy at any time before it is voted by:

Notifying NaviSite's Secretary in writing at the principal executive offices of NaviSite located at 400 Minuteman Road, Andover, MA 01810, Attention: Secretary, before the Annual Meeting that you have revoked your proxy; or

By attending the Annual Meeting and voting in person at the Annual Meeting.

Voting in Person

If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the meeting. However, if your shares are held in the name of your broker, bank or other nominee, you must bring a proxy from your nominee authorizing you to vote your street name shares held as of the Record Date.

Proxy Solicitation

This solicitation is made on behalf of the Board of Directors and NaviSite will bear the costs of the solicitation. Proxies may also be solicited by telephone, fax or personal interview by the directors, officers and employees of NaviSite and its affiliates, who will not receive additional compensation for the solicitation. NaviSite will also reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to stockholders.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our Proxy Statement or 2003 Annual Report may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you write or call us at the following address or telephone number: Investor Relations Department, NaviSite, Inc., 400 Minuteman Road, Andover, Massachusetts 01810, telephone: (888) 298-8222. If you want to receive separate copies of the Proxy Statement or 2003 Annual Report in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact NaviSite at the above address and telephone number.

Stock Split

All share numbers and share prices provided in this Proxy Statement have been adjusted to reflect all stock splits effected prior to the Record Date, including the 1-for-15 reverse stock split of our Common Stock effected on January 7, 2003.

Change in Control

On September 11, 2002, each of CMGI, Inc. ("CMGI") and Hewlett-Packard Financial Services Company sold and transferred to ClearBlue Technologies, Inc., a privately-held managed service provider based in San Francisco, California ("ClearBlue"), and certain of its subsidiaries, the following equity and debt interests in NaviSite, thus becoming NaviSite's majority stockholder:

Pursuant to a Note and Stock Purchase Agreement by and between CMGI and ClearBlue, CMGI sold and transferred to ClearBlue approximately 4.7 million shares of NaviSite Common Stock, representing approximately 76% of the outstanding capital stock of NaviSite, warrants to purchase approximately 345,000 shares of NaviSite Common Stock and a convertible note with an aggregate principal amount outstanding of \$10 million. The \$10 million convertible note was convertible into approximately 2.5 million shares of NaviSite Common Stock. ClearBlue issued 131,579 shares of ClearBlue common stock to CMGI in the transaction, representing approximately 2% of the issued and outstanding equity of ClearBlue after giving effect to the transactions on such date with CMGI and Hewlett-Packard Financial Services Company.

Pursuant to a Note and Stock Purchase Agreement by and between Hewlett-Packard Financial Services Company and ClearBlue, Hewlett-Packard Financial Services Company sold and transferred to ClearBlue approximately 213,000 shares of NaviSite Common Stock, and convertible notes with an aggregate principal amount outstanding of approximately \$55 million. The \$55 million convertible notes were convertible into approximately 14.1 million shares of NaviSite Common Stock. ClearBlue issued 1,447,368 shares of ClearBlue common stock to Hewlett-Packard Financial Services Company in the transaction, representing approximately 22% of the issued and outstanding equity of ClearBlue after giving effect to the transactions on such date with CMGI and Hewlett-Packard Financial Services Company.

In August 2003, ClearBlue transferred to its stockholders, including Atlantic Investors, LLC, its majority stockholder, the shares of NaviSite Common Stock owned by it. As of October 29, 2003, Atlantic Investors, LLC owned approximately 72% of the outstanding shares of NaviSite Common Stock.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of October 29, 2003 (unless otherwise indicated), with respect to the beneficial ownership of NaviSite Common Stock by the following:

each person known by NaviSite to beneficially own more than 5% of the outstanding shares of NaviSite Common Stock;

each of NaviSite's directors;

each of the Named Executive Officers (as defined below under the heading "Executive Compensation"); and

all of the current executive officers and directors as a group.

For purposes of the following tables, beneficial ownership is determined in accordance with the rules promulgated by the Securities and Exchange Commission and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as otherwise noted in the footnotes to the respective tables, NaviSite believes that each person or entity named in the tables has sole voting and investment power with respect to all shares of NaviSite Common Stock shown as beneficially owned by them (or shares such power with his or her spouse). Under such rules, shares of NaviSite Common Stock issuable under options that are

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currently exercisable or exercisable within 60 days after October 29, 2003 (Presently Exercisable Options) are deemed outstanding and are included in the number of shares beneficially owned by a person named in the table and are used to compute the percentage ownership of that person. These shares are not, however, deemed outstanding for computing the percentage ownership of any other person or entity. Unless otherwise indicated, the address of each person listed in the table is c/o NaviSite, Inc., 400 Minuteman Road, Andover, Massachusetts 01810.

The percentage ownership of NaviSite Common Stock of each person or entity named in the following table is based on 24,691,476 shares of NaviSite Common Stock outstanding as of October 29, 2003 plus any shares subject to Presently Exercisable Options held by such person.

Name and Address of Beneficial Owner	NaviSite Common Stock	
	Number of Shares Beneficially Owned	Percentage of Common Stock Outstanding
5% Stockholders		
Atlantic Investors, LLC(1) 20 East 66th Street New York, NY 10021	17,760,872	71.93%
Hewlett-Packard Financial Services Company(2) 3000 Hanover Street MS 20BL Palo Alto, CA 94304	4,416,592	17.89%
Directors and Named Executive Officers		
Andrew Ruhan(3)		*
Arthur P. Becker(4)	28,333	*
Gabriel Ruhan(5)	28,333	*
Larry Schwartz		*
James Dennedy		*
Thomas R. Evans		*
Patricia Gilligan (6)		*
Kevin H. Lo (7)		*
All current executive officers and directors as a group (8 persons)(8)	108,332	*

* Percentage is less than 1% of the total number of outstanding shares of NaviSite Common Stock.

- (1) Based on information provided by Atlantic Investors, LLC in a Schedule 13D (amendment No. 5) filed with the Securities and Exchange Commission on August 28, 2003.
- (2) Based on information provided in a Form 3 filed with the Securities and Exchange Commission on September 3, 2003.
- (3) Excludes 17,760,872 shares of NaviSite Common Stock owned by Atlantic Investors, LLC with respect to which Mr. A. Ruhan disclaims beneficial ownership. Mr. A. Ruhan holds a 10% equity interest in Unicorn Worldwide Holdings Limited, a managing member of Atlantic Investors, LLC.
- (4) Consists of shares of NaviSite Common Stock issuable upon the exercise of Presently Exercisable Options. Excludes 17,760,872 shares of NaviSite Common Stock owned by Atlantic Investors, LLC with respect to which Mr. Becker disclaims beneficial ownership. Mr. Becker is the managing member of Madison Technology LLC, a managing member of Atlantic Investors, LLC.
- (5) Consists of shares of NaviSite Common Stock issuable upon the exercise of Presently Exercisable Options.
- (6) Served as NaviSite's Chief Executive Officer until February 2003 and her relationship with NaviSite terminated in March 2003.

- (7) Served as NaviSite's Chief Financial Officer and Vice President of Finance and Strategy until April 2003.
- (8) Consists of shares of NaviSite Common Stock issuable upon the exercise of Presently Exercisable Options.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Pursuant to the By-Laws, all of NaviSite's directors are elected at each annual meeting of stockholders and hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal. The By-Laws further provide that the number of directors shall be determined from time to time by resolution of the Board of Directors or by the holders of shares representing a majority of the votes entitled to be cast by all stockholders in any annual election of directors.

The Board of Directors has six members. The current members of the Board of Directors are Messrs. Andrew Ruhan, Arthur P. Becker, Gabriel Ruhan, Larry Schwartz, Thomas R. Evans and James Dennedy. Each director elected at the Annual Meeting will serve until his successor is elected and qualified, or until his earlier death, resignation or removal.

On September 11, 2002, in connection with the change of control of NaviSite, the Board of Directors elected each of Andrew Ruhan and Arthur P. Becker as a director to fill vacancies on the Board of Directors. Messrs. David S. Wetherell and George A. McMillan resigned from the Board of Directors on October 2, 2002. On October 24, 2002, Gabriel Ruhan was elected as a director, filling one of the vacancies on the Board of Directors. On January 27, 2003, the Board fixed the number of directors at six and elected James H. Dennedy, James W. Pluntze and Kenneth MacAlpine to the Board of Directors. On April 3, 2003, Mr. Pluntze resigned from the Board in order to assume responsibilities as NaviSite's Acting Chief Financial Officer. In May 2003, Larry Schwartz was elected to the Board of Directors to fill the vacancy created by Mr. Pluntze's resignation. On July 25, 2003, Mr. MacAlpine resigned from the Board. On October 3, 2003, Thomas R. Evans was elected to the Board of Directors to fill the vacancy created by Mr. MacAlpine's resignation.

The Board of Directors recommends that the six nominees named below be elected as directors of NaviSite. The persons named as proxies will vote to elect the six nominees named below as directors of NaviSite unless the proxy card is marked otherwise. Each nominee is presently serving as a director, has consented to being named in this Proxy Statement and has indicated his willingness to serve if elected. If for any reason any nominee should become unable or unwilling to serve, the persons named as proxies may vote the proxy for the election of a substitute nominee. The Board of Directors has no reason to believe that any nominee will be unable to serve.

Biographical and certain other information concerning NaviSite's nominees for re-election to the Board of Directors, each of whom is presently serving as a director, is set forth below. Information with respect to the number of shares of NaviSite Common Stock beneficially owned by each director, as of October 29, 2003, appears above in the section entitled "Security Ownership of Certain Beneficial Owners and Management." With the exception of Andrew Ruhan and Gabriel Ruhan, who are brothers, no director or executive officer is related by blood, marriage or adoption to any other director or executive officer.

Nominees for Election to the Board of Directors

Andrew Ruhan, age 41, has served as Chairman of the Board of NaviSite since September 11, 2002. Since 2000, Mr. Ruhan has served as Chief Executive Officer of ClearBlue Technologies, Inc., a managed service provider based in San Francisco, California. From 1998 to 2002, Mr. Ruhan was the co-founder and Chief Executive Officer of GlobalSwitch Group, a data center company in the United Kingdom. Prior to 1998, Mr. Ruhan was a private investor.

Arthur P. Becker, age 53, has served as a director of NaviSite since September 11, 2002 and its Chief Executive Officer and President since February 2003. Since 2000, Mr. Becker has served as Vice Chairman

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and a director of ClearBlue Technologies, Inc. Mr. Becker is also a co-founder of Atlantic Investors, LLC, a holder of approximately 72% of the outstanding shares of NaviSite Common Stock as of the Record Date. For the past five years, Mr. Becker has been a private investor and since 1999, he has been the Managing Member of Madison Technology LLC, an investment fund that is focused on technology and telecommunications companies, which is a managing member of Atlantic Investors, LLC.

Gabriel Ruhan, age 38, has served as a director of NaviSite since October 2002 and Chief Operating Officer since April 2003. From October 2002 until April 2003, Mr. Ruhan served as NaviSite's Executive Vice President for Business Development. Mr. Ruhan is a director of ClearBlue Technologies, Inc. From 1998 to 2002, Mr. Ruhan was Corporate Development Director of GlobalSwitch Group, a data center company in the United Kingdom. Prior to 1998, Mr. Ruhan was a private investor.

James Dennedy, age 38, has served as a director of NaviSite since January 2003. Since August 2002, Mr. Dennedy has been the President of Strategic Software Holdings, LLC, an investment firm making equity investments and buyouts on behalf of itself and its investors in the enterprise software industry. From March 2001 to March 2002, Mr. Dennedy served as President of divine Managed Services. From March 1999 to March 2001, Mr. Dennedy served as Senior Vice President, Venture Capital and Private Equity Group, at marchFirst, Inc., an IT services and systems integration company. From March 1997 to March 1999, Mr. Dennedy served as a Senior Manager of MCR Federal, Inc., a government systems and cost management consulting business. Mr. Dennedy also serves on the Board of Directors of Abridgean, Inc., an enterprise software company providing software provisioning and identity management solutions.

Larry Schwartz, age 40, has served as a director of NaviSite since May 2003. Mr. Schwartz is the Senior Vice President and Chief Restructuring Officer for Genuity Inc. Mr. Schwartz also serves as a member of Genuity's senior management committee. Prior to joining Genuity in 2000, Mr. Schwartz was a Partner with the law firm of Choate Hall & Stewart, where he specialized in mergers, acquisitions, buyouts and venture capital transactions involving communications and media companies.

Thomas R. Evans, age 49, has served as a director of NaviSite since October 2003. Since September 2002, Mr. Evans has been a private investor and consultant. From August 1999 to August 2002, Mr. Evans served as Chairman of the Board and Chief Executive Officer for Official Payments Corp., an online payment service for government taxes and fees. From March 1998 to June 1999, Mr. Evans was the President and Chief Executive Officer of the website development and hosting community, GeoCities, Inc., which was acquired by Yahoo! Inc.

The Board of Directors recommends a vote FOR the election of the above-named nominees as directors of NaviSite.

Board and Committee Meetings

The Board of Directors held 11 meetings during the fiscal year ended July 31, 2003. During the period in which he served as a director of NaviSite, each incumbent director attended at least 75% of the aggregate number of meetings of the Board of Directors and of the committees on which he served.

The Board of Directors has designated two principal standing committees, an audit committee (the Audit Committee) and a compensation committee (the Compensation Committee). We do not have a nominating committee. The current members of the Audit Committee and the Compensation Committee are identified in the following table:

Name	Audit Committee	Compensation Committee
James Dennedy	X*	X
Thomas R. Evans	X	X
Larry Schwartz	X	X*

* Committee Chairperson

The Audit Committee reviews the financial information that is provided to the stockholders and others, reviews the systems of internal controls that management and the Board of Directors have established, selects and reviews the performance of independent auditors, and oversees NaviSite's accounting and financial reporting processes and the audits of NaviSite's financial statements. The Board of Directors has adopted and

approved a written charter for the Audit Committee, a copy of which is attached as Appendix I hereto. Each current member of the Audit Committee is an independent director as defined in the applicable listing standards for the Nasdaq Association of Securities Dealers, Inc. During the last fiscal year, the Audit Committee held 4 meetings.

The Compensation Committee of the Board of Directors determines salaries, incentives and other forms of compensation for the Chief Executive Officer and the executive officers of NaviSite and reviews and makes recommendations to the Board of Directors with respect to director compensation. In addition, the Compensation Committee administers NaviSite's stock incentive compensation and equity-based plans. During the last fiscal year, the Compensation Committee did not hold any meetings.

PROPOSAL NO. 2

APPROVAL OF 2003 STOCK INCENTIVE PLAN

The 2003 Stock Incentive Plan was adopted, subject to stockholder approval, by NaviSite's Board of Directors on July 10, 2003, and amended and restated on November 11, 2003 (as amended and restated, the 2003 Stock Incentive Plan) to increase the number of shares of Common Stock available for issuance under such plan from 2,600,000 to 3,800,000. The 2003 Stock Incentive Plan provides for the grant of options that are intended to qualify as incentive stock options within the meaning of Section 422 of the Code, options not intended to qualify as incentive stock options and restricted stock awards (each, an Award) to NaviSite's employees, officers and directors, consultants or advisors. Incentive stock options may be granted only to employees of NaviSite. A maximum of 3,800,000 shares of Common Stock would be eligible for issuance under the 2003 Stock Incentive Plan upon the exercise of options or in connection with Awards. If any Award expires, or is terminated, surrendered or canceled without having been fully exercised or forfeited, in whole or in part (including as a result of shares of Common Stock being repurchased by NaviSite at the original issue price pursuant to a contractual repurchase right), or results in the Common Stock not being issued, the unissued Common Stock covered by such Award shall again be available for the grant of Awards under the Plan.

NaviSite's management relies on stock options as essential parts of the compensation packages necessary for NaviSite to attract and retain experienced officers and employees. The Board of Directors of NaviSite believes that the approval of the 2003 Stock Incentive Plan is essential to permit NaviSite to continue to provide long-term, equity-based incentives to present and future key employees.

Since the 2003 Stock Incentive Plan's initial adoption by the Board of Directors in July 2003, NaviSite has granted, subject to the approval of NaviSite's stockholders, options to purchase an aggregate of 2,272,000 shares under the 2003 Stock Incentive Plan to employees of NaviSite. None of these employees were executive officers or members of the Board of Directors of NaviSite. The closing price of NaviSite Common Stock on November 10, 2003 was \$4.90.

If the 2003 Stock Incentive Plan is approved by NaviSite's stockholders, no additional option grants shall be made under the Amended and Restated 1998 Equity Incentive Plan (the 1998 Equity Incentive Plan), the 1999 Stock Option Plan for Non-Employee Directors or the 2000 Stock Option Plan. However, all then-outstanding options under such plans shall remain in effect.

The Board Of Directors recommends a vote FOR the approval of the 2003 Stock Incentive Plan.

Description of the 2003 Stock Incentive Plan

The purpose of the 2003 Stock Incentive Plan is to provide Awards to employees, officers, directors, consultants and advisors of NaviSite and its present or future parent or subsidiary corporations (each a Participant), all of whom are eligible to receive Awards under the 2003 Stock Incentive Plan. A copy of the 2003 Stock Incentive Plan is attached to this proxy statement as Appendix II. The following is a summary of the 2003 Stock Incentive Plan and should be read together with the 2003 Stock Incentive Plan. The summary is qualified in its entirety by reference to the 2003 Stock Incentive Plan.

Administration. The 2003 Stock Incentive Plan is administered by the Board of Directors. The Board of Directors has the power to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the 2003 Stock Incentive Plan as it may deem advisable. The Board of Directors may correct any defect, supply any omission or reconcile any inconsistency in the 2003 Stock Incentive Plan or any Award in the manner and to the extent it shall deem expedient to carry the 2003 Stock Incentive Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. The Board may delegate its powers to one or more committees of the Board or to one or more executive officers of NaviSite (provided, that the Board of Directors shall fix the terms of the Awards granted by the executive officer and the maximum number of shares that the executive officer may grant and that no executive officer shall have the power to grant Awards to another executive officer (as defined in Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), or to any officer (as defined in Rule 16a-1 of the Exchange Act) of NaviSite).

Per-Participant Limit. No Participant may be granted Awards during any one calendar year to purchase more than 650,000 shares of Common Stock.

Exercise Price. The Board establishes the exercise price at the time each option is granted.

Exercise of Options. Each option granted under the 2003 Stock Incentive Plan shall either be fully exercisable at the time of grant or shall become exercisable in such installments as the Board may specify. Once an installment becomes exercisable it shall remain exercisable until expiration or termination of the option, unless otherwise specified by the Board. Each option or installment may be exercised at any time or from time to time, in whole or in part, for up to the total number of shares with respect to which it is then exercisable. During the Participant's lifetime, Awards may be exercised only by the Participant.

Payment for Exercise of Options. Payment for the exercise of options under the 2003 Stock Incentive Plan may be made by one or any combination of the following forms of payment (a) by cash or check payable to the order of NaviSite; (b) except as otherwise explicitly provided in the applicable option agreement, by delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to NaviSite sufficient funds to pay the exercise price or any required tax withholding, or delivery by the Participant to NaviSite of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to NaviSite cash or a check sufficient to pay the exercise price and any required tax withholding; (c) when the Common Stock is registered under the Exchange Act, by delivery of shares of Common Stock owned by the Participant valued at fair market value (as determined by or in a manner approved by the Board) provided that such method of payment is then permitted by law and such Common Stock, if acquired directly from NaviSite, was owned by the Participant for at least six months; or (d) to the extent permitted by the Board, (x) by delivery of a promissory note of the Participant to NaviSite (on terms determined by the Board) or (y) payment of such other lawful consideration as the Board may determine.

Transferability. Except as otherwise provided in the applicable option agreement, options are not transferable except by will or by the laws of descent and distribution.

Restricted Stock. The Board may grant Awards entitling recipients to acquire shares of Common Stock, subject to the right of NaviSite to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award.

Acquisition of NaviSite. Upon the occurrence of a Reorganization Event (as defined below) or the execution by NaviSite of any agreement with respect to any Reorganization event, the Board shall provide that all outstanding options outstanding under the 2003 Stock Incentive Plan shall be assumed, or equivalent options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof). If the acquiring or succeeding corporation (or an affiliate thereof) does not agree to assume, or substitute for, such options, then all then unexercised options will become exercisable in full as of a time specified by the Board.

prior to the Reorganization Event and will terminate immediately prior to the consummation of such Reorganization Event; provided, however, that in the event of a Reorganization Event under the terms of which holders of Common Stock will receive a cash payment for each share of Common Stock surrendered pursuant to such Reorganization Event (the Acquisition Price), then the Board may instead provide that all outstanding options outstanding under the 2003 Stock Incentive Plan shall terminate upon consummation of such Reorganization Event and that each optionholder shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (A) the Acquisition Price multiplied by the number of shares of Common Stock subject to such outstanding options (whether or not then exercisable), exceeds (B) the aggregate exercise price of such options.

Upon the occurrence of a Reorganization Event, the repurchase and other rights of NaviSite under each outstanding restricted stock award shall inure to the benefit of NaviSite's successor and shall apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such restricted stock award. Reorganization Event is defined in the 2003 Stock Incentive Plan as follows: (a) any merger or consolidation of NaviSite with or into another entity as a result of which all of the Common Stock of NaviSite is converted into or exchanged for the right to receive cash, securities or other property or (b) any exchange of all of the Common Stock of NaviSite for cash, securities or other property pursuant to a share exchange transaction.

Effect of Termination, Disability or Death. The Board determines the effect on an Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or designated beneficiary, may exercise rights under the Award.

Amendment Of Award. The Board of Directors may amend, modify or terminate any outstanding Award, including but not limited to, by substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an ISO (as defined below) to a non-qualified stock option, provided that the Participant's consent to such action shall be required unless the Board of Directors determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

Termination and Amendment Of Plan. The Board may amend, suspend or terminate the 2003 Stock Incentive Plan or any portion thereof at any time. Unless terminated sooner, no Awards may be granted under the 2003 Stock Incentive Plan after July 9, 2013, but Awards previously granted may extend beyond that date.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

THE FOLLOWING DISCUSSION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE ISSUANCE AND EXERCISE OF OPTIONS GRANTED UNDER THE 2003 STOCK INCENTIVE PLAN IS BASED UPON THE PROVISIONS OF THE INTERNAL REVENUE CODE AS IN EFFECT ON THE DATE OF THIS PROXY STATEMENT, CURRENT REGULATIONS, AND EXISTING ADMINISTRATIVE RULINGS OF THE INTERNAL REVENUE SERVICE. THIS DISCUSSION IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL OF THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE 2003 STOCK INCENTIVE PLAN OR OF THE REQUIREMENTS THAT MUST BE MET IN ORDER TO QUALIFY FOR THE DESCRIBED TAX TREATMENT.

A. Incentive Stock Options (ISOs). The following general rules are applicable under current United States federal income tax law to ISOs granted under the 2003 Stock Incentive Plan:

1. In general, an optionee will not recognize any taxable income upon the grant of an ISO or upon the issuance of shares to him or her upon the exercise of an ISO, and NaviSite will not be entitled to a federal income tax deduction upon either the grant or the exercise of an ISO.

2. If shares acquired upon exercise of an ISO are not disposed of within (i) two years from the date the ISO was granted or (ii) one year from the date the shares are issued to the optionee pursuant to the exercise of the ISO (the Holding Periods), the difference between the amount realized on any subsequent disposition of the shares and the exercise price generally will be treated as capital gain or loss to the optionee.
3. If shares acquired upon exercise of an ISO are disposed of and the optionee does not satisfy the Holding Periods (a Disqualifying Disposition), then in most cases the lesser of (i) any excess of the fair market value of the shares at the time of exercise of the ISO over the exercise price or (ii) the actual gain on disposition, will be treated as compensation to the optionee and will be taxed as ordinary income in the year of such disposition.
4. The difference between the amount realized by an optionee as the result of a Disqualifying Disposition and the sum of (i) the exercise price and (ii) the amount of ordinary income recognized under the above rules generally will be treated as capital gain or loss to the optionee.
5. In any year that an optionee recognizes ordinary income on a Disqualifying Disposition of shares acquired upon exercise of an ISO, NaviSite generally will be entitled to a corresponding federal income tax deduction.
6. An optionee may be entitled to exercise an ISO by delivering shares of NaviSite Common Stock to NaviSite in payment of the exercise price, if the optionee's ISO agreement so provides. If an optionee exercises an ISO in such fashion, special rules will apply.
7. In addition to the tax consequences described above, the exercise of an ISO may result in an alternative minimum tax to the optionee. In general, the amount by which the fair market value of the shares received upon exercise of the ISO exceeds the exercise price is included in the optionee's alternative minimum taxable income. A taxpayer is required to pay the greater of his regular tax liability or the alternative minimum tax. A taxpayer who pays alternative minimum tax attributable to the exercise of an ISO may be entitled to a tax credit against his or her regular tax liability in later years.
8. Capital gain or loss recognized by an optionee on a disposition of shares will be long-term capital gain or loss if the optionee's holding period for the shares exceeds one year.
9. Special rules apply if the shares acquired upon the exercise of an ISO are subject to vesting, or are subject to certain reporting requirements and restrictions on resale under federal securities laws applicable to directors, certain officers or 10% stockholders.

B. Non-Qualified Options. The following general rules are applicable under current United States federal income tax law to Non-Qualified Options granted under the 2003 Stock Incentive Plan:

1. In general, an optionee will not recognize any taxable income upon the grant of a Non-Qualified Option, and NaviSite will not be entitled to a federal income tax deduction upon such grant.
2. An optionee generally will recognize ordinary income at the time of exercise of the Non-Qualified Option in an amount equal to the excess, if any, of the fair market value of the shares on the date of exercise over the exercise price. NaviSite may be required to withhold tax on this amount.
3. When an optionee sells the shares acquired upon the exercise of a Non-Qualified Option, he or she generally will recognize capital gain or loss in an amount equal to the difference between the amount realized upon the sale of the shares and his or her basis in the shares (generally, the exercise price plus the amount taxed to the optionee as ordinary income). If the optionee's holding period for the shares exceeds one year, such gain or loss will be a long-term capital gain or loss.
4. When an optionee recognizes ordinary income attributable to a Non-Qualified Option, NaviSite generally should be entitled to a corresponding federal income tax deduction.

5. An optionee may be entitled to exercise a Non-Qualified Option by delivering shares of NaviSite Common Stock to NaviSite in payment of the exercise price, if the optionee's option agreement so provides. If an optionee exercises a Non-Qualified Option in such fashion, special rules will apply.
6. Special rules apply if the shares acquired upon the exercise of a Non-Qualified Option are subject to vesting, or are subject to certain reporting requirements and restrictions on resale under federal securities laws applicable to directors, certain officers or 10% stockholders.

C. *Restricted Stock Awards*. The following general rules are applicable under current United States federal income tax law to Awards comprised of restricted Common Stock under the 2003 Stock Incentive Plan:

Persons receiving restricted Common Stock under the under the 2003 Stock Incentive Plan pursuant to Awards generally will not recognize taxable income upon the grant of the Award, unless the Participant makes an election under Section 83(b) of the Code (an 83(b) Election). If the Participant makes an 83(b) Election within 30 days of the date of grant, the Participant will recognize ordinary income, for the year the Award is granted, in an amount equal to the difference between the fair market value of the shares received (determined on the date of the Award) over the purchase price. If an 83(b) Election is not made, then the Participant will recognize ordinary income, at the time that the forfeiture provisions or restrictions on transfer lapse, in an amount equal to the difference between the fair market value of the Common Stock at the time of such lapse and the original purchase price paid for the Common Stock. The Participant will have a tax basis in the Common Stock acquired equal to the sum of the price paid and the amount of ordinary income recognized.

Upon the disposition of the Common Stock acquired pursuant to a restricted stock Award, the Participant will recognize capital gain or loss equal to the difference between the sale price of the Common Stock and the Participant's basis in the Common Stock. The capital gain or loss will be a long-term capital gain or loss if the shares are held for more than one year.

PROPOSAL NO. 3

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The Board of Directors has selected KPMG LLP to audit NaviSite's financial statements for the fiscal year ending July 31, 2004. KPMG LLP has audited the financial statements of NaviSite for each fiscal year since NaviSite's inception. If the stockholders do not ratify the selection of KPMG LLP as NaviSite's independent auditors, the Audit Committee and the Board of Directors will reconsider its selection. Representatives of KPMG LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so and be available to respond to appropriate questions from stockholders.

The Board of Directors recommends a vote FOR ratification of the selection of KPMG LLP as NaviSite's independent auditors for the fiscal year ending July 31, 2004.

ADDITIONAL INFORMATION

Director Compensation

In November 2003, after completing a review of director compensation for comparable companies, the Board of Directors agreed (i) to grant to future independent directors upon initial election to the Board options to purchase 50,000 shares of NaviSite Common Stock and (ii) that any independent director be paid \$7,500 per year, payable in quarterly installments. The Board of Directors expects to grant, prior to December 31, 2003, options for the purchase of 50,000 shares of Common Stock to each of the current independent directors, assuming re-election to the Board at the 2003 Annual Meeting. The exercise price for such options may be below the closing price on the Nasdaq SmallCap Market on the date of such grants. In determining the exercise price for the options, the Board will consider, among other things, the closing price of the Common Stock at such time, any accounting charges to NaviSite and prior service by such independent Board members, during which time NaviSite did not grant options to such directors. Additionally, upon re-election to the Board of Directors subsequent to the 2003 Annual Meeting, independent directors of the Board of Directors will be granted an annual option to purchase 15,000 shares of NaviSite Common Stock. The initial option grant of 50,000 shares vests monthly over three years (1/36th of the number of shares vest monthly). The subsequent annual option grant of 15,000 shares vests monthly over 12 months. The Chairperson of each of the Audit Committee and the Compensation Committee also will receive, upon re-election to the Board of Directors at the 2003 Annual Meeting and at each annual meeting of stockholders thereafter, an option to purchase 10,000 shares of NaviSite Common Stock. This option vests monthly over a period of 12 months.

During the 2003 fiscal year, directors did not receive any option grants. Messrs. Dennedy and Schwartz each received \$1,500 during fiscal year 2003 for service on the Board of Directors and \$6,000 each paid in October 2003 for participating on a special committee of the Board of Directors during and subsequent to fiscal year 2003.

Apart from the arrangements discussed above, NaviSite does not pay any cash compensation to members of its Board of Directors for their services as members of the Board of Directors, although directors are reimbursed for their reasonable travel expenses incurred in connection with attending Board of Directors and committee meetings. Directors who are also NaviSite officers or employees have been eligible to participate in the 1998 Equity Incentive Plan and will be eligible to participate in NaviSite's 2003 Stock Incentive Plan if it is approved by the stockholders. If the 2003 Stock Incentive Plan is approved by NaviSite's stockholders (Proposal No. 2), no additional option grants shall be made under the 1998 Equity Incentive Plan, the 1999 Stock Option Plan for Non-Employee Directors or the 2000 Stock Option Plan. However, upon approval of the 2003 Stock Incentive Plan, all then-outstanding options under such plans shall remain in effect and the option grants to the independent directors, as described above, will be made under the 2003 Stock Incentive Plan.

NaviSite and each member of the Board of Directors have entered into an indemnification agreement pursuant to which the directors will be indemnified by NaviSite, subject to certain limitations, for any liabilities incurred by the directors in connection with their role as directors of NaviSite.

Executive Compensation*Summary Compensation Table*

The following table sets forth certain summary information with respect to the compensation paid during the fiscal years ended July 31, 2003, 2002 and 2001 earned by each of (i) all individuals who served as the Chief Executive Officer during the fiscal year ended July 2003, (ii) one other executive officer who was serving as an executive officer on July 31, 2003 whose total annual salary and bonuses for fiscal year 2003 exceeded \$100,000 and (iii) one former executive officer who would have been among the most highly compensated executive officers during fiscal year 2003 had he remained as an executive officer as of July 31, 2003 (collectively, the **Named Executive Officers**). In the table below, columns required by the regulations of the SEC have been omitted where no information was required to be disclosed under those columns.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Annual Compensation			Long-Term Compensation Awards	All Other Compensation
	July 31,	Salary	Bonus	Securities Underlying Options	
Arthur P. Becker (1) Chief Executive Officer and President	2003	\$ 121,635		40,000	
Gabriel Ruhan (2) Chief Operating Officer	2003	\$ 205,769		40,000	
Patricia Gilligan Former Chief Executive Officer	2003	\$ 176,634			\$ 276,756(3)
	2002	\$ 262,724	\$ 122,025(4)	33,333	\$ 2,921(5)
	2001	\$ 215,909	\$ 180,713(6)	19,833	\$ 3,501(5)
Kevin H. Lo Former Chief Financial Officer and Former Senior Vice President of Finance and Strategy	2003	\$ 147,692			\$ 210,615(7)
	2002	\$ 175,628	\$ 117,000(8)	33,333	
	2001	\$ 100,660	\$ 8,274	12,333	

- (1) Mr. Becker became NaviSite's Chief Executive Officer and President in February 2003.
- (2) Mr. Ruhan served as NaviSite's Executive Vice President for Business Development from October 2002 until April 2003, when he became NaviSite's Chief Operating Officer.
- (3) Includes \$275,000 of severance and \$1,756 to cover certain health benefits. Ms. Gilligan's relationship with NaviSite ended in March 2003.
- (4) Includes \$50,000 retention bonus paid on March 15, 2002 and \$72,025 management incentive bonus paid on August 19, 2002.
- (5) Represents the amount of matching contributions made by NaviSite under CMGI's 401(k) Plan.
- (6) Includes \$125,000 retention bonus paid on July 31, 2001.
- (7) Consists of a severance payment of \$200,000, plus \$1,000 to cover certain health benefits and a vacation payout of \$9,615. Mr. Lo's employment with NaviSite ended in April 2003.
- (8) Consists of \$50,000 retention bonus, \$25,000 of which was paid on December 14, 2001 and \$25,000 of which was paid on March 15, 2002, and \$67,000 management incentive bonus paid on August 19, 2002.

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Option Grants During the Fiscal Year Ended July 31, 2003

The following table sets forth information regarding options to purchase NaviSite Common Stock granted to the Named Executive Officers during the fiscal year ended July 31, 2003. The exercise price per share of each option is equal to the fair market value of NaviSite Common Stock on the date of grant, as

determined pursuant to the 1998 Equity Incentive Plan. Potential realizable values set forth in the table are net of the exercise price, but before taxes associated with the exercise, and are based on the assumption that NaviSite Common Stock appreciates at the annual rate shown from the date of the grant until the expiration of the ten-year option term. These numbers are calculated based on rules of the SEC and do not represent NaviSite's estimate or projection of future stock prices. The actual amount a Named Executive Officer may realize, if any, will depend upon the future performance of NaviSite Common Stock and the optionholder's continued employment with NaviSite through the vesting period. Accordingly, the potential realizable values reflected in the table may not be achieved. NaviSite has never granted any stock appreciation rights.

STOCK OPTION GRANTS IN THE FISCAL YEAR ENDED JULY 31, 2003

Name	Individual Grants (1)			Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price (Per Share)		5%	10%
	(#)	(%)	(\$)			
Arthur P. Becker (1)	40,000	31.21%(2)	\$2.55	7/9/2013	\$64,147	\$162,562
Gabriel Ruhan (1)	40,000	31.21%(2)	\$2.55	7/9/2013	\$64,147	\$162,562
Patricia Gilligan						
Kevin H. Lo						

- (1) On July 10, 2003, each was granted this option under the 1998 Equity Incentive Plan. The options are exercisable with respect to 50% of the underlying shares as of the grant date, July 10, 2003, and thereafter, exercisable in equal monthly installments of 1/24th of the number of shares and shall be exercisable in full on the first anniversary of the grant date. With respect to each option grant, 100% of the option vests and becomes exercisable in the event of a change in control and termination of employment within twelve months from such change in control.
- (2) Based on option grants under all of NaviSite's equity incentive plans other than the grants made pursuant to the 2003 Stock Incentive Plan, which are subject to stockholder approval.
- Options Exercised During Fiscal Year Ended July 31, 2003*

The following table sets forth information concerning options to purchase NaviSite Common Stock exercised by the Name of the letter of intent, please see Item 4.D "Property Acquisition - Minera San Jorge - Properties in which the Company no longer has an interest".

On February 28, 2005, Wealth announced the signing of a letter agreement with Brett Resources Inc. ("Brett") for the right to acquire a 60% interest in a 47 square kilometer exploration license in eastern El Salvador, covering the surface exposure of a potential low sulfidation epithermal gold-silver vein system. The Company announced on May 20, 2005, that it does not intend to pursue the Brett acquisition. For details of this letter agreement, please see item 4.D "Property Acquisition - Brett Property - Properties in which the Company no longer has an interest".

In June of 2004, the Company entered into an option assignment agreement (the "Option Agreement") with Minera Koripampa del Peru S.A. ("Koripampa") whereby the Company obtained the right to acquire a 100% interest in certain mineral rights in Peru (the "Amata Property"). In consideration of the assignment of this option to Wealth Minerals, Wealth Minerals paid \$100,000 (USD) in May, 2004, and issued 200,000 common shares issued upon closing of the agreement in June, 2004. The Company announced on May 20, 2005, that it did not intend to pursue the Amata Agreement. For details of this agreement, please see Item 4.D, "Property Acquisition, Amata Project - Properties in which the Company no longer has an interest".

On May 4, 2005, the Company announced that it had entered into an agreement to acquire a 100% interest in the Mackenzie Project located in central British Columbia, from certain individuals named the VRBDD Syndicate. The

Mackenzie Project is located 150 kilometers north of the city of Prince George. For details of this agreement, please see Item 4.D "Property Acquisition Mackenzie Project".

On July 12, 2005 the Company announced the acquisition of an option to acquire a 100% interest in a private Argentinean corporation which owns 20 separate parcels of land, of which 16 are known to have one or more uranium occurrences. Subject to regulatory approval (received October 21, 2005), the Company can acquire 100% of Madero Minerals S.A. and its assets for the payment of US\$100,000 (paid) and the issuance of 600,000 common shares, 100,000 shares 10 days after regulatory approval (issued), 200,000 shares on the first anniversary thereof, and 300,000 shares on the second anniversary thereof. For details of this agreement, please see Item 4.D "Property Acquisition Argentina Uranium Properties".

4.C

INTERCORPORATE RELATIONSHIPS

We have one wholly owned, direct subsidiary: Triband Resource US Inc., a corporation incorporated under the laws of the State of Nevada on November 5, 1997. The registered office of Triband Resource US Inc. is located at, 6121 Lakeside Dr., Suite 260, Reno, Nevada.

4.D

PROPERTIES, PLANTS AND EQUIPMENT

In 2001 and 2002 we abandoned certain claims in the Battle Mountain and Whisky Canyon area in Nevada for economic reasons. The Company felt that further exploration work on these claims would not be economically feasible as it was determined that exploration work on these claims would not yield any significant results. The Company decided to concentrate on the Betty O Neal claims at that time as exploration and mining activity in this area had shown some positive results in the past. The only obligation we had was to the Battle Mountain State Mortgage Bank with respect to the lease of the Betty O Neal claims until July of 2004. We were obliged to pay the Battle Mountain State Mortgage Bank a total of \$18,000 USD per year in \$9,000 USD increments, due in July and February of each year. In May of 2004 the Company notified the Battle Mountain State Mortgage Bank that it did not intend to renew its obligations with respect to the Betty O Neal Claims. A further US\$25,000 due July 9, 2004 was not paid at that time and the Company terminated its intent to earn an interest in the claims. The Company abandoned the BET 1-23 claims in September 2005.

We are in the exploration stage and the properties are presently without a known body of commercial ore. Our principal mineral properties are the following.

A.

Mackenzie Project, British Columbia

On May 4, 2005 the Company announced that it had entered into an agreement to acquire a 100% interest in the Mackenzie Project located in central British Columbia, from certain individuals named the VRBDD Syndicate. The VRBDD Syndicate is a group of individuals, resident in British Columbia who legally and beneficially own a 100% interest in 109 mining claims referred to as the Mackenzie Project. The Mackenzie Project is located 150 kilometers north of the city of Prince George.

The terms of the acquisition requires Wealth to pay to the VRBDD Syndicate CDN\$80,000 and 100,000 common shares upon signing of the agreement. On the first anniversary (May 2, 2006) of signing the agreement Wealth will pay a further CDN\$25,000 and 200,000 common shares. On the second anniversary (May 2, 2007) of signing the agreement Wealth will pay a further \$25,000 and 250,000 common shares. On the third anniversary (May 2, 2008) of signing the agreement Wealth will pay a further \$25,000 and 250,000 common shares.

The VRBDD Syndicate will retain a 2% net smelter royalty on any production and an advance royalty of \$25,000 per year every year after year three of the agreement is to be made by Wealth to the VRBDD Syndicate.

Wealth may purchase one half of the net smelter royalty at any time for a payment of \$1,000,000.

The Agreement is referenced herein as Exhibit 4.4.

The Company has paid CDN\$80,000 and 100,000 common shares on May 2, 2005 under the terms of this Agreement.

Location and introduction

The Mackenzie Project is located in east-central British Columbia, approximately 150 km north of the city of Prince George. It is a linear belt measuring roughly 130 km (northwest-southeast) by approximately 18 km wide (the core of this area has been staked and consists of a block of 109 claims (44,149.494 hectares). The region forms the western slope of the Rocky Mountains and while the western edge of the project area is readily accessible via the Mackenzie Highway, the bulk of the area is presently accessible only by helicopter.

The project is underlain by Upper Proterozoic sedimentary rocks of the Misinchinka Group and lies immediately east of the Rocky Mountain Trench. As such, it falls within the transition zone between areas with potential for traditional "hard rock" metallic mineralization and the oil and gas producing areas of the West Canada Basin. For this reason, it seems to have been neglected by both hard rock prospectors and petroleum explorers.

The area was chosen for preliminary gold prospecting because of the presence of exhalite type iron formation, the lack of any government regional geochemical sampling coverage, the documented occurrence of old gold placers and the poorly known nature of the dominant host rocks, the Misinchinka Group.

Additional relevant information is as follows:

a)

Access to some of the claims is by logging roads from the town of Mackenzie. However the bulk of the property must be accessed by helicopter. Nevertheless existing roads and infrastructure are generally within 20 to 40 km from any part of the property and construction of additional access roads would not be a large expense.

b)

The only conditions that must be met in order to retain title is that assessment work to the value of \$4.00 per hectare must be completed for the first three years and then \$8.00 per hectare thereafter. The claims are currently in their first year of tenure.

c)

A work program began on the properties on August 1, 2005. This work consisted of reconnaissance and detailed stream sediment and soil sampling to delineate areas of anomalous gold content. At the same time geological mapping was carried out to establish controls and areas of potentially significant mineralization. The program was completed in October 2005. The present condition of the properties is that they are virgin coniferous forest portions of which have been and are being logged. The nearby town of Mackenzie supports two producing pulp and paper mills.

d)

There is no plant or equipment on the properties.

e)

There is no physical equipment. Infrastructure is good with all support facilities being available in the town of Mackenzie which has paved road access, abundant power as well as an airport and available commercial planes and helicopters.

f)

Phase one evaluation has been completed, data has been collected and evaluated and an internal report was prepared for management in December 2005 and recommends a Phase Two program to be carried out during the period of June September 2006. The internal report is currently being updated and produced in final form to be filed with regulatory authorities.

g)

The total cost incurred for exploration to date was \$542,254, together with acquisition costs of \$178,000 (cash and shares).

h)

The property if viable would obtain power from the BC power grid, which could be extended from the town of Mackenzie. Abundant water is available on all parts of the property.

i)

The properties are without known reserves and the proposed program is exploratory in nature.

Exploration Summary

The Mackenzie Project is a newly discovered zone of gold geochemical anomalies which appear to be conformable with one or more sedimentary horizons and/or associated thrust faults in a sequence of Late Proterozoic rocks. Based on the geologic setting, the host rocks involved, the structural environment and lack of associated base metals or intrusive rocks, the source gold mineralization is thought to be related to sediment hosted vein deposits.

Mineralization

Regional geochemical sampling has detected anomalous gold values in stream sediments over a strike length of approximately 70 km (northwest-southeast) in a series of conformable (to regional strike) and en echelon bands up to 7 km wide. Approximately 350 silt samples were collected and of these roughly 8% are anomalous (40 ppb to 1250 ppb). Preliminary heavy mineral fraction analysis suggests that the bulk of the gold is fine although locally some coarse gold was noted.

The presence of abundant quartz float as well as areas of local carbonate alteration in a setting strongly suggestive of a sediment hosted vein or slate belt gold deposit environment confirms the Mackenzie Project as a prime, new, unexplored gold belt.

Exploration Plans

The Company has not made any definitive decisions with respect to the nature of the exploration program on the Mackenzie property to date. There are no work commitments required under the terms of the Agreement; however, Wealth is responsible for all payments and assessment work required to keep the property in good standing. In addition, there is a defined area of interest from which any minerals acquired by either Wealth or the VRBDD Syndicate or any of their respective affiliates or associates within such area will be contributed at cost and will form part of the property. Wealth is exploring joint venture opportunities with other exploration companies for the Mackenzie Project.

B.

Uranium Properties, Argentina

During July 2005, Madero Minerals S.A. (see Item 3.D) acquired by staking (exploration license application), 17 properties in the provinces of Jujuy, Salta, Catamarca, la Rioja and San Juan, northwestern Argentina (Exhibit 99.2 Location Map). Subsequently an office was set up in the city of Salta and evaluation of those properties (plus various submittals), have been carried out since October 15, 2005. It is estimated that this first phase evaluation will be completed by June 15, 2006.

To date, ten properties have been evaluated as non-prospective, two will advance to the next stage of exploration (detailed mapping, trenching and drilling), and five are still in the process of first stage evaluation. The Company is acquiring a 100% interest in these properties through the acquisition of Madero Minerals S.A.

The two properties which will advance to the next stage of exploration/evaluation are known as the Alemania property and the Amblayo property respectively. There will be 43-101 compliant reports completed on these properties by May 23, 2006.

I.

The Alemania Property

The Alemania property consists of three exploration concessions (cateos) totalling 23,650 hectares and is located 110 km south of the city of Salta, province of Salta. Access is by paved and gravel roads to the property and thence by dirt track and horse trails to various areas of the concessions.

At the Alemania property, uranium-copper-silver mineralization occurs in a series of conformable siltstone-mudstone-limestone beds within a fault-controlled, continental basin measuring about 4.5 km (N-S) by about 1.8 km (E-W). Numerous areas of anomalous radioactivity were noted within an approximate 100 meter section of the Late Cretaceous, Yacoraite Formation (sandy limestone, calcareous sandstone, thin bedded siltstone and mudstone). Secondary copper minerals were commonly noted in areas of anomalous radioactivity.

The areas of anomalous radioactivity and secondary (oxide) copper minerals are contained within a number of thin (less than one meter) beds of laminated gray siltstone and calcareous sandstone.

The maximum assay values obtained for uranium, copper and silver are respectively: 1,540 ppm (0.15%); 35,400 ppm (3.5%) and 46.5 ppm (1.45 oz/t). Of the 62 samples collected from the property, 31 contained in excess of 500 ppm (0.05 or 1lb/ton) uranium, 29 contained in excess of 1% copper and 29 contained in excess of 20 ppm (g/t) silver.

From this preliminary work, uranium mineralization appears to be confined to a number of thin beds within the approximately 100 meter thick sedimentary succession. However, the mineralization is stratigraphically controlled and has been traced intermittently for several thousand meters along strike as it outcrops around the limits of the basin. Further, extensive detailed mapping, sampling and trenching will be required to determine the full extent and potential of this mineralized system. The Company is encouraged by the potential for a significant tonnage of mineralized material which may be amenable to low cost, heap leaching technology.

Data from regional silt sampling completed by Argentine government mineral surveys suggests that additional undiscovered mineralization may be discovered in the property area. A second program of more extensive sampling and mapping has recently been completed and will be incorporated into the 43-101 report to be released shortly.

2.

The Amblayo Property

The Amblayo property is located in Salta province, northwest Argentina, approximately 100 km south-southwest of the capital city of Salta. The property comprises eleven exploration concessions (cateos) and one mina (exploitation concession) aggregating 72,116 hectares and surrounds the formerly producing Don Otto Mine. Access is by paved and gravel road from the city of Salta. Various secondary roads provide good access to most parts of the property internally. Topography is gentle to locally steep with elevations ranging from 2,200 to 3,000 meters above mean sea level. Field work can be carried out year round.

The first phase exploration work completed on the Amblayo property was supervised by Dr. Tom Richards, a recognized authority on the economic geology of northwestern Argentina.

The Amblayo property, which measures roughly 45 km (N-S) by an average of 18 km (E-W), covers a package of Cretaceous to Tertiary age, continental, sedimentary rocks folded into two prominent synclines, largely conformable with two prominent valleys (Tonco Valley and Amblayo valley). Anomalous to ore grade uranium values are occasionally accompanied by anomalous values in vanadium, copper, silver and molybdenum and are contained within a number of conformable shale and siltstone beds in the upper part of the Yacoraite Formation.

Zones of anomalous radioactivity range from less than one meter to six meters in thickness with one area of approximately 30 meters in thickness being recorded. These anomalous radioactive areas occur sporadically over a cumulative strike length of approximately 20 km. Included within this area is the formerly producing Don Otto Mine owned by CNEA (Comision Nacional de Energia Atomica) the Argentine national atomic energy authority. The Don Otto Mine is reported to have produced 88,000 lbs of uranium metal from mineralized material from the same host stratigraphy between 1963 - 1981.

A total of 49 character samples were collected during the initial mapping and exploration program. Maximum values obtained included 0.44% U, 0.60% V, 0.71% Cu, 16 g/t Ag and 0.03% Mo.

According to Dr. Richards: "uranium is distributed across a very broad area, generally within thin (to 2 meters), fine grained, sedimentary units....although widespread, the volume of uranium preserved in the Tonco and Amblayo basins appears to be large".

3.

Other Uranium Prospects in Argentina

Recently, the Company completed a program of reconnaissance prospecting and mapping in the San Jorge Basin in the provinces of Chubut and Santa Cruz, Argentina.

Wealth has been actively engaged in exploration for uranium in Argentina since mid 2005, principally in northwestern Argentina, but also in other parts of the country. The Company quickly recognized the San Jorge Basin as having excellent exploration potential for uranium, as well as having been under explored.

The San Jorge Basin is defined by a sequence of continental and tuffaceous, clastic sediments of Cretaceous age (the Chubut Group) which unconformably overlies a basement of Jurassic and older rocks. The basin measures roughly 400 km (N-S) by about 270 km (E-W), a surface area of about 170,000 sq. km.

A number of uranium occurrences were discovered in the basin by CNEA (the Argentine National Atomic Energy Authority) as a result of regional exploration completed by this organization during the 1960's through to the late 1990's. A number of these occurrences were investigated in detail by geological and geophysical surveys, drilling and bulk sampling. One occurrence in particular, the Cerro Solo deposit, has a quoted resource and pre-feasibility study and is reported to contain in the order of 10 million pounds of uranium with additional recoverable values in molybdenum according to a published report by CNEA.

As a result of its regional reconnaissance program, Wealth has recognized certain predictable structural and stratigraphic controls on uranium mineralization and has located numerous, previously undocumented, uranium occurrences in this basin. These showings occur within horizons previously known to host uranium mineralization as well as newly defined stratigraphic levels. Mineralization is manifested by zones of anomalous radioactivity frequently containing visible uranium or uranium-vanadium minerals. Selected grab samples have returned values in uranium and vanadium assaying in the range of less than 100 ppm to more than 10,000 ppm (1%). Of a total of 219 samples submitted for analysis, 59 reported values greater than 100 ppm U; 47 reported values greater than 200 ppm U and 33 reported values greater than 500 ppm U (0.05% or 1 pound per ton) to a maximum of +10,000 ppm U (limits of detection). The same 219 samples returned vanadium values as follows: 77 greater than 100 ppm; 33 greater than 200 ppm and 15 greater than 500 ppm to a maximum of +10,000 ppm (samples assaying greater than 10,000 ppm have to be re-analysed to give a precise value).

Samples were collected from unmineralized rock to give an idea of background levels for various rock units as well as from occurrences of radioactive rock (as determined by a scintillometer).

There was no specific sampling density as this was a reconnaissance exploration program; rather during the course of routine geological traverses or measuring of specific sections, various horizons were sampled as background material and zones of anomalous radioactivity were selectively sampled.

All samples collected were rock chips from outcrop. The samples were collected by seasoned prospectors and geologists, placed in plastic sample bags and kept in the Company's possession until driven by Company personnel to the laboratories of Alex Stewart (Assayers) Argentina, S.A. in Mendoza (city), Argentina. The Company's consultants have inspected the laboratory facilities and are satisfied with the protocols used. A recognized system of duplicate samples, blank samples and standards is used to ensure quality control. All samples are crushed and pulverized and a subsample is subjected to aqua regia digestion with analysis by ICP (inductively coupled plasma spectroscopy).

To protect these newly discovered occurrences, the Company has applied for a number of exploration concessions in various parts of the San Jorge Basin.

The Company is very encouraged by this exploration success and is planning to complete an airborne geophysical survey over selected parts of its holdings during the coming months. Extensive ground follow-up will be necessary to completely evaluate these widespread new discoveries. This phase of more detailed work is expected to commence in September 2006.

C.

Properties in which the Company no longer has an interest

I.***Amata Project***

In June 2004 the Company entered into an option assignment agreement (the "Option Agreement") with Minera Koripampa del Peru S.A. ("Koripampa") whereby the Company obtained the right to acquire a 100% interest in certain mineral rights approximating 10,300 hectares and situated in the Department of Moquegua, Coalaque District, Peru (the "Amata Property") originally granted to Koripampa by Rio Tinto Mining and Exploration Limited ("Rio Tinto") pursuant to a Letter of Understanding ("LOU") between Koripampa and Rio Tinto. Pursuant to the Option Agreement, the Company assumed all of the rights and obligations under the LOU. In order to exercise its option to acquire the Amata Property, the Company was required to complete work expenditures and submit payments to Rio Tinto in accordance with the following tables:

Period	Work Expenditure US\$
Year to first anniversary of the LOU (June 2005)	\$200,000
Year to second anniversary of the LOU (June 2006)	\$500,000
TOTAL	\$700,000

Due Date	Payment US\$
On signing the LOU	\$100,000(paid)
1 June, 2005	\$150,000
1 June 2006	\$750,000
1 June 2007	\$1,000,000
1 June 2008	\$2,00,000
TOTAL	\$4,000,000

Pursuant to the Option Agreement and in consideration thereof, The Company paid \$100,000 (USD) and issued 200,000 common shares of the Company to Koripampa. The Company did not comply with the annual work expenditure programs in the first year of the contract. The Option Agreement will automatically terminate and the Company will not have further right or obligation to the property as of June, 2005, including the above work expenditures and payment due June, 2005. On May 20, 2005 the Company announced it would not be proceeding with this property as further investigation did not merit any expenditures with respect to exploration on the property. The Company is concentrating on better opportunities for exploration and has decided to focus its resources on the Mackenzie Property.

2.

Minera San Jorge S.A.

On December 15, 2004 Wealth entered into a letter of intent with Minera San Jorge S.A. de C.V. ("MSJ"), a Mexican Corporation, for an exclusive due diligence period and right of first refusal to acquire a 60% interest in two exploration projects in Mexico and Colombia. The original agreement called for completion of the final option agreement by January 31, 2005, pending successful due diligence and regulatory approval.

Under the letter of intent, the Company advanced US\$150,000 as a refundable acquisition fee to MSJ. The advance is secured by a promissory note from MSJ and marketable securities comprised of 250,000 shares of Tumi Resources Ltd. ("Tumi"), a TSX Venture Exchange listed company. As at November 30, 2004 shares of Tumi closed at \$0.99, representing a value of \$247,500. On February 28, 2005, Wealth announced that it had elected not to pursue a property position through MSJ in Colombia. On May 20, 2005, the Company announced it would not be proceeding with the Mexican property and requested the return of the funds held in escrow. Further investigation of the property did not merit any exploration expenditures being made on the property at this time. The Company is concentrating on better opportunities for exploration and has decided to focus its resources on the Mackenzie Property

3.

Brett Property

On February 28, 2005 Wealth announced the signing of a letter agreement with Brett Resources Inc. ("Brett") for the right to acquire a 60% interest in a 47 square kilometer exploration license in eastern El Salvador, covering the surface exposure of a potential low sulfidation epithermal gold-silver vein system. On May 20, 2005, the Company announced that it would not be proceeding with the Brett Property. Further investigation of the property did not merit any exploration at the present time. The Company is concentrating on better opportunities for exploration and has decided to focus its resources on the Mackenzie Property.

4.

BET Claims 1 - 23 - Lander County, Nevada, USA

Location and Introduction

The BET Claims 1 - 23 (the "BET Claims") are located along the northwest flank of the Shoshone Range approximately 12 miles southeast of Battle Mountain, Lander County, Nevada, USA

Property Acquisition

The BET Claims 1 - 23 were claimed by the Company in 1997. We maintain our interest in the BET claims via yearly payments of \$2,875 to the Bureau of Land Management in Battle Mountain, Nevada payable in September of each year and payments of \$199 to the Lander County Recorder to hold the claims each year in September. We have no further work commitments on the BET 1-23 claims.

Mineralization

Two main types of mineralization are present on the BET Claims 1 - 23: 1) a silver-base metal type, and 2) a gold-silver-arsenic type with minor base metals. The two types show an apparent regional zonation. Type 1 is the most common and strongest or best developed from the BET Claims. The type 2 is prominent at the BET Claims and southward into Rocky Canyon.

The gold mineralized zones occur as steeply-dipping high-angle veins and fault breccias and as low angle-shear-breccia zones. Most mineralized veins and high-angle breccias zones are relatively narrow (less than 1 to about 20 feet in width), while the low-angle shear-breccia zones are typically 2 to 50 feet thick. The vein and steeply-dipping fault breccia mineralization consists of varying mixtures of quartz and calcite gangue containing abundant sulfide minerals. The sulfide minerals include pyrite, arsenopyrite, chalcopyrite, sphalerite and tetrahedite. Secondary copper minerals occur in oxidized zones with iron oxide minerals and scorodite. Low angle zones contain mineralization that is generally less distinctive and contains abundant clay minerals. Most of the shear zone mineralization is more intensely oxidized relative to the vein mineralization. The silver content of the veins is variable. Values up to several ounces silver per ton are common.

Present and Future Exploration Activities

Other than a site visit in fiscal 2005, the Company has performed no exploration work on the BET Claims. The Company does not currently have any exploration work planned on the BET claims for fiscal 2005, as they are no longer consistent with the Company's exploration profile. The Company may explore joint venture opportunities for these claims.

ITEM 5.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

5.A

OPERATING RESULTS

The discussion and analysis in this section compares the operating results of the year ended November 30, 2005 to the year ended November 30, 2004, and the year ended November 30, 2003 to the year ended November 30, 2002, and should be read in conjunction with the Consolidated Financial Statements and the related Notes thereto provided at Item 17, Financial Statements. At the present time the Company's expenditures consist of general and administrative costs, and exploration expenditures. The Company presently has no production from its interest in exploration concessions and has no significant revenue items.

We are involved in mineral exploration activities Argentina, and central British Columbia, Canada. To date, we have no revenue from operations. Expenditures related to mineral exploration and corporate overhead generated items are expensed. Exploration and overhead expenditures fluctuate depending on the exploration stage of our various projects and on the amount of available working capital. We are not restricted in our ability to transfer funds to our subsidiaries.

The Company did not engage, does not currently engage, nor does it expect to engage, in any hedging transactions to protect against fluctuations between Canadian and U.S. currencies. The Company's expenses are denominated in both Canadian and U.S. currencies.

The following discussion of the operating results and financial position should be read in conjunction with the consolidated financial statements (and related notes).

Fiscal Year Ended November 30, 2005

During the fiscal year ended November 30, 2005, the Company incurred a loss of \$3,176,055 compared to \$1,630,322 in the prior year. The loss in 2005 increased by \$1,545,733 and was primarily comprised of the following expense increases: Stock-based compensation decreased (\$335,362 vs. \$549,360) due to the different nature and timing of stock option grants. Exploration costs of \$1,798,184 have increased significantly and are related to the Company's newly acquired properties in 2005 (see below). The 2004 expenditures were primarily on the Amata property in Peru which was disposed of in 2005. Salaries in 2005 are comprised exclusively of severance costs relating to the Company's former President who resigned in early 2005. During 2003 the Company was relatively inactive with regard to its mineral property holdings, and did not record stock-based compensation on the granting of stock options. In 2004, the Company moved premises, completed four private placements and entered into new property agreements. As a consequence, all other administrative expense categories also increased as compared to 2003. Listing and transfer agent fees increased fourfold to \$81,156 in 2004, but returned to more a normal level of \$35,340 in 2005. Professional fees and travel both have increased steadily over the past three years commensurate with the Company's overall increase in exploration and business activity.

Total consulting fees of \$213,240 (2004 - \$234,116) include \$105,600 (2004 - \$152,500) paid to related parties (see Transactions with Related Parties below). Travel expenses were incurred primarily by directors in respect of property due diligence, to complete private placement financings, and for general corporate purposes.

The Company incurred exploration costs of \$1,798,184 in 2005 substantially on its newly acquired properties, compared to \$504,262 and \$27,783 in 2004 and 2003 respectively on the Amata Project in Peru, and the Nevada, USA claims as follows:

	Year ended November 30, 2005	Year ended November 30, 2004	Year ended November 30, 2003
Mackenzie Project, BC, Canada			
Acquisition	\$ 178,000	-	-
Exploration	542,254	-	-
Argentina Uranium Project			
Acquisition	263,760	-	-
Exploration	805,030		
Amata Project, Peru			
Acquisition	-	426,606	-
Exploration	8,562	58,241	-
Nevada, USA, Properties			
Acquisition	-	-	27,783
Exploration	578	19,415	-
Total	\$ 1,798,184	504,262	27,783

The Company recognizes an expense for stock options granted, and a share issuance cost in respect of agents' warrants issued in connection with private placements, as determined by the Black-Scholes pricing model. In 2004, options were granted but no agents' warrants were issued. As a result of the options granted, \$335,362 (2004 - \$549,360) was recorded as a credit to contributed surplus. As a result of the exercise of stock options during the year, \$42,910 (2004 - \$16,800) was debited to contributed surplus and credited to the value of the options exercised.

Fiscal Year Ended November 30, 2004

During the fiscal year ended November 30, 2004 the Company incurred a loss of \$1,630,322 compared to a loss of \$263,199 in the prior year. The loss in 2004 increased by \$1,367,123 and was primarily comprised of the following:

Stock-based compensation (\$549,360), exploration costs (increase of \$476,479) and consulting fees (increase of \$155,316). These items account for \$1,181,155 (86%) of the increase. During 2003 and 2002, the Company was relatively inactive with regard to its mineral property holdings, and did not record stock-based compensation on the granting of stock options. In 2004, the Company moved to its current address at #1901 1177 West Hastings St., Vancouver, B.C., completed four private placements and entered into new property agreements. As a consequence, general administrative expense categories also increased. Listing and transfer agent fees increased fourfold to \$81,156 from \$20,730 primarily due to costs associated with the private placements. Professional fees and travel both almost doubled to \$86,837 and \$44,237 respectively, from \$52,900 and \$24,702.

Total consulting fees of \$238,116 include \$156,500 from related parties (see Transactions with Related Parties below). Other consulting fees and salaries were \$81,616 (2003 - \$22,800). Remuneration to related parties was comprised of \$125,000 to the former President, \$22,500 to the President, and \$4,000 to the CFO. Included in the \$125,000 to the former President is a \$60,000 severance fee for stepping down upon the appointment of a new President. All payments made to Rosalie Moore were made under the terms of her contracts attached hereto as Exhibit 4.6. All payments for services were made to Gary Freeman under his contract attached hereto as Exhibit 4.6. The lump sum payment paid to Mr. Freeman when he stepped down as President was made pursuant to a Board Resolution passed September 27, 2004.

Travel expenses were incurred primarily by directors in respect of completing private placement financings, for general corporate purposes, for attendance at two trade shows, and for property investigations.

The Company incurred acquisition and exploration costs of \$504,262, comprised of \$484,847 on the Amata Project in Peru, and \$19,415 on the Nevada, USA claims as follows:

	Amata Project, Peru	Betty O Neal Claims, Nevada	BET 1-23 Claims, Nevada	Total
Acquisition costs	\$ 381,970	-	-	\$ 381,970
Taxes and fees	44,636	-	-	44,636
Claim and filing fees	-	11,719	4,033	15,752
Geological consulting	23,278	-	-	23,278
Insurance	-	3,663	-	3,663
Surveying	21,756	-	-	21,756
Travel	13,207	-	-	13,207
Total	\$ 484,847	15,382	4,033	\$ 504,262

The Amata project acquisition costs are comprised of a cash payment of US\$100,000 and the issuance of 200,000 common shares at a fair value of \$1.22 per share. The other costs were incurred as a result of examining and evaluating the property. (Refer to Investments above).

The Company recognizes an expense for stock options granted, and a share issuance cost in respect of agents' warrants issued in connection with private placements, as determined by the Black-Scholes pricing model. In 2004, options were granted but no agents' warrants were issued. As a result of the options granted, \$549,360 was recorded as a credit to contributed surplus. As a result of the exercise of stock options during the year, \$16,800 was debited to contributed surplus and credited to the value of the options exercised.

Net loss for the year ended November 30, 2004 under US GAAP was \$1,630,322 (2003 - \$263,199; 2002 - \$388,185). The comparison of loss per Canadian GAAP was calculated as follows:

In fiscal 2004, total assets of the Company increased to \$3,035,983 from \$117,052 as at November 30, 2003. During the 2004 fiscal year, the Company received \$3,549,400 from private placements, \$161,400 from the exercise of warrants and \$10,000 from exercise of stock options subsequent to year end.

In fiscal 2004, the Company expended a total of \$2,875 on claim maintenance on the Bet properties in Nevada as compared to \$27,783 on exploration programs in 2003.

Year Ended November 30, 2003

Net loss for the year ended November 30, 2003 under US GAAP was \$263,199 (2002 - \$388,185; 2001 - \$679,437).

Total assets of the Company decreased from \$185,094 as at November 30, 2002 to \$117,052 as at November 30, 2003. During the year, the Company received \$97,500 from a private placement, \$33,750 from the exercise of warrants and \$44,250 from exercise of stock options.

In 2003, the Company expended a total of \$27,783 on exploration programs on the Whisky Canyon, and Bet properties in Nevada as compared to \$57,664 in 2002.

Year Ended November 30, 2002

Net loss for the year ended November 30, 2002, under Canadian GAAP was \$315,085 as compared to \$679,437 for the year ended November 30, 2001. The decrease in losses is mainly due to the decreased cost in the acquisition of mineral properties and decreased exploration costs.

The net loss for the twelve months ended November 30, 2002, was \$315,085 or \$0.06 per share in comparison with \$679,427 or \$0.24 per share for the same period ending November 30, 2001. The increase in loss is due to the write off of exploration costs of the Standard Creek property and the write off of mineral properties. Fully diluted income (loss) per share for the year ended November 30, 2002, was (\$0.06) compared to (\$0.24) for the previous year ending November 30, 2001.

During the year ended November 30, 2002 the Company used \$309,940 of its cash resources for operating activities and \$6,841 in its investing activities. Included in the investing activities was \$0 for mineral properties \$Nil for exploration costs, and \$0 in costs incurred in investigating potential investments. These activities were funded by the initial cash balance on hand at the beginning of the year plus funds raised during the year. During the fiscal year, the Company received \$330,500 from private placements \$180,250 from the exercise of warrants and \$12,750 from the exercise of incentive stock options. As a result, the Company had a positive cash flow of \$66,369 and a cash balance of \$126,202 as at November 30, 2002.

Options to Purchase Securities from Registrant or Subsidiaries

As at February 27, 2002 we cancelled all previously outstanding stock options and issued rights to purchase or acquire an aggregate of 505,000 common shares pursuant to stock options and other outstanding rights to purchase securities, including the warrants listed in Item 6.B "Director and Employee Stock Options". The closing market price of the common shares on November 30, 2003, on the TSX Venture Exchange was \$0.17. In February 2004, the Company re-priced all existing stock options to \$0.25 per share. In February 2004, the Company issued 120,000 stock options exercisable at \$0.25 per share to directors, officers and a consultant of the Company. In September 2004, the Company issued 900,000 stock options exercisable at \$0.70 per share to directors, officers and a consultant of the Company. The following table summarizes stock option transactions for the years ended November 30, 2005 and 2004:

	Year ended	Year ended
	November 30,	November 30,
	2005	2004
Outstanding, beginning of year	920,000	95,000

Issued - exercisable at \$0.25	-	120,000
Exercised at \$0.25	(20,000)	(195,000)
Issued - exercisable at \$0.70	585,000	900,000
Exercised at \$0.70	(75,000)	-
Cancelled	(425,000)	-
Issued - exercisable at \$1.05	175,000	-
Cancelled	(25,000)	-
Issued - exercisable at \$1.00	50,000	-
Issued - exercisable at \$1.12	75,000	-
Outstanding, end of year	1,260,000	920,000

5.B**LIQUIDITY AND CAPITAL RESOURCES**

Our primary source of funds since incorporation has been from the sale of our Common Shares through private placements and the exercise of incentive stock options and share purchase warrants. We have no revenue from mining to date and do not anticipate mining revenues in the foreseeable future. We believe that we have adequate working capital to proceed with the Company's planned exploration programs.

We have no loan agreements or other current financing plans to raise additional capital. However, the Board of Directors may seek to increase the exploration budget through private placements if we receive positive geological results warranting future exploration.

The Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the Company's liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's exploration programs or the future acquisition of projects.

Fiscal year 2005

In June 2005, the Company completed a private placement consisting of 1,000,000 units at a price of \$0.56 per unit for total proceeds of \$560,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one half a common share at a price of \$0.80 per whole common share until December 23, 2006.

In July 2005, the Company completed a private placement consisting of 150,000 units at a price of \$0.61 per unit for total proceeds of \$91,500. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one half a common share at a price of \$0.80 per whole common share until January 5, 2007.

Fiscal year 2004 and prior

In fiscal 2004, the Company raised a total of \$3,549,400 through the issuance of a total of 7,666,250 of its common shares by way of private placements as detailed below.

In February 2004, the Company completed a private placement consisting of 850,000 units at a price of \$0.24 per unit, for total proceeds of \$204,000. Each unit consists of one common share and one-half share purchase warrant, where one full warrant entitles the holder to purchase an additional common share at a price of \$0.35 per share until August 26, 2005. No finder's fee was issued. To date, 425,000 warrants remain unexercised.

In March 2004, the Company completed a private placement consisting of 2,500,000 units at a price of \$0.27 per unit, for total proceeds of \$675,000. Each unit consisted of one common share and one-half share purchase warrant, where one full warrant entitles the holder to purchase an additional common share at a price of \$0.35 per share until March 15, 2006. No finder's fee was issued. During the year, 150,000 warrants were exercised. If the common shares trade above \$1.00 per share on the TSX Venture Exchange for a period of 10 consecutive trading days prior to the expiry of the warrants and after the initial four month hold period has expired, the Company has the right to force the exercise of the warrants. To date 1,306,250 warrants remain unexercised. G.F. Consulting Corp., a private company owned by Gary Freeman purchased 300,000 units under this private placement.

In May 2004, the Company completed a private placement consisting of 3,010,000 units at a price of \$0.54 per unit, for total proceeds of \$1,625,400. Each unit consists of one common share and one-half share purchase warrant, where one full warrant entitles the holder to purchase an additional common share at a price of \$0.80 per share until May 14, 2006. No finder's fee was issued. During the year, no warrants were exercised. If the common shares trade above \$1.50 per share on the TSX Venture Exchange for a period of 10 consecutive trading days prior to the expiry of the warrants and after the initial four month hold period has expired, the Company has the right to force the exercise of the warrants. To date 1,505,000 warrants remain unexercised. Amergold Investments, a private corporation owned by Gary Freeman, purchased 200,000 units under this private placement. Gil Atzmon, a former director of the Company, purchased 15,000 units under this private placement.

In September, 2004, the Company completed a private placement consisting of 1,306,250 units at a price of \$0.80 per unit, for total proceeds of \$1,045,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of \$1.00 per share until March 7, 2006. Finders fees of \$40,200 were paid as follows \$3,200 to Windsor Capital, a British Columbia corporation, the principals of

which are at arms length to the Company and who introduced individual investors to the Company; \$6,000 to Haywood Securities, a British Columbia corporation the principals of which are at arms length to the Company and who introduced individual investors to the Company; \$9,600 to National Media, a U.S. corporation the principals of which are at arms length to the Company and who introduced individual investors to the Company; and, \$24,000 to Tom Wikstrom, an individual who is at arms length to the Company who introduced individual investors to the Company. During the year, no warrants were exercised. To date, 1,306,350 warrants remain unexercised.

In November 2003, the Company completed a private placement consisting of 225,000 units at a price of \$0.30 per unit, for total proceeds of \$67,500. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.42 per share until November 14, 2005. No finder's fee was issued. G.F. Consulting Corp., a company owned by Gary Freeman purchased 100,000 units under this private placement. Mr. Freeman exercised 100,000 of these warrants on May 26, 2005. The balance of these warrants expires in November, 2005. Jerry Pogue, a director of the Company, purchased 100,000 units under this private placement.

During the year ended November 30, 2004, we used \$ 1,184,084 of our cash resources for operating activities and \$5,732 in investing activities. These activities were funded by initial cash balance on hand at the beginning of the year and funds raised during the year. During the fiscal year, we received \$3,765,487 from common share issuances, excluding property acquisitions and other transactions. In February, 2004, the Company issued 850,000 units at \$0.24 for proceeds of \$204,000. Warrants to purchase an additional 425,000 shares at \$0.35 were issued on the private placement, these warrants expire August 26, 2005. In March of 2004, the Company issued 2,500,000 units at \$0.27 for proceeds of \$675,000. Warrants to purchase 1,250,000 common shares at \$0.35 were issued on this private placement. These warrants expire in March, 2006. In May of 2004 the Company issued 3,010,000 units at \$0.54 for proceeds of \$1,625,400. Warrants to purchase 1,625,000 shares at \$0.80 were issued on this private placement. These warrants expire in May, 2006. In September 2004, the Company issued 1,306,250 units at \$0.80 for proceeds of \$1,045,000. Warrants to purchase 1,045,000 shares at \$1.00 were issued on this private placement. These warrants expire in March, 2006. The Company received \$123,900 from the exercise of warrants and \$44,687 from the exercise of options. Subsequent to year end, the Company received \$10,000 from the exercise of options and \$42,000 from the exercise of warrants. Subsequent to year end, in May 2005, the Company announced it would be issuing 1,000,000 common shares at \$0.56 by way of private placement. Warrants to purchase an additional 500,000 common shares at \$0.70 are attached to this private placement. These warrants expire in May 2007.

During the fiscal year ended November 30 2003, we used \$263,803 of our cash resources for operating activities and \$Nil in investing activities. These activities were funded by initial cash balances on hand at the beginning of the year and funds raised during the year. During the fiscal year we received \$97,500 from a private placements in which 225,000 common shares were issued at \$0.30 per share with warrants to purchase a further 225,000 shares at \$0.42 which expire in November of 2005, and 62,500 shares at \$0.48 with 62,500 warrants at \$0.60. \$33,750 was received from the exercise of warrants and \$44,250 from the exercise of options.

5.C

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Not Applicable.

5.D**TREND INFORMATION**

Not Applicable.

5.E**OFF BALANCE SHEET ARRANGEMENTS**

Not Applicable

5.F**TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS**

		Payments Due by Period			
		Less than one Year	1-3 Years	3-5 Years	More than 5 Years
Contractual obligations - cash payments		\$50,000	\$25,000	\$25,000	\$25,000
Contractual obligations - shares		950,000	-	-	-
Capital (finance) lease obligations		N/A	N/A	N/A	N/A
			See note 2	See note 2	
Other long term liabilities reflected in the Company's balance sheet under GAAP of the primary financial statements					
		N/A	N/A	N/A	N/A

The information used in the above table is as of the latest fiscal year end balance sheet (November 30, 2005).

ITEM 6.**DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

6.A

DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth the names and addresses of each of our directors and officers, their principal occupations and their respective date of commencement of their term. All directors and officers hold office until the next annual general meeting of our shareholders or until a successor can be appointed.

Name, Municipality of Residence and Position with Company	Principal Occupation during the Past Five Years	Number of Common Shares of the Company beneficially owned or directly/indirectly controlled ^{(2) (3)}	Percentage of Issued Share Capital ⁽³⁾
GARY FREEMAN⁽¹⁾ Vancouver, British Columbia Canada Vice President and Director September, 2004 to Present President and Director from March 1999 to September 2004 Acting President and CEO from March 2005 to June 2005	President and Director of Wealth Minerals Ltd. from March, 2000 to September, 2004. Mr. Freeman has been in the investment community for over 18 years and has been responsible for the financing of many public companies, such as Lion Lake Resources, Palmer Resources and Indico Technologies. He has worked in the development and the structuring of projects from early stages. Mr. Freeman began working with Wealth Minerals Ltd. in 1996 and had worked as project co-coordinator on a contract basis. Mr. Freeman dedicates less than 25% of his time to the Company in the area of business development.	349,157 direct 301,468 indirect 100,000 options 0 warrants	3.89%
JERRY G. POGUE ⁽¹⁾ Vancouver, British Columbia Canada President and CEO from 1996 to March 1999, Director from	Acting President and CEO of Wealth Minerals Ltd. Mr. Pogue is a self-employed business consultant and has been a financier since 1994. Mr. Pogue was previously the President, CEO, Chairman and a Director of Palmer	223,905 direct 259,800 indirect 175,000 options 15,000 warrants	2.89%

March 1999 to Present, Acting President and CEO from July 2005 to Present	Resources Ltd. from May, 1996 to February, 1999; Prior to 1994 was a Registered Representative with National Securities Corp., Seattle, WA, USA from 1981 to 1993 Mr. Pogue dedicates approximately 75% of his time to the Company in business development, finance, property acquisition and personnel.		
HENK VAN ALPHEN⁽¹⁾	Henk Van Alphen has 23 years experience in the mining business as an exploration contractor and as the former President of Pacific Rim Mining. He is currently the President of Cardero Resources Ltd., of Vancouver B.C. a TSX Venture listed company. Mr. Van Alphen dedicates approximately 25% of his time to the Company in the areas of business development, property acquisition and finance.	559,000 common 175,000 options 0 warrants	3.34%
North Saanich, British Columbia Canada Director September 2004 to Present			
MICHAEL BARTLETT⁽¹⁾	President and Owner of Leisure Capital & Management Inc., a company which specializes in the pre-development, start-ups in innovative strategic, conceptual, economic and financial solutions from 1989 to present; from 1998 director, chairman and President of Indico Technologies Corporation, a public company trading on the TSX Venture Exchange; from 1996 to present, President & CEO of Creative Entertainment & Technologies, Inc., a public company trading on the TSX Venture Exchange; from January 1995 to 1996 President and CEO of National Maritime Authority. Mr. Bartlett dedicates approximately 10% of his time to the Company in the areas of business development.	0 common 50,000 options 0 warrants	N/A
Orlando, Florida USA Director 1996 to present			
MICHAEL W. KINLEY	Director and CFO of StonePoint Global Brands Inc. since June 2004; CFO of Cardero Resources Corp. since August 2005, CFO of Wealth Mineral Limited since July 2005; Director and CFO of Indico Technologies Ltd. since January, 2005; President, CEO, CFO and	0 common 50,000 options 0 warrants	N/A
Burnaby, British Columbia Canada Chief Financial Officer			

August 2005 to Present	Director of Zim Gold Resources Ltd. from February 1997 to present (now Noise Media Inc.); Director and CFO of Strike Resources Ltd. since July 2004 to present; President and Director of WorldStar Energy Corp. (formerly Auteo Media Inc.) since December 2003; President and Director of Abstract Enterprises Corp. from September 1997 to December 2005; President of Winslow Associates Inc., a private consulting firm since 1993; President and Director of Jon Daring Group Inc. since February 2005. Mr. Kinley dedicates approximately 30% of his time to the Company in his position of Chief Financial Officer.		
ROSALIE MOORE⁽⁴⁾	Ms. Moore obtained her M.S. Geology from Kent State University in Kent, Ohio. Ms. Moore has worked as a geologist for Texaco Inc. in Louisiana, Touchstone Resources in Nevada, Ivanhoe Capital Corporation of Vancouver and Minera ABX Exploraciones of Cajamarca, Peru. Ms. Moore was the Manager, Geological and Technical Services for Diamond Fields Resources of Vancouver. Ms. Moore has also served as a Mining Analyst for the Natural Resource Group at Yorkton Securities in Vancouver and is the past Vice President of Corporate Relations of Pan American Silver Corp., of Vancouver, B.C. Most recently, Ms. Moore was the Vice President of Corporate Development at Bear Creek Mining Corporation in Vancouver. Ms. Moore dedicated 100% of her time to the Company as its president and geological expert.	Nil	N/A
Vancouver, British Columbia Canada President, Director September 2004 to March 2005			
JON LEVER⁽⁵⁾	Mr. Lever has been a Certified Management Accountant since October 1991. President, Lever Capital Corporation since	Nil	N/A
Vancouver, British Columbia			

Canada	September 1995, a private company providing financial and operations management, and regulatory and internal financial reporting for public companies. CFO of Lalo Ventures Limited since February 20, 2004, and CFO of Tournigan Gold Corporation since April 1, 2004. Both companies are involved in mineral exploration and are listed on the TSX Venture Exchange. Former director of Finance, Digital Pioneer Technologies Corp., a private technology equipment manufacturer, from April 2000 to April 2002. Former director of Consolidated Agarwal Resources Ltd., a public issuer not currently trading, from February 26, 2001 to December 31, 2003. Former director of Player Petroleum Corporation, a public oil and gas producer, from January 1996 to March 1999. Mr. Lever dedicated 20% of his time to the Company as the Chief Financial Officer		
Chief Financial Officer			
Sept 2004 to July 2005			
KATHLEEN MARTIN⁽⁶⁾	Ms. Martin is an independent corporate finance consultant, with 20 years experience in the public markets. She is the past CEO and founder of Voyageur Film Capital now a CNQ listed Company called Creation Casinos. She is a director of Learnsoft Corporation and TSX Venture listed company. She is the President of St. Andrew's Finance Ltd. a private Vancouver based company specializing in corporate finance and debt re-organizations. Ms. Martin dedicated 20% of her time to the Company in the areas of corporate administration, governance and regulatory compliance.	Nil	N/A
Vancouver, British Columbia			
Canada			
Corporate Secretary			
March 2005 to December 2005			

Each Director is a Member of the Audit Committee of the Company

(2)

Common shares and options beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date hereof, based upon information furnished to the Company by individual directors and officers. Unless otherwise indicated, such shares or options are held directly. These figures do not include shares that may be acquired on the exercise of any share purchase warrants held by the respective directors and officers. Details of options held by the directors and officers are set forth under "Options and Other Rights to Purchase Shares - Outstanding Stock Options".

(3)

The directors, officers and other members of management of the Company, as a group beneficially own, directly or indirectly, 1,693,330 common shares of the Company, representing 10.13% of the total issued and outstanding Common Shares of the Company as at May 26, 2006.

(4)

Ms. Moore resigned as President and Director on March 27, 2005.

(5)

Mr. Lever resigned as Chief Financial Officer on July 31, 2005.

(6)

Ms. Martin was not re-elected to the position of Corporate Secretary at a meeting of the Board of Directors held on December 21, 2005.

MANAGEMENT

At the Annual General Meeting held on December 21, 2005, Gary Freeman, Michael Bartlett, Jerry Pogue and Henk Van Alphen were elected as directors of the Company. Mr. Michael W. Kinley was appointed as the Chief Financial Officer.

Jerry Pogue has been acting President and CEO on a full time basis since July 1, 2005. The Company is currently assessing appropriate candidates for the permanent position of President and CEO. The Company has no other full or part time employees and hires consultants on an as required basis.

INVESTOR RELATIONS

We have entered into an agreement with Institutional Market Communications Inc. for the provision of investor relations services focusing on the European market(s).

We have entered into an agreement with Mr. Glenn Shand to provide investor relations services. Please see 6.B "Termination of Employment, Changes in Responsibility and Employment Contracts".

6. B

COMPENSATION

The following tables set forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for each of the past three completed fiscal years in respect of the Company's directors and members of its administrative, supervisory or management bodies.

Summary Compensation Table

Name and Principal Position	Fiscal Year End	Annual Compensation			Long Term Compensation			
		Salary	Bonus	Other Annual Comp (\$)	Awards Common Shares Under Options\ SARs granted	Payouts Restricted Shares or Restricted Share Units (\$)	LTIP Payout (\$)	All other Compensation (\$)
Gary R. Freeman, Director (2)	Nov 30 / 05	\$72,500	Nil	Nil	Nil	N/A	N/A	N/A
Jerry G. Pogue, Director	Nov 30 / 05	\$16,000	Nil	Nil	25,000	N/A	N/A	N/A

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Michael Bartlett, Director	Nov 30 / 05	Nil	Nil	Nil	50,000	Nil	Nil	Nil
Rosalie Moore	Dec 04 to Mar 05	\$36,000	Nil	\$108,000	200,000	N/A	N/A	N/A
Director, President(1)								
Henk Van Alphen, Director	Nov 30 / 05	\$17,100	Nil	Nil	Nil	N/A	NA	N/A
Michael Kinley, CFO	Nov 30 / 05	\$12,000	Nil	Nil	Nil	N/A	N/A	N/A
Jon Lever, CFO (4)	Nov 30 / 05	\$16,000	Nil	Nil	Nil	N/A	N/A	N/A
Kathleen Martin (3) Corporate Secretary	Nov 30/05	Nil	Nil	Nil	Nil	N/A	N/A	N/A

(1)

Ms. Moore resigned as the President and Director in March 2005. Ms. Moore received \$18,000 under her contract in fiscal 2004 for her duties as President. Ms. Moore received \$36,000 in compensation as President during 2005. Ms. Moore received a lump sum payment of \$108,000 under the terms of her contract when she resigned as President in March 2005.

(2)

In September 2004 Mr. Freeman stepped aside as President and CEO of the Company and pursuant to a Board resolution, received a lump sum payment of \$60,000 in severance. In September 2004 Mr. Freeman entered into an employment contract to provide investor relations, finance and administration services to the Company for a payment of \$5,000 per month which, in October 2004, was revised to \$7,500 per month in October 2004. The terms of Mr. Freeman's agreement were further revised in October 2005 to provide the Company with finance services for a monthly payment of \$2,500.00 per month.

(3)

During fiscal 2005, 628894 B.C. Ltd., a private British Columbia Company owned by Kathleen Martin was compensated for administrative and supervisory work in connection with the Company's regulatory filings, audit and quarterly report preparation and filings and business affairs. This compensation amounted to CDN\$25,596.

(4)

Jon Lever resigned effective July 31, 2005

No other executive officer received direct or indirect compensation from any source for services provided to the Company during the most recently completed financial year.

Outstanding Warrants from Previous Private Placements

As at May 26, 2006 351,750 share purchase warrants exercisable at \$0.80 remain outstanding until December 23, 2006 of which Jerry Pogue has 15,000 warrants. A further 55,000 share purchase warrants are exercisable at \$0.80 until January 5, 2007. On May 5, 2005 Jerry Pogue exercised 150,000 share purchase warrants exercisable at a price of \$0.35. On May 25, 2005, GF Consulting Corp., a private company owned by Gary Freeman, exercised 100,000 warrants at a price of \$0.42. On July 20, 2005 Gary Freeman exercised 100,000 share purchase warrants exercisable at a price of \$0.35 and on August 3, 2005 GF Consulting Corp. exercised 50,000 share purchase warrants at a price of \$0.35. On November 14, 2005 Jerry Pogue exercised 100,000 warrants at a price of \$0.42. On March 26, 2006 Amergold Investments, a private company owned by Jerry Pogue, exercised 95,000 warrants at an exercise price of \$0.80. All remaining warrants are owned by private individuals or corporations not related to Wealth.

Defined Benefit or Actuarial Plan Disclosure

We have no defined benefit or actuarial plans.

Termination of Employment, Changes in Responsibility and Employment Contracts

The Company currently has two employment contracts in place.

Mr. Gary Freeman entered into a contract with the Company to provide investor relations, management and administrative services at a rate of \$5,000 per month until September 30, 2005 and he was granted 200,000 incentive stock options under this agreement. His rate for contract services was amended to \$7,500 per month on October 2, 2004 which was revised in October 2005 whereby the services provided by Mr. Freeman were amended and his monthly fees lowered to \$2,500.

The Company entered into a contract with Rosalie Moore to undertake the duties of President of the Company on September 17, 2004. The remuneration was at the rate of \$108,000 per annum, subject to a six month review by the Board. Ms. Moore was entitled to 200,000 stock options (granted on September 29, 2004) whereby 50,000 of the options would vest after six months and the balance would vest over the ensuing six month period. At the 6 month

anniversary review, either the board or Mr. Moore could elect to terminate the contract by paying one year's salary to Ms. Moore. On March 27, 2005, Ms. Moore resigned and a payment of \$108,000 was made to her under the terms of the contract. The contract is attached hereto as Exhibit 4.6.

Management and Consulting Contracts

The Company has no other management contracts other than previously disclosed in this Form 20F.

Compensation of Directors

Gary Freeman and Rosalie Moore receive compensation for their services as officers. With the exception of \$8,720 paid to Jerry Pogue, all other directors and officers receive compensation based upon services provided to the Company and/or stock options for their services.

Proposed Compensation

We have determined the amount of compensation to be granted to officers for the 12 months beginning December 1, 2005 as follows:

	Monthly Cdn.	Yearly Cdn.
Jerry Pogue	\$5,000	\$60,000
Henk Van Alphen	\$5,700	\$68,400
Gary Freeman	\$2,500	\$30,000
Michael Kinley	\$3,000	\$36,000

Except as disclosed above, we have no standard arrangement pursuant to which officers or directors are compensated for their services, except for the granting from time to time of incentive stock options in accordance with policies of the TSX Venture Exchange.

The Company paid \$16,000 to Jerry Pogue for services as a director and acting President in fiscal 2005.

The Company paid \$30,153 in expense reimbursement to directors in fiscal 2005.

6.C

BOARD PRACTICES

The Company does not have a formal compensation committee. However, the Board meets on an annual basis to review management compensation.

The Board of Directors of the Company adopted an Audit Committee Charter on November 24, 2005 (copy attached as Exhibit 99.1). The Company does not currently have any other committees. The Audit Committee reviews all financial statements prior to any acceptance of the financial statements and filing of the statements with the Regulatory Authorities.

The overall purpose of the Audit Committee is to:

-

Ensure that the management of Wealth Minerals Ltd. has designed and implemented an effective system of internal financial controls for reviewing and reporting on the Company's financial statements;

-

Oversee, review and report on the integrity of the Company's financial disclosure and reporting;

-

Review the Company's compliance and regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts; and

-

By directly responsible for:

a.

The selection of a firm of external auditors to be proposed for election as the external auditors of the Company;

b.

The oversight of the work of the Company's external auditors, and

c.

Subject to the grant by the shareholders of the authority to do so, if required, fixing the compensation of the external auditors of the Company.

All officers and directors will hold office for one year or until the next Annual General Meeting.

The date of expiration of the current term of office for each of the Company's directors can be found in the chart located under Item 6.B Compensation .

For details of directors' service contracts with the Company providing for benefits upon termination of employment, please see the discussion found under Item 6.B Compensation .

Jerry Pogue is the acting CEO and President. He will hold this office until the next Annual General Meeting or until a new President and CEO is appointed. The Company is currently assessing candidates for the position of CEO and President.

With the exception of Mr. Freeman's current contract with the Company for finance services, the Company and its subsidiary does not currently have any employment contracts with any of its officers and directors.

6.D

EMPLOYEES

The Company does not have any other full time employees who are under contract. The Company hires consultants on an as needed basis.

6.E

SHARE OWNERSHIP

The Company discloses its share ownership for the persons listed in Item 6B in Item 6A.

The following is a summary of the principal terms of the Company's Stock Option Plan.

The Plan provides that stock options may be granted to directors, senior officers, employees, consultants of the Company and any of its affiliate and consultant companies. A consultant (a "Consultant") is defined under

B.C. Instrument 45-106 as an individual (or a company wholly owned by individuals) who:

(a)

is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the issuer or to an affiliated entity of the issuer, other than services provided in relation to a distribution and, in the case of senior-listed issuers only, includes consultants conducting investor relations activities;

(b)

provides the services under a written contract between the issuer or the affiliated entity and the individual or a consultant company or consultant partnership of the individual; and

(c)

in the reasonable opinion of the issuer, spends or will spend a significant amount of time and attention on the affairs and business of the issuer or an affiliated entity of the issuer.

Under the Plan, the Company's board of directors (the "Board") may, from time to time, designate a director or other senior officer or employee of the Company as administrator (the "Administrator") for the purposes of administering the Plan.

The Plan provides for the issuance of stock options to acquire up to that number of the Company's common shares (the "Plan Ceiling") equal to 10% of the Company's issued and outstanding share capital as at the date of grant, subject to standard anti-dilution adjustments. This is a "rolling" Plan Ceiling as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. The Plan Ceiling includes outstanding stock options granted prior to the implementation of the Plan. If a stock option expires or otherwise terminates for any reason, the number of common shares in respect of that expired or terminated stock option shall again be available for the purposes of the Plan.

The Board may be terminated by the Plan at any time, but such termination will not alter the terms or conditions of any option awarded prior to the date of such termination. The Optionee may exercise any stock option outstanding when the Plan is terminated for a period of thirty (30) days after the date of the termination of the Plan, provided that such options had vested on the date of termination.

The Plan provides that other terms and conditions, including vesting schedules, if any, may be determined by the Board or the Administrator in his or her discretion, such terms and conditions to be included in the option agreement.

The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

(d)

the number of options awarded in a one-year period to any one Consultant exceeding 2% of the issued shares of the Company (calculated at the time of award);

(e)

the number of options awarded in a one-year period to any one individual exceeding 5% of the outstanding shares of the Company (calculated at the time of award);

(f)

the aggregate number of options awarded in a one-year period to Employees undertaking investor relations activities exceeding 2% of the issued shares of the Company (calculated at the time of award); or

(g)

the aggregate number of common shares reserved for issuance to any one individual upon the exercise of options awarded under the Plan or any previously established and outstanding stock option plans or grants, exceeding 5% of the issued shares of the Company (calculated at the time of award) in a one-year period.

Options granted under the Plan will be for a term not to exceed five years from the date of their grant. Unless the Company otherwise decides, in the event an option holder ceases to be a Consultant or employee of the Company (other than by reason of death), the stock option will expire on the earlier of the expiry date stated in the option agreement ("Fixed Expiry Date") and the 90th day following the date of termination, unless the holder holds the stock option as an employee of the Company performing investor relations activities, in which case the stock option will expire on the earlier of the Fixed Expiry Date or 30 days following the date the director or senior officer ceases to be a director or senior officer of the Company. Notwithstanding the foregoing, a stock option will expire immediately in the event a director or senior officer ceases to be a director or senior officer of the Company as a result of ceasing to meet the qualifications under the *Business Corporations Act* (Alberta), a special resolution is passed by the shareholders, or an order is made by a regulatory authority. A stock option will also expire immediately in the event an employee ceases to be an employee as a result of termination for cause or an employee or Consultant ceases to be an employee or Consultant as a result of an order made by a regulatory authority. In the event of the death of an option holder, who is a director or an employee who was continuously employed by the Company, the stock option will expire six months after the date of death or on the Fixed Expiry Date, whichever is earlier.

The price at which an option holder may purchase a common share upon the exercise of a stock option will be as set forth in the option agreement issued in respect of such option and in any event will not be less than the discounted market price of the Company's common shares as of the date of the grant of the stock option (the "Award Date"). The market price of the Company's common shares for a particular Award Date would typically be the closing trading price of the Company's common shares on the last trading day immediately preceding the Award Date, or otherwise in accordance with the terms of the Plan. Discounted market price means the market price less a discount to be determined by the Board, which shall in any event not exceed the amount set forth under Policy 1.1 of the Exchange's Corporate Finance Manual.

In no case will a stock option be exercisable at a price less than the minimum prescribed by each of the organized trading facilities or the applicable regulatory that would apply to the award of the stock option in question.

A stock option will be non-assignable except that it will be exercisable by the personal representative of the option holder in the event of the option holder's death or incapacity.

The Plan is a "rolling" stock option plan as described in Exchange Policy 4.4. Under Exchange Policy 4.4, the Company is required to obtain the approval of its shareholders to any stock option plan that is a "rolling" plan. The Plan is attached hereto as Exhibit #5.1.

Outstanding Employee and Director Stock Options as at May 30, 2006

Name of Optionees	No. of	Date of Grant/		Expiry Date	Market Value on
	Common	Repriced	Exercise		Date of
	Shares Subject		Price		Grant/Repriced
	to Option (#)				
Gary Freeman	100,000	Sept. 29/04	\$0.70	Sept. 29/06	\$70,000
Jerry Pogue	150,000	Sept. 29/04	\$0.70	Sept. 29/06	\$105,000
Henk Van Alphen	175,000	Sept. 29/04	\$0.70	Sept. 29/06	\$122,500
James Dawson	105,000	May 05/05	\$0.70	May 26/07	\$73,500
Mark D. Cruise	105,000	May 05/05	\$0.70	May 26/07	\$73,500
Euromerica Capital Group	75,000	May 05/05	\$0.70	May 26/07	\$52,500
Institutional Market	75,000	May 05/05	\$0.70	May 26/07	\$52,500
Communications					
Marla Ritchie	25,000	May 05/05	\$0.70	May 26/07	\$52,500
Quentin Mai	75,000	May 05/05	\$0.70	May 26/07	\$52,500
Glenn Shand	75,000	May 05/05	\$0.70	May 26/07	\$52,500
Jerry Pogue	25,000	Aug. 29/05	\$1.05	Aug. 29/07	\$26,250
Michael Bartlett	50,000	Aug. 29/05	\$1.05	Aug. 29/07	\$52,500
James Dawson	25,000	Aug. 29/05	\$1.05	Aug. 29/07	\$26,250
Mark Cruise	25,000	Aug. 29/05	\$1.05	Aug. 29/07	\$26,250
Marla Ritchie	25,000	Aug. 29/05	\$1.05	Aug. 29/07	\$26,250
Phyllis Alexander	25,000	Nov. 03/05	\$1.00	Nov. 03/07	\$25,000
Glenn Shand	25,000	Nov. 03/05	\$1.00	Nov. 03/07	\$25,000
Institutional Market					
Communications Inc.	75,000	Nov. 24/05	\$1.12	Nov. 24/07	\$84,000
Euromerica Capital Group	75,000	Dec. 05/05	\$1.41	Dec. 05/07	\$105,750
Alfredo Minhondo	20,000	May 07/06	\$1.45	May 07/08	\$29,000
Paul Klipfel	30,000	May 07/06	\$1.45	May 07/08	\$43,500

Michael Kinley	50,000 May 07/06	\$1.45	May 07/08	\$72,500
Total				

In May 2005, it was announced that Wealth will issue 560,000 stock options exercisable at \$0.70 until May, 2007. At that time, 650,000 of the 900,000 options issued in September 2004 were cancelled as follows, Gary Freeman, 100,000 cancelled, Henk Van Alphen, 25,000 cancelled, David Shaw, 100,000 cancelled. Rosie Moore's 200,000 options were cancelled upon her resignation from the Company. On May 26, 2005 the Company amended the options to be issued to 585,000 exercisable at \$0.70 until May of 2007. On August 29, 2005 the Company granted 175,000 incentive stock options at an exercise price of \$1.05 until August 29 2007, 25,000 of these options were subsequently cancelled. On November 3, 2005 50,000 stock options were granted at an exercise price of \$1.00 until November 3, 2007. On November 24, 2005 75,000 options were granted at an exercise price of \$1.12. Subsequent to the year end, on December 5, 2005 75,000 options were granted at an exercise price of \$1.41 until December 5, 2007 and, on May 7, 2006 a further 100,000 options were granted at an exercise price of \$1.45 until May 7, 2008.

All issuances of shares for the past three years are represented in the Company's financial statements incorporated by reference herein.

ITEM 7.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A

MAJOR SHAREHOLDERS

The Company has no major shareholders owning greater than 5% of the Company.

7.B

RELATED PARTY TRANSACTIONS

During fiscal 2005 we paid \$105,600 to three directors (Jerry Pogue, Henk Van Alphen and Gary Freeman) and \$28,000 to two officers (Michael Kinley and Jon Lever). Also, we paid rent and administration fees of \$55,867 to Cardero Resource Corp, a public company related by a common director.

ITEM 8.

FINANCIAL INFORMATION

8.A

CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

See Item 17

There are currently no legal or arbitration proceedings which may have a significant effect on the Company's financial position or profitability.

The Company does not pay dividends on the issued common shares and does not intend to pay dividends on the listed common shares in the foreseeable future. The Company does not have any preference shares issued and as such pays no dividends on any preferred shares.

8.B

SIGNIFICANT CHANGES

a)

Subsequent to year end, 632,500 warrants were exercised at \$0.35 per share, 883,250 warrants were exercised at \$0.80 per share, 1,206,250 warrants were exercised at \$1.00 per share, 123,250 warrants were exercised at \$0.80 per share and 20,000 warrants were exercised at \$0.80 per share.

b)

Stock options

i)

Subsequent to year end, 75,000 options were granted to consultants, exercisable at \$1.14 per share until December 5, 2007

ii)

25,000 options were exercised at \$0.70 per share.

iii)

Subsequent to year end, 100,000 options were granted to a officers and consultants, exercisable at \$1.44 per share until March 7, 2008.

ITEM 9.

THE OFFER AND LISTING

The Company was incorporated on October 7, 1994. The Company's common shares currently trade on the TSX Venture Exchange under the trading symbol "WML". The common shares commenced trading on the Frankfurt Stock Exchange under the symbol "EJZ" on August 31, 2004. The Company's shares commenced trading on the OTCBB in 2001, however during the period from August 2004 to October 2004 the Company's shares were traded through the Pink Sheets and not the OTCBB. The Company's common shares currently trade under the symbol "WMLLF" on the OTCBB.

Historical Stock Prices on TSXV (in Canadian Dollars)

Price	2001	2002	2003	2004	2005
High	0.15	0.46	0.37	1.50	1.95
Low	0.08	0.10	0.10	0.09	0.50

Historical Stock Prices on TSXV (in Canadian Dollars) Quarterly from 2003

Price	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006
High	0.50	0.30	0.29	0.20	0.15	1.20	1.50	1.08	0.90	0.95	1.60	1.95	2.21
Low	0.315	0.175	0.20	0.09	0.09	0.335	0.67	0.65	0.53	0.50	0.88	1.15	1.50

Historical Prices on TSXV (in Canadian Dollars) Monthly from June 1, 2005 to present

Price	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06
High	1.39	1.60	1.50	1.75	1.95	1.72	1.93	2.21	2.14	2.00	1.98	1.98

Low	0.88	0.95	1.01	1.15	1.19	1.15	1.50	1.60	1.60	1.74	1.63	1.66
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Historical Prices on OTCBB (in U.S. Dollars)

Price	2001	2002	2003	2004	2005
High	0.07	0.32	0.245	1.00	1.70
Low	0.02	0.109	0.07	0.07	0.42

Historical Prices on OTCBB (in U. S. Dollars) Quarterly from 2003

Price	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006
High	0.245	0.19	0.16	0.11	0.07	1.00	0.85	0.78	0.60	0.77	1.25	1.70	1.94
Low	0.13	0.13	0.11	0.07	0.07	0.48	0.84	0.58	0.44	0.45	0.70	0.98	1.30

Historical Prices on OTCBB (in U.S. Dollars) Monthly from June 2005 to Present

Price	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06
High	1.11	1.25	1.20	1.55	1.70	1.50	1.69	1.94	1.85	1.77	1.70	1.75
Low	0.70	0.80	0.82	0.98	1.02	1.01	1.30	1.39	1.38	1.50	1.43	1.45

Historical Prices on Frankfurt Exchange (in Euros) Monthly from August 2005 to Present

Price	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06
High	0.92	1.21	1.30	1.20	1.40	1.55	1.53	1.44	1.36	1.33
Low	0.73	0.87	0.90	0.82	1.10	1.13	1.25	1.30	1.16	1.18

The closing price of the Company's shares on the TSX Venture Exchange on May 26, 2006 was \$1.90.

ITEM 10.

ADDITIONAL INFORMATION

10.A

SHARE CAPITAL

Not applicable.

10.B

ARTICLES, MEMORANDUM AND BY-LAWS OF THE COMPANY

The Company was originally incorporated under the *Business Corporations Act* (Alberta) (the Alberta Act) but was continued under the *Business Corporation Act* (British Columbia) (the BC Act) on January 9, 2006 under Certificate of Continuation No. C0745243 issued by the Registrar of Companies (B.C.), and is now subject to and governed by the provisions of the BC Act. In conjunction with the continuation, the Company adopted a new form of Articles (the New Articles) to replace those originally adopted under the Alberta Act. The New Articles are included herein as Exhibit 13.2.

There are no objects or purposes of the Company found in the New Articles, or are there any restrictions on the Company carrying on any business or exercising any powers. Rather, pursuant to the BC Act, the Company has all the capacity and the rights, powers and privileges of an individual of full capacity.

The New Articles, in conjunction with and subject to the provisions of the BC Act, contain provisions with respect to the rights and restrictions of the classes of shares in the capital of the Company, the rights of shareholders, the procedures for the alteration of the rights and privileges of shareholders, the powers and duties of directors, the power of the directors to borrow, the ability of the directors to bind the Company, the calling and holding meetings of shareholders, and the rights of shareholders in the event of liquidation of the Company's assets.

The authorized capital of the Company, following the continuance, consists of an unlimited number of common shares without nominal or par value (Common Shares), and an unlimited number of preferred shares (Preferred Shares) (collectively, the Shares). The special rights and restrictions attaching to each class of Shares are as follows:

The Common Shares, as a class, have attached thereto the following rights, privileges, restrictions and conditions:

Voting: Except for meetings at which only holders of another specified class or series of Shares are entitled to vote separately as a class or series, each holder of a Common Share is entitled to receive notice of and to attend all meetings of the shareholders of the Company and to one vote in respect of each Common Share held at all such meetings.

Dividends: Subject to the rights of the holders of the Preferred Shares and any other class of shares ranking senior to the Common Shares, the holders of the Common Shares are entitled to receive and participate rateably in any dividends if, as and when declared by the directors.

Liquidation, Dissolution or Winding-Up: Subject to the rights of the holders of the Preferred Shares and any other class of shares ranking senior to the Common Shares, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purposes of winding up its affairs, the holders of the Common Shares shall participate rateably in the distribution of the assets of the Company.

The Preferred Shares shall, as a class, have attached thereto the following rights, privileges, restrictions and conditions:

Issuance in Series: The Preferred Shares may be issued from time to time in one or more series and, subject to the New Articles and any requirements of the BC Act, the directors are authorized to fix, from time to time before issuance, the number of shares in and the designation, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares.

Ranking of Preferred Shares: The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares and the shares of any other class ranking junior to the Preferred Shares.

Consequence of Unpaid Cumulative Dividends: If any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.

Voting: Unless the directors otherwise determine in the resolution designating a series of Preferred Shares, the holders of a series of Preferred Shares shall not, as such, be entitled to receive notice of or vote at any meetings of shareholders, except as otherwise specifically provided in the BC Act.

Approval by Holders of Preferred Shares: The approval by the holders of the Preferred Shares to any matters may, subject to the provisions of the BC Act, be given in writing by the holders of all of the Preferred Shares for the time being outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which meeting holders of not less than a majority of all Preferred Shares then outstanding are present in person or represented by proxy. Notice of any meeting of the holders of the Preferred Shares shall be given not less than 21 days nor more than 50 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called. The formalities to be observed with respect to the giving of notice of any meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the New Articles with respect to meetings of shareholders.

No Shares have been or may be issued subject to call or assessment. There are no pre-emptive or conversion rights attached to the Common Shares, and there are no provisions for purchase or cancellation, surrender, or any sinking fund or purchase fund. Any such provisions with respect to a particular series of Preferred Shares would be created by the directors at the time such series was created (no series of Preferred Shares has been created and no Preferred

Shares have been issued).

Provisions as to the modification, amendment or variation of the rights of shareholders, or the rights and restrictions attaching to the Shares, are contained in the New Articles and the BC Act. Generally, substantive changes to the rights of holders of Shares, including to the authorized capital of the Company, require the approval by the holders of the affected Shares by an ordinary resolution (50% + 1). However, a right or special right attached to issued Shares must not be prejudiced or interfered with unless the holders of series or class of Shares to which the right or special right is attached consent by a separate special resolution (66 2/3%) of those shareholders, and there are specific provisions with respect to a meeting of the holders of Preferred Shares (see above). The Company may, by a resolution of its directors alone, subdivide or consolidate all or any of its unissued or issued Shares.

There are no restrictions on the transferability of the Shares contained in the New Articles. Requirements as to the applicable documentation to be submitted in connection with any transfer are set out in the New Articles. There are no provisions in the New Articles discriminating against any existing or prospective holder of Shares as a result of any such holder(s) owning a substantial amount of Shares. There are no provisions in the New Articles that would have the effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to an extraordinary corporate transaction involving the Company such as a merger, reorganization, tender offer, sale or transfer of all or substantially all of its assets or liquidation.

With respect to certain matters concerning directors, the New Articles provide as follows:

(a)

A director who holds a disclosable interest (as defined in the BC Act see below) in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors resolution to approve that contract or transaction, unless all of the directors have a disclosable interest, in which case any or all of the directors may vote on such resolution.

(b)

There is no requirement for an independent quorum of directors to be present in order for the directors to be able to vote compensation to themselves or any members of their body.

(c)

The Company, if authorized by the directors, may:

-

borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate,

-

issue bonds, debentures and other debt obligations on such terms as the directors consider appropriate,

-

guarantee the repayment of money by any other person, and

-

mortgage, charge, grant a security interest in or give any other security on, the whole or any part of the present and future assets and undertaking of the Company.

There are no restrictions in the New Articles on the powers of the directors as set out above (save with respect to the ability of any directors with a disclosable interest to vote to approve any such transactions). Such provisions may be varied by an ordinary resolution (50% + 1) of the shareholders.

(d)

There is no provision in the New Articles for the retirement or non-retirement of directors pursuant to any age limit requirement.

(e)

There is no requirement for a director to hold any Shares in order to be qualified to be elected or to act as a director.

The BC Act provides that a director holds a disclosable interest in a contract or transaction if:

-

the contract or transaction is material to the Company,

-

the Company has entered, or proposes to enter, into the contract or the transaction, and

-

either of the following applies to the director:

-

the director has a material interest in the contract or transaction, or

-

the director has a material interest in a person who has a material interest in the contract or transaction

However, a director does not hold a disclosable interest in a contract or transaction merely because:

-

the contract or transaction is an arrangement by way of security granted by the Company for money loaned to, or obligations undertaken by, the director, or a person in whom the director has a material interest, for the benefit of the Company or an affiliate of the Company

-

the contract or transaction relates to an indemnity of the director by the Company or insurance for the benefit of the director

-

the contract or transaction relates to the remuneration of the director in that person's capacity as director, officer, employee or agent of the Company or of an affiliate of the Company

-

the contract or transaction relates to a loan to the Company, and the director, or a person in whom the director has a material interest, is or is to be a guarantor of some or all of the loan

-

the contract or transaction has been or will be made with or for the benefit of a corporation that is affiliated with the Company and the director is also a director of that corporation or an affiliate of that corporation

The directors may call meetings of shareholders at any time. There are no provisions in the New Articles permitting a meeting of shareholders to be called by shareholders or by a court of competent jurisdiction, but the BC Act contains provisions permitting the holders of not less than 5% of the issued Shares entitled to vote at general meetings to requisition a meeting of the shareholders and authorizing one or more shareholders holding at least 2.5% of the shares entitled to be voted to call a meeting if the directors do not do so. Notice of the time, date and location of a general meeting, together with a description of the general nature of any special business to be conducted at the meeting, is required to be sent to all shareholders entitled to attend the meeting at least 21 days before the meeting. The directors

may set a record date for the purpose of determining the shareholders entitled to receive notice of the meeting, but such record date must not be less than 21 days before the date of the meeting. Similarly, the directors may fix a record date for the purpose of determining the shareholders entitled to vote at such meeting, which date may not be more than 60 days before the meeting. A quorum for a general meeting is a person or persons who are, or who represent(s) by proxy, shareholders holding not less than 5% of the Shares entitled to be voted at the meeting. Registered shareholders, and duly appointed shareholders for registered shareholders, together with the directors, the president, the secretary, the assistant secretary, any lawyer for the company, the auditor of the Company and any other persons invited by the directors are entitled to attend any general meeting.

There are no provisions in the New Articles requiring the disclosure of shareholder ownership above any threshold.

There are no limitations under the laws of Canada or in the New Articles on the rights of foreigners to hold or vote Shares, except that the *Investment Canada Act* (Canada) (the Investment Act) may require review and approval by the Minister of Industry (Canada) of an acquisition of control of the Company by a non-Canadian. The following discussion summarizes the material features of the Investment Act, in its present form, for a non-resident of Canada who proposes to acquire Shares.

The Investment Act regulates the acquisition of control of a Canadian business by a non-Canadian as defined under the Investment Act. With respect to Shares of the Company, an acquisition of control is considered to be the acquisition of the majority of the Shares. However, if a non-Canadian acquires more than one-third of the voting shares of the Company, but less than a majority, there is a presumed acquisition of control unless it can be established that the Company is not controlled in fact by the acquiror. All acquisitions of control of a Canadian business are notifiable (which requires that a notification form be submitted to Investment Canada within thirty days after the implementation of the investment) unless the investment is reviewable. If the investment is reviewable, the investment may not be implemented until the Minister of Industry (Canada) is, or has been deemed to be, satisfied that the investment is likely to be of net benefit to Canada, based on undertakings and representations made by the acquiror.

Where either the acquiror is, or the Company is presently controlled by, a WTO investor (as that term is defined in the Investment Act), a direct acquisition of control of the Company will only be reviewable if the value of the Company's gross assets, as shown on its audited financial statements for the most recently completed fiscal year, is equal to or greater than CAD 265 million. This threshold figure of CAD 265 million applies during calendar year 2006. The threshold amount is adjusted each year based on the rate of growth in Canadian gross domestic product as determined by Statistics Canada. The threshold for reviewability is reduced to CAD 5 million in respect to the acquisition of control by a non-WTO investor, if the target company is not controlled by a WTO investor; or in respect to the acquisition of control of any Canadian business that provides any financial services or transportation services, is a cultural business as defined in the *Investment Canada Act*, or is engaged in the production of uranium and owns an interest in a producing uranium property in Canada.

Indirect acquisitions of control (acquisitions of control of an entity which in turn controls the Company) are not reviewable under the Investment Act if the acquiror is a WTO investor or if the Company is controlled by a WTO

investor. Otherwise, an indirect acquisition will be reviewable if the value of the Company's assets is CAD 50 million or more, or if 50% or more of the value of the Company's assets acquired in the total transaction is in Canada.

Certain types of transactions are exempt from application of the Investment Act including acquisitions of control of the Company:

(a)

by the acquisition of voting shares or the voting interests by any person in the ordinary course of that person's business as a trader or dealer in securities;

(b)

in connection with the realization of security granted for a loan or other financial assistance and not for any purpose related to the Investment Act;

(c)

for facilitating its financing and not for any purpose related to the Investment Act on the condition that the acquiror divest control within two years after control was acquired; or

(d)

by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate or indirect control in fact of the Company through the ownership of voting interests remains unchanged.

10.C

MATERIAL CONTRACTS

There were no material contracts that were not in the normal course of business.

10.D

EXCHANGE CONTROLS

There are no laws or legislation that may affect the import or export of capital including the availability of cash or cash equivalents to be used by the Company. Other than the standard withholding tax, there are no other laws that affect the remittance of dividends, interest, or other payments to non-resident holders of the Company's shares.

10.E

TAXATION

ALL PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF PURCHASING THE COMMON SHARES

Certain Canadian Federal Income Tax Consequences to United States Investors

The following is a summary of the principal Canadian federal income tax consequences generally applicable to a shareholder (a U.S. holder) acquiring, holding or disposing of Common Shares where, for purposes of the *Income Tax Act* (Canada) (the ITA) and the *Canada-United States Income Tax Convention* (1980) (the Convention), the U.S. holder: (a) is a resident of the United States and not a resident, deemed resident or former resident of Canada; (b) does not, and is not deemed to, carry on business in Canada; (c) holds such Common Shares as capital property; and (d) is the beneficial owner of such Common Shares.

This summary is based on the current provisions of the ITA and the regulations thereunder, all specific proposals to amend the ITA and the regulations thereunder publicly announced by the Minister of Finance of Canada to date, the provisions of the Convention, and the Company's understanding of the current administrative practices of Canada Revenue Agency (CRA). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations. This summary is of a general nature only and is not, and should not be interpreted as, legal or tax advice to any particular U.S. holder nor a substitute for independent advice from a U.S. holder's own tax advisors.

The provisions of the ITA are generally subject to income tax treaties to which Canada is a party, including the Convention. CRA takes the position that a limited liability company (LLC) does not qualify as resident of the United States for purposes of the Convention and is, therefore, not entitled to relief under the Convention from tax imposed under the ITA.

Dividends on Common Shares

Under the ITA, a non-resident of Canada is generally subject to Canadian withholding tax at the rate of 25% of the gross amount of dividends paid or credited to the non-resident by a corporation resident in Canada. The Convention reduces the rate of Canadian withholding tax to 15% of the gross amount of the dividends on Common Shares paid or credited to a U.S. holder who is the beneficial owner of such dividends. The Convention further reduces the rate of Canadian withholding tax to 5% of the gross amount of the dividends where the U.S. holder who is the beneficial owner of the dividends is a corporation that owns at least 10% of the voting stock of the Company.

The Convention generally exempts from Canadian withholding tax dividends paid to a religious, scientific, literary, educational or charitable organization or to an organization exclusively administering a pension, retirement or employee benefit fund or plan, if the organization is resident in the United States and exempt from income tax under the laws of the United States. However, the Company will be required to withhold and remit the Canadian withholding tax (which may be refundable upon application by the organization) unless the organization has obtained a valid letter of exemption from CRA.

Disposition of Common Shares

Provided that the Common Shares held by a U.S. holder do not constitute taxable Canadian property (as that term is defined in the ITA) of the U.S. holder at the time of disposition, the U.S. holder will generally not be subject to tax under the ITA in respect of any capital gain realized on the disposition. If the Common Shares held by a U.S. holder are listed on a prescribed stock exchange (which includes Tier 1 and Tier 2 of the TSX Venture Exchange) at the time of their disposition, the Common Shares will generally not constitute taxable Canadian property at that time, unless, at any time during the five-year period immediately preceding that time, 25% or more of the issued shares of any class or series of a class of the Company's capital stock was owned by the U.S. holder, persons with whom the U.S. holder did not deal at arm's length or any combination of such persons.

If the Common Shares constitute taxable Canadian property of a U.S. holder at the time of their disposition, subject to relief under the Convention, the U.S. holder will be subject to Canadian income tax on one-half of any capital gain (the taxable capital gain) realized on the disposition of the Common Shares. A capital gain (or capital loss) realized on the disposition of Common Shares will be the amount, if any, by which the proceeds of disposition of the Common Shares, less any costs of disposition, exceed (or are less than) the adjusted cost base to the U.S. holder immediately prior to the disposition. One-half of any capital loss (the allowable capital loss) may, subject to the detailed rules in the ITA which deny or restrict the ability to utilize losses, be applied to reduce taxable capital gains realized in the year, the three preceding taxation years or future taxation years.

The Convention generally provides relief from Canadian income tax on capital gains derived on the disposition of Common Shares that are taxable Canadian property by a U.S. holder, provided that the value of the Common Shares is not derived principally from real property situated in Canada. For these purposes real property includes rights to explore for or exploit mineral deposits, sources and other such natural resources in Canada and rights to amounts computed by reference to the amount or value of production from such resources. At the present time, the Company

does not believe that the value of the Common Shares is not derived principally from real property situated in Canada.

Provided that the Common Shares are listed on a prescribed stock exchange at the time of their disposition by a U.S. holder, the U.S. holder will not be required to notify CRA of the disposition and obtain a clearance certificate. If the Common Shares are not so listed, the U.S. holder will be required to obtain a clearance certificate from CRA within 30 days after the end of the month in which the U.S. holder disposes of such Common Shares and to provide such certificate to the purchaser of those Common Shares.

Certain United States Federal Income Tax Consequences to United States Investors

The following general discussion sets forth a summary of the material United States federal income tax consequences that are applicable to the following persons who invest in and hold common shares as capital assets (U.S. Shareholders): (i) citizens or residents (as specifically defined for federal income tax purposes) of the United States, (ii) corporations or partnerships created or organized in the United States or under the laws of the United States or of any state and (iii) estates or trusts the income of which is subject to United States federal income taxation regardless of its source. This discussion does not deal with (a) all aspects of federal income taxation that may be relevant to a particular U.S. Shareholder based on such U.S. Shareholder's particular circumstances (including potential application of the alternative minimum tax), (b) certain U.S. shareholders subject to special treatment under the federal income tax laws or foreign individuals or entities, (c) U.S. Shareholders owning directly or by attribution 10% or more of the common shares, or (d) any aspect of state, local or non-United States tax laws. Additionally, the following discussion assumes that the Company will not be classified as a foreign personal holding company under the Internal Revenue Code of 1986, as amended (the Code).

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY SHAREHOLDER. FURTHERMORE, THIS SUMMARY WAS NOT WRITTEN OR INTENDED TO BE USED, AND CANNOT BE USED, BY ANY PERSON FOR THE AVOIDANCE OF ANY PENALTIES WITH RESPECT TO TAXES THAT MAY BE IMPOSED ON SUCH PERSON. NO LEGAL OPINION FROM U.S. LEGAL COUNSEL OR RULING FROM THE UNITED STATES INTERNAL REVENUE SERVICE (THE IRS) HAS BEEN REQUESTED, OR WILL BE OBTAINED, REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES. ACCORDINGLY, SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN U.S. TAX ADVISORS FOR ADVICE WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM.

Passive Foreign Investment Company

For any taxable year of the Company, if 75% or more of the Company's gross income is passive income (as defined in the Code) or if at least 50% of the Company's assets, by average fair market value (or by adjusted income tax bases if the Company elects), are assets that produce or are held for the production of passive income, the Company will be a Passive Foreign Investment Company (PFIC). The Company may be a PFIC and, if so, may continue to be a PFIC for

the foreseeable future.

A U.S. Shareholder of a PFIC is subject to special U.S. federal income tax rules in Sections 1291 to 1297 of the Code.

As described below, these provisions set forth two alternative tax regimes at the election of each such U.S.

Shareholder, depending upon whether the U.S. Shareholder elects to treat the Company as a qualified electing fund (a QEF Election)

U.S. SHAREHOLDERS ARE STRONGLY URGED TO CONSIDER MAKING A QEF ELECTION TO AVOID CERTAIN POTENTIALLY SIGNIFICANT ADVERSE U.S. TAX CONSEQUENCES

1.

The QEF Election Alternative

Each U.S. Shareholder is strongly urged to consider making a QEF Election because of the potential benefits of such election that are discussed below and because the Company anticipates that it will not have any earnings and profits (as computed for United States federal income tax purposes) for the current taxable year and little, if any, earnings and profits for any future taxable year in which the Company is a PFIC. (There can be no assurance, however, that this will be the case.) Accordingly, the timely making of the QEF Election as discussed below, generally should, subject to the discussion below under Other PFIC Rules , minimize any significant adverse United States federal income tax consequences resulting from any classification of the Company as a PFIC, although this may depend on a particular U.S. Shareholder's particular circumstances.

A U.S. Shareholder who elects in a timely manner to treat the Company as a QEF (an Electing U.S. Shareholder) will be subject under Section 1293 of the Code, to current federal income tax for any taxable year in which the Company is a PFIC (or is treated as a PFIC with respect to the U.S. shareholder) on such Electing U.S. Shareholder's pro rata share of the Company's (i) net capital gain (the excess of net long term capital gain over net short-term capital loss), which will be taxed as long-term capital gain to the Electing U.S. Shareholder and (ii) ordinary earnings (the excess of earnings and profits over net capital gain), which will be taxed as ordinary income to the Electing U.S. Shareholder, in each case, for the shareholder's taxable year in which (or with which) the Company's taxable year ends, regardless of whether such amount actually are distributed. An Electing U.S. Shareholder, however, would not take into account any income with respect to any taxable year of the Company for which it has no earnings and profits. Adjustments are provided generally to prevent double taxation at the time of later distributions on or dispositions of common shares.

The QEF election also allows the electing U.S. Shareholder to (i) generally treat any gain realized on the disposition of common shares (or deemed to be realized on the pledge of such shareholder's common shares) as capital gain; and (ii) treat such shareholder's share of the Company's net capital gain, if any, as long-term capital gain instead of ordinary income; and (iii) generally avoid interest charges resulting from PFIC status.

It is anticipated that the Company will be characterized as a PFIC, and, the Company intends to comply with the reporting requirements prescribed by Treasury regulations. In particular, the Company will maintain information so that the ordinary earnings and net capital gain of the Company may be determined. However, future regulations may contain reporting and record-keeping requirements that are so onerous that it would not be practicable for the Company to comply. If, after review of the requirements, the Company decides not to comply with the PFIC record-keeping requirements, the Company will so notify its shareholders.

A QEF election must be made by attaching Form 8621, completed in the manner required by the form, to the timely filed U.S. Federal income tax return for the first taxable year of the U.S. Shareholder in which or with which a taxable year of the company during which the Company was a PFIC and the U.S. Shareholder held (or was considered to have held) common shares ends. The shareholder must also receive and reflect in Form 8621 the information provided in the PFIC Annual Information Statement, the Annual Intermediary Statement, or applicable combined statement. In addition, the Electing U.S. Shareholder must file a copy of the Form 8621 with the Internal Revenue Service Center, P.O. Box 21086, Philadelphia, PA 19114 by the election due date. In the case of common shares owned through a U.S. entity, the election is made at the entity level.

The following three paragraphs apply to Electing U.S. Shareholders:

Dividends Paid on Common shares. Dividends paid on common shares (including any Canadian taxes withheld) to an Electing U.S. Shareholder will be treated as ordinary dividend income for United States federal income tax purposes to the extent of the Company's current and accumulated earnings and profits (as computed for U.S. federal income tax purposes) unless paid out of earnings and profits that were taxed to the Electing U.S. Shareholder under the QEF rules. Such dividends generally will not qualify for the dividends-received deduction available to corporation.

Amounts in excess of such earnings and profits will be applied against the Electing U.S. Shareholder's tax basis in the common shares, and to the extent in excess of such tax basis, will be treated as gain from the sale or exchange of such common shares.

Credit for Canadian Taxes withheld. Canadian withholding tax on dividend distributions, if any, is generally reduced to 15% pursuant to the U.S.-Canada tax treaty. Subject to the limitations set forth in Section 904 of the Code (which generally restricts the availability of foreign tax credits to a U.S. Shareholder's tax liability attributable to foreign source income of the same type as the income with respect to which the tax was imposed, as determined under complex U.S. tax rules), the Canadian tax withheld or paid with respect to dividends on the common shares generally may be taken as a foreign tax credit against United States federal income taxes by an Electing U.S. Shareholder who chooses to claim such a credit for the taxable year. Electing U.S. Shareholders who do not choose to claim foreign tax credits for a taxable year may claim a United States Tax deduction for such Canadian tax in such taxable year.

Disposition of common shares. Any gain or loss on a sale or exchange of common shares by an Electing U.S. Shareholder will be capital gain or loss measured by the difference, if any, between the amount realized on the sale or other taxable disposition and the Electing U.S. Shareholder's adjusted tax basis. Any such gain will be long-term

capital gain or loss if the common shares have been held for more than one year at the time of the sale or taxable disposition, and otherwise will be short-term capital gain or loss. The sale of common shares through certain brokers may be subject to the information reporting and back-up withholding rules of the Code.

2.

The Non-QEF Alternative

If a U.S. Shareholder does not timely make a QEF election for the first taxable year of the Company during which he holds (or is considered to hold) the common shares in question and the Company is a PFIC (a Non-electing U.S. Shareholder), then special rules under Section 1291 of the Code will apply to (i) gains realized on the disposition (or deemed to be realized by reason of a pledge) of common shares, and (ii) certain excess distributions (as defined in the Code) by the Company. The Company has never made any distributions with respect to the common shares and it does not anticipate making any such distributions in the foreseeable future. A non-electing U.S. Shareholder generally would be required to pro-rate all gains realized on the disposition of common shares and all excess distributions over such shareholder's entire holding period of the common shares. All gains or excess distributions allocated to prior years of the U.S. Shareholder (other than years prior to the first day of the first taxable year of the Company during such U.S. Shareholder's holding period and beginning after December 31, 1986 for which it was a PFIC) would be taxed at the highest marginal tax rates for each such prior year applicable to ordinary income. (Special foreign tax credit rules apply with respect to withholding taxes imposed on amounts that are treated as excess distributions.) The Non-electing U.S. Shareholder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year. A non-electing U.S. Shareholder that is not a corporation must treat this interest charge as personal interest which is non-deductible. The balance of the gain or the excess distribution will be treated as ordinary income in the year of the disposition or distribution and no interest charge will be incurred with respect to such balance.

If the Company is a PFIC for any taxable year during which a Non-electing U.S. Shareholder holds (or is considered to hold) common shares, then the Company will continue to be treated as a PFIC with respect to such common shares, even if it is no longer definitely a PFIC. A Non-electing U.S. Shareholder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules discussed above for Non-electing U.S. Shareholders) as if such common shares had been sold on the last day of the last taxable year for which it was a PFIC. Certain other elections are also available to Non-electing U.S. Shareholders.

Other PFIC Rules: Certain special, generally adverse, rules will apply with respect to the common shares while the Company is a PFIC, regardless of whether the common shares are held (or considered to be held) by an Electing or Non-electing U.S. Shareholder. For example, under Section 1297(b)(6) of the Code, a U.S. Shareholder who uses PFIC stock as security for a loan (including a margin loan) will, except as may be provided in regulations, be treated as having made a taxable disposition of such stock. In addition, under Section 1291(f) of the Code, the Treasury has the authority to issue regulations that would treat as taxable certain transfers that are generally not so treated, such as gifts, exchanges, pursuant to corporate reorganizations, and transfers at death, although it is not clear that such authority extends to transfers by Electing U.S. Shareholders.

ALL PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF PURCHASING THE COMMON SHARES.

10.H

DOCUMENTS ON DISPLAY

All documents exhibited hereto or incorporated by reference are available for viewing at the corporate offices of the Company at Suite 1901 1177 West Hastings St., Vancouver, B.C., Canada, upon reasonable notice given to the Company.

10. I

SUBSIDIARY INFORMATION

The Company has one wholly owned subsidiary, Triband Resources Inc. located at 6171 Riverside Dr., Reno, Nevada.

ITEM 11.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 12.

DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not Applicable.

PART II

ITEM 13.

DEFAULTS, DIVIDEND ARREARS AND DELINQUENCIES

Not Applicable.

ITEM 14.

MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not Applicable

ITEM 15.

CONTROLS AND PROCEDURES

Jerry Pogue, Acting President and CEO of the Company, and Michael Kinley, CFO of the Company, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in U.S. Exchange Act Rule 13a-14(c)) as of the end of the period covered by this Form 20-F, have concluded that, as of such date, the Company's disclosure controls and procedures were effective to ensure that material information relating to the Company was made known to them by others within the Company during the period in which this Form 20-F was being prepared.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date Messrs Freeman and Lever completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

ITEM 16.

16. A

AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee does not have a financial expert since no member of the Company's Board of Directors meets the definition of financial expert. However, all Board members possess significant financial experience within the mining industry and are therefore considered financially literate.

16.B

CODE OF ETHICS

The Company has prepared a code of ethics for its CEO, CFO, Directors and Officers which are incorporated herein by reference. The Codes of Ethics are contained in the Form 20-F/A filed with the Securities and Exchange Commission on September 27, 2004 and are incorporated by reference herein.

16.C

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The nature of the services provided by STS Partners under each of the categories indicated in the table is described below.

Principal Accountant Service	For the fiscal year ended November 30, 2005	For the fiscal year ended November 30, 2004
Audit Fees	\$45,000	\$25,700
Audit Related Services	\$Nil	\$6,000
Tax Fees	\$Nil	\$5,000
All Other Fees	\$Nil	\$1,696

Audit Fees

Audit fees were for professional services rendered by STS Partners for the audit of the Registrant's annual consolidated financial statements and services provided in connection with statutory and regulatory filing or engagements.

Audit Related Fees

Audit related fees were for assurance and related services reasonably related to the performance of the audit or review of the annual consolidated statements or bi-annual states that are not reported under "Audit Fees" above.

Tax Fees

Tax fees were for tax compliance, tax advice and tax planning professional services. These services consisted of: tax compliance including the review of tax returns, and tax planning and advisory services relating to common forms of domestic and international taxation (i.e. income tax, capital tax, goods and services tax, payroll tax and value added tax).

All Other Fees

Fees disclosed in the table above under the item "all other fees" were incurred for services other than the audit fees, audit-related fees and tax fees described above. These services consist of assistance in the review and documentation of processes and controls.

Pre-Approved Policies and Procedures

It is within the mandate of the Registrant's Audit Committee to approve all audit and non-audit related fees. The Audit Committee has pre-approved specifically identified non-audit related services, including tax compliance, review of tax returns and documentation of processes and controls as submitted to the Audit Committee from time to time. The auditors also present the estimate for the annual audit related services to the Committee for approval prior to undertaking the annual audit of the consolidated financial statements. The Company adopted a formal Audit Committee Charter on November 24, 2005.

ITEM 17.

FINANCIAL STATEMENTS

The following items are included herein:

Description of Statement

(a)

Auditor's Report

(b)

Consolidated Balance Sheets as of November 30, 2005 and 2004

(c)

Consolidated Statements of Operations and Cumulative Loss for each of the three years ended November 30, 2005, 2004 and 2003

(d)

Consolidated Statements of Cash Flows for each of the three years ended November 30, 2005, 2004 and 2003

(e)

Consolidated Statements of Shareholders' Equity for each of the four years ended November 30, 2005, 2004, 2003 and 2002

(f)

Notes to the Consolidated Financial Statements

WEALTH MINERALS LTD.

(Formerly Triband Enterprise Corp.)

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

NOVEMBER 30, 2005

AUDITORS REPORT

To the Shareholders of

Wealth Minerals Ltd.

(Formerly Triband Resource Corp.)

(An Exploration Stage Company)

We have audited the consolidated balance sheets of Wealth Minerals Ltd. (formerly Triband Enterprise Corp.) as at November 30, 2005 and 2004, and the consolidated statements of operations and cumulative loss, cash flows and shareholders' equity and deficit for each of the years in the three-year period ended November 30, 2005, and the consolidated statements of operations and cumulative loss and cash flows for the period from the date of incorporation on October 7, 1994 to November 30, 2005. These consolidated financial statements, expressed in Canadian dollars, are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). 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, 2005 and 2004, and the results of its operations and cumulative loss, cash flows and changes in shareholders' equity for each of the years in the three-year period ended November 30, 2005 and the consolidated statements of operations and cumulative loss and cash flows for the period from the date of incorporation on October 7, 1994 to November 30, 2005, in accordance with Canadian generally accepted accounting principles.

Canadian generally accepted accounting principles vary in certain significant respects from accounting principles generally accepted in the United States. Application of accounting principles generally accepted in the United States would have affected results of operations and shareholders' equity for each of the years in the three-year period ended November 30, 2005, to the extent summarized in Note 18 of the consolidated financial statements.

/s/ STS PARTNERS LLP

CHARTERED ACCOUNTANTS

Vancouver, BC

February 24, 2006

WEALTH MINERALS LTD.

(Formerly Triband Enterprise Corp.)

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

AS AT NOVEMBER 30

Notes	2005	2004
ASSETS		
Current		
Cash and cash equivalents	\$	
	2,006,409	\$
		2,798,485
Restricted cash	40,425	25,810
Receivables	32,085	16,978
Prepaid expenses	58,498	181,246
Refundable acquisition fee	5 100,000	-
	2,237,417	3,022,519
Property, plant and equipment	14,817	13,463

Investment	1	1
7		
	\$	\$
	2,252,235	3,035,983

LIABILITIES AND SHAREHOLDERS' EQUITY

Current

Accounts payable and accrued liabilities	\$	\$
	201,211	65,700
Due to related parties	40,084	25,525
11		
	241,295	91,225

NATURE AND CONTINUANCE OF OPERATIONS

1

CONTINGENCIES AND COMMITMENTS

14

Shareholders' equity

Capital stock	10,911,313	8,991,903
8		
Contributed surplus	825,012	532,560
9 and 10		
Share subscriptions	-	(30,375)
Deficit accumulated during the exploration stage	(9,725,385)	(6,549,330)
	2,010,940	2,944,758
	\$	\$
	2,252,235	3,035,983

On behalf of the Board:

Henk Van Alphen

Jerry Pogue

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.

WEALTH MINERALS LTD.

(Formerly Triband Enterprise Corp.)

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND CUMULATIVE LOSS

(Expressed in Canadian Dollars)

Cumulative

Amounts From

			Years Ended November 30,		October 7, 1994
	Notes	2005	2004	2003	to November 30, 2005
OPERATING EXPENSES					
Amortization		\$	\$	\$	\$
		4,051	2,438	2,974	28,790
Consulting fees	11	213,240	238,116	82,800	938,852
Exploration costs	6	1,798,184	504,262	27,783	3,956,589
Listing and transfer agent fees		35,340	81,156	20,730	281,818
Office		54,420	25,061	23,026	350,527
Professional fees		125,413	86,837	52,900	421,842
Property investigation		64,180	-	-	250,743
Rent	11	51,673	21,845	17,333	169,803
Salaries and benefits	11	146,023	5,519	-	231,850
Shareholders communications		157,287	30,938	11,853	577,699
Stock-based compensation	10	335,362	549,360	-	884,722
Travel		131,166	44,237	24,702	289,627
		(3,116,339)	(1,589,769)	(264,101)	(8,382,862)
B.C. Capital taxes		-	(31,909)	-	(31,909)
Gain on write-down of Due to affiliated company		-	2,594	-	2,594
Gain on sale of marketable securities		-	-	-	100,703
Gain (loss) on foreign exchange		(18,734)	577	438	141,501
Gain (loss) on disposal of property, plant and equipment		131	-	-	(7,058)
Interest income		46,627	15,749	464	260,033
Impairment of mineral properties		(87,740)	-	-	(1,188,462)

Investment income	-	-	-	27,565
Write-down of investments	-	(27,564)	-	(272,964)
Write-down of marketable securities	-	-	-	(374,526)
Net loss for the period	\$	\$	\$	\$
	(3,176,055)	(1,630,322)	(263,199)	(9,725,385)
Basic and diluted loss per share	\$	\$	\$	
	(0.27)	(0.24)	(0.14)	
Basic and diluted weighted average common shares outstanding	11,648,823	6,732,969	1,920,270	

The accompanying notes are an integral part of these consolidated financial statements.

WEALTH MINERALS LTD.

(Formerly Triband Enterprise Corp.)

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

				Cumulative
				Amounts From
				October 7, 1994
				to November 30,
	2005	2004	2003	2005
CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES				

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Net loss for the period	\$	\$	\$	\$
	(3,176,055)	(1,630,322)	(263,199)	(9,725,385)
Items not affecting cash				
Amortization	4,051	2,438	2,974	28,790
Investment income	-	-	-	(27,565)
Gain on sale of marketable securities	-	-	-	(100,703)
Gain (loss) on disposal of property, plant and equipment	(131)	-	-	7,058
Impairment of mineral properties	87,740		-	1,188,462
Stock-based compensation	335,362	549,360		884,722
Write-down of marketable securities	-	-	-	374,526
Write-down of investments	-	27,564	-	272,964
Changes in non-cash working capital items:				
(Increase) decrease in receivables	(15,107)	(13,984)	4,176	(32,085)
(Increase) decrease in prepaid expenses	122,748	(175,171)	4,939	(58,498)
Refundable acquisition fee	(187,740)	-	-	(187,740)
Decrease in due from related parties	-	5,350	(5,350)	-
(Increase) decrease in due to related parties	14,559	25,525	-	40,084
Increase in accounts payable and accrued liabilities	135,511	27,750	19,657	291,044
Advances to affiliated company	-	(2,594)	-	-
Increase (decrease)				
Net cash used in operating activities	(2,679,062)	(1,184,084)	(236,803)	(7,044,326)
INVESTING ACTIVITIES				
Proceeds on sale of marketable securities	-	-	-	488,027
Property, plant and equipment acquired	(8,854)	(5,732)	-	(60,429)
Proceeds on disposal of property, plant and equipment	3,580	-	-	9,763

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Acquisition of mineral properties	-	-	-	(500,722)
Acquisition of marketable securities	-	-	-	(761,850)
Increase in investments	-	-	-	(245,400)
Net cash (used in) provided by	\$			
investing activities	(5,274)	\$	\$	\$
		(5,732)	-	(1,070,611)

Cumulative
Amounts From
October 7, 1994
to November 30,
2005

Years Ended November 30,
2005 2004 2003

Continued

FINANCING ACTIVITIES

Issuance of capital stock, net of

issuance costs	\$	\$	\$	\$
	1,876,500	3,979,587	175,500	10,161,771

Share subscriptions receivable	30,375	(30,375)	-	-
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Net cash provided by financing

activities	1,906,875	3,949,212	175,500	10,161,771
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Net change in cash and cash

equivalents during the period	(777,461)	2,759,396	(61,303)	2,046,834
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Cash and cash equivalents,

beginning of period	2,824,295	64,899	126,202	-
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Cash and cash equivalents,

end of period	\$	\$	\$	\$
	2,046,834	2,824,295	64,899	2,046,834

Represented by:

	2005	November 30, 2004
		\$
	\$	481,826
Interest bearing deposits with banks	494,280	
Term deposits	1,512,129	2,316,659
Term deposits - restricted	40,425	25,810
	\$	\$
	2,046,834	2,824,295

The accompanying notes are an integral part of these consolidated financial statements.

WEALTH MINERALS LTD.

(Formerly Triband Enterprise Corp.)

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

Value of	Deficit
Common	Accumulated

	Shares		During the			
	Number	Price	Issued and	Subscriptions	Contributed	Exploration
	of Shares		Fully Paid	Receivables	Surplus	Stage
Balance at						Total
November 30, 2002	1,771,434		\$4,820,016	\$	\$	\$
				-	-	(4,655,809)
Issuance of shares for						
cash						
Private placement	62,500	0.48	30,000	-	-	30,000
Exercise of options	56,250	0.68	38,250	-	-	38,250
Exercise of options	6,250	0.96	6,000	-	-	6,000
Exercise of warrants	28,125	1.20	33,750	-	-	33,750
Private placement	225,000	0.30	67,500	-	-	67,500
Net loss for the year			-	-	-	(263,199)
Balance at						
November 30, 2003	2,149,559		4,995,516	-	-	(4,919,008)
76,508						
Issuance of shares for						
cash:						
Private placement	850,000	0.24	204,000	-	-	204,000
Private placement	2,500,000	0.27	675,000	-	-	675,000
Exercise of warrants	62,500	0.60	37,500	-	-	37,500
Private placement	3,010,000	0.54	1,625,400	(13,500)	-	1,611,900
Exercise of warrants	59,500	1.20	71,400	-	-	71,400
Exercise of warrants	150,000	0.35	52,500	-	-	52,500
Private placement	1,306,250	0.80	1,045,000	-	-	1,045,000
Exercise of options	178,750	0.25	44,687	(16,875)	-	27,812
Shares issued for						
property	200,000	1.22	244,000	-	-	244,000
Settlement of debts	84,583	0.24	20,300	-	-	20,300
Stock-based						
compensation			16,800	-	532,560	549,360
Share issuance costs			(40,200)	-	-	(40,200)

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Net loss for the year		-	-	-	(1,630,322)	(1,630,322)
Balance at	10,551,142					
November 30, 2004		8,991,903	(30,375)	532,560	(6,549,330)	2,944,758
Issuance of shares for						
cash:						
Exercise of warrants	780,000	0.35	273,000	-	-	273,000
Exercise of warrants	225,000	0.42	94,500	-	-	94,500
		0.25				
Exercise of options	95,000	/0.75	57,500	-	-	57,500
Exercise of warrants	577,500	0.80	462,000	-	-	462,000
Exercise of warrants	100,000	1.00	100,000	-	-	100,000
Private placement	1,000,000	0.56	560,000	-	-	560,000
Private placement	150,000	0.61	91,500	-	-	91,500
Shares issued for						
		0.98 /				
property	200,000	1.40	238,000	-	-	238,000
Subscriptions received		-	30,375	-	-	30,375
Stock-based						
compensation		42,910	-	292,452	-	335,362
Net loss for the year		-	-	-	(3,176,055)	(3,176,055)
Balance at	13,678,642					
November 30, 2005		\$	\$	\$	\$	\$
		10,911,313	-	825,012	(9,725,385)	2,010,940

The accompanying notes are an integral part of these consolidated financial statements.

WEALTH MINERALS LTD.

(Formerly Triband Enterprise Corp.)

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

November 30, 2005

1.

NATURE AND CONTINUANCE OF OPERATIONS

The Company's principal business activity is the exploration and development of mineral properties.

On January 14, 2004 the Company changed its name to Wealth Minerals Ltd. from Triband Enterprise Corp. and consolidated its capital stock, warrants and options on a basis of four old shares for one new share. All share, warrant, option and per unit data included in these consolidated financial statements have been adjusted to retroactively reflect this consolidation.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

2.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates. Accounts specifically requiring the use of management estimates and assumptions in determining carrying values are receivables, prepaid expenses, property, plant and equipment, investments, accounts payable and accrued liabilities, due to related parties and future income taxes.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Triband Resource US Inc. (incorporated in Nevada, U.S.A.). All significant intercompany balances and transactions have been eliminated.

Cash and cash equivalents

Cash and cash equivalents include cash in bank accounts and highly liquid investments with original maturities of nine months or less.

Restricted cash

Under the terms of MasterCard's corporate credit policy, the Company is required to pledge a defined amount of term deposit to the financial institution as collateral. This deposit is interest bearing and refundable upon cancellation of the credit cards.

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, secured deposit, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is Management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Acquisition costs

Acquisition costs will be capitalized on properties when proven and provable reserves are defined. No mineral resource estimates have been defined on any Company property interests to date. Mineral property costs include initial acquisition costs and related option payments, which are recorded when paid.

Exploration and development costs

The Company has adopted the policy of expensing exploration and development costs as incurred. The Company will expense future exploration and development costs until such time as the existence of proven and probable reserves is determined, or sufficient objective evidence in the opinion of Management to support the recognition of an asset. Option payments receivable by the Company would be credited against mineral property exploration costs when received.

Property evaluations

The Company reviews and evaluates the carrying amounts of its mineral properties when events or changes in circumstances indicate that the carrying amount may not be recoverable. If it is determined that the net recoverable amount is significantly less than the carrying value and the impairment in value is likely to be permanent, a reduction in the carrying amount of mineral properties with a corresponding charge to operation are recorded.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Environmental protection and reclamation costs

The operations of the Company have been, and may be in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restorations costs. Both the likelihood of new regulations and their overall effect upon the Company may vary from region to region and are not predictable.

The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures. Environmental expenditures that relate to ongoing environmental and reclamation programs will be charged against statements of operations as incurred or capitalized and amortized depending upon their future economic benefits. The Company does not currently anticipate any material capital expenditures for environmental control facilities because all property holdings are at early stages of exploration. Therefore, estimated future removal and site restoration costs are presently considered minimal.

Property, plant and equipment

Property, plant and equipment are recorded at cost and are being amortized over their estimated useful lives at the following rates:

Computer equipment	30% declining balance basis
Office furniture and equipment	20% declining balance basis

Investment

The Company's long-term investment is accounted for on the cost basis. The investment is written-down to their estimated net realizable value when there is evidence of a decline in value below carried cost that is other than temporary.

Foreign exchange

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Monetary assets and liabilities are adjusted at each balance sheet date to reflect exchange rates prevailing at that date, and non-monetary assets and liabilities are translated at the historical rate of exchange. Gains and losses arising from restatement of foreign currency monetary assets and liabilities at each period-end are included in statements of operations.

Basic and diluted loss per share

The Company uses the "treasury stock method" in computing loss per share. Under this method, basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss by the sum of the weighted average number of common shares outstanding and the dilutive common equivalent shares outstanding during the period. Common equivalent shares consist of the shares issuable upon exercise of stock options and warrants calculated using the treasury stock method. Common equivalent shares are not included in the calculation of the weighted average number of shares outstanding for diluted net loss per common share when the effect would be anti-dilutive.

Stock-based compensation

The Company has a stock option plan as described in Note 9. The Company uses the accounting recommendations of CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments". At the beginning of the 2004 fiscal year, the Company began recording compensation cost on the granting of stock options to employees and directors that are not direct awards of stock or stock appreciation rights. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. Any consideration received on the exercise of stock options is credited to capital stock. The adoption of the new standard results in expense recognition for options granted after November 30, 2003.

Income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that enactment or substantive enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Segmented Information

The Company follows CICA Handbook Section 1701, Segment Disclosures about operating segments in financial statements, as well as additional disclosures about products and services, geographic areas and major customers.

Revenue Recognition

Revenue from the sale of minerals is recognized when the risks and rewards of ownership pass to the purchaser, including delivery of the product, the selling price is fixed or determinable and collectibility is reasonably assured. Settlement adjustments, if any, are reflected in revenue when the amounts are known.

Credit Risk

Cash and cash equivalents and restricted cash have been placed with a major Canadian chartered bank, and to date has not experienced losses on any of its balances.

3. DUE TO RELATED PARTIES

Amounts due to related parties include directors, officers, companies they control, and companies with common directors and/or officers. The amounts are unsecured, without interest or fixed terms of repayment (see Note 11).

4.**PROPERTY, PLANT AND EQUIPMENT**

	Net Book Value			
	Cost	Accumulated Amortization	2005	2004
	\$	\$	\$	\$
Computer equipment	20,129	10,656	9,473	6,839
Office furniture and equipment	14,274	8,930	5,344	6,624
	\$	\$	\$	\$
	34,403	19,586	14,817	13,463

5.

REFUNDABLE ACQUISITION FEE**Mexico / Columbia Letter of Intent**

On February 28, 2005, the Company announced that it had elected not to pursue a property position in Columbia through Minera San Jorge S.A. de C.V. (MSJ), a Mexican corporation, and in April, 2005 advised MSJ that it would not pursue a property position through MSJ in Mexico.

Under the letter of intent, the Company advanced US\$150,000 as a refundable acquisition fee to MSJ. The advance is secured by a promissory note from MSJ and marketable securities comprised of 250,000 shares of Tumi Resources Ltd. (Tumi), a TSX Venture Exchange listed company. As at November 30, 2005, shares of Tumi closed at \$0.32, representing a value of \$80,000. The Company has written down the deposit to a value of \$100,000, and has requested the return of the secured advance of US\$150,000. Management of the Company has determined that the decline in value is temporary in nature and as a result, no further write-down was recorded.

6.

MINERAL PROPERTIES

The Company incurred the following expenditures on its mineral properties:

	Year ended November 30, 2005	Year ended November 30, 2004	Year ended November 30, 2003
Mackenzie Project, BC, Canada			
	\$	\$	\$
Acquisition	178,000	-	-
Exploration	542,254	-	-
Argentina Uranium Project			
Acquisition	263,760	-	-
Exploration	805,030	-	-

Amata Project, Peru			
Acquisition	-	426,606	-
Exploration	8,562	58,241	-
Nevada, USA, Properties			
Acquisition	-	-	27,783
Exploration	578	19,415	-
	\$	\$	\$
Total	1,798,184	504,262	27,783

a)

Mackenzie Project, British Columbia, Canada

In May 2005, the Company announced the acquisition of the Mackenzie Project, a newly discovered zone of gold geochemical anomalies, comprised of 118 mineral claims located in east-central British Columbia approximately 150 kilometers north of Prince George. Terms of the acquisition are:

Payment of \$80,000 (paid) and issuance of 100,000 common shares (issued) within 10 days of TSX Venture Exchange approval of the acquisition (received June 10, 2005);

i)

Payment of \$25,000 and issuance of 200,000 common shares after one year;

ii)

Payment of \$25,000 and issuance of 250,000 common shares after two years;

iii)

Payment of \$25,000 and issuance of 250,000 common shares after three years;

iv)

Vendors retain a 2% Net Smelter Return (NSR) on any production;

v)

The Company will pay an advance NSR royalty of \$25,000 per year, beginning with the fourth year after signing the letter of intent; and

vi)

The Company may purchase 50% of the NSR, being 1%, for payment of \$1,000,000 at any time.

b)

Argentinean Uranium Project

On July 12, 2005 the Company announced the acquisition of an option to acquire a 100% interest in a private Argentinean corporation which owns 20 separate parcels of land, of which 16 are known to have one or more uranium occurrences. Subject to regulatory approval (received October 21, 2005), the Company can acquire 100% of Madero Minerals S.A. and its assets for the payment of US\$100,000 (paid) and the issuance of 600,000 common shares, 100,000 shares 10 days after regulatory approval (issued), 200,000 shares on the first anniversary thereof, and 300,000 shares on the second anniversary thereof.

c)

BET Claims, Nevada, USA

The Company's wholly owned subsidiary holds title to twenty-three unpatented mining claims, referred to as the BET 1-23 Claims, located in Whisky Canyon, Lander County, Nevada. To earn and maintain 100% interest in the BET 1-23 claims, the Company is required to pay annual fees of US\$8.50 per claim plus total maintenance fees of US\$2,875 per year. The Company does not intend to continue maintaining these claims.

d)

Amata Project, Peru

On May 20, 2005 the Company withdrew from its agreement with Minera Koripampa del Peru S.A. (Koripampa), a private Peruvian company. In 2004, the Company had entered into the agreement with Koripampa, acquiring a 100% interest in the 70% interest in the Amata Project in Southern Peru held by Koripampa, for initial consideration of 200,000 common shares (issued at a fair value of \$1.22 per share), US\$100,000 on closing (paid), and 200,000 common shares one year after closing (not issued).

Title to 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 are in good standing.

7.

INVESTMENT

	Number of Shares	Fair Value		Net Book Value	
		2005	2004	2005	2004
Clearant, Inc.	21,135	\$	\$	\$	\$
		75,278	1	1	1

The shares of Clearant, Inc. were acquired pursuant to a distribution of assets of an amalgamated company in which the Company originally invested in 1999. Clearant began trading in April 2005 on the OTC BB market under the symbol CLRI. In 2004 the Company wrote down its investment to a nominal value of \$1. Fair value is based upon a closing price of US\$3.05 at November 30, 2005.

8.

CAPITAL STOCK

	Number of Shares	Amount
Authorized		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares, issuable in series		

Common shares issued (reflecting 4:1 consolidation in January 2004)

		\$
As at November 30, 2003	2,149,559	4,995,516
For cash private placements	7,666,250	3,549,400
For cash exercise of options	178,750	44,687
For cash exercise of warrants	272,000	161,400
For acquisition of property (Note 6(d))	200,000	244,000
For settlement of debts	84,583	20,300
Share issuance costs	-	(40,200)
Share-based compensation	-	16,800
As at November 30, 2004	10,551,142	8,991,903
For cash exercise of options	95,000	57,500
For cash exercise of warrants	1,682,500	929,500
For cash private placements	1,150,000	651,500
For acquisition of property (Note 6(a and b))	200,000	238,000
Share-based compensation	-	42,910
		\$
As at November 30, 2005	13,678,642	10,911,313

Share subscriptions

The Company issued securities in 2004 for which payment of \$30,375 was received in full during the first quarter of 2005. These securities consisted of 25,000 private placement units at \$0.54 per unit and 67,500 stock options at \$0.25 per share, for total amounts of \$13,500 and \$16,875 respectively. The Company recorded the total amount of \$30,375 as a debit against shareholders' equity for the year ended November 30, 2004, and as a credit to shareholders' equity when received.

Private Placements

The following table summarizes the Company's recent private placements:

Year ended November 30,	Year ended November 30,	Year ended November 30,
----------------------------	-------------------------	----------------------------

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	2005	2004	2003
First placement during the year:			
Private placement proceeds	\$560,000	\$204,000	\$30,000
Number of units	1,000,000	850,000	62,500
Number of whole warrants	500,000	425,000	62,500
Unit price	\$0.56	\$0.24	\$0.48
Warrant exercise price	\$0.80	\$0.35	\$0.60
Warrant expiry date	December 23, 2006	August 26, 2005	December 3, 2004
Second placement during the year:			
Private placement proceeds	\$91,500	\$675,000	\$67,500
Number of units	150,000	2,500,000	225,000
Number of whole warrants	75,000	1,250,000	225,000
Unit price	\$0.61	\$0.27	\$0.30
Warrant exercise price	\$0.80	\$0.35	\$0.42
Warrant expiry date	January 5, 2007	March 15, 2006	November 14, 2005
Third placement during the year:			
Private placement proceeds	n/a	\$1,625,400	n/a
Number of units		3,010,000	
Number of whole warrants		1,505,000	
Unit price		\$0.54	
Warrant exercise price		\$0.80	
Warrant expiry date		May 14, 2006	
Fourth placement during the year:			
Private placement proceeds	n/a	\$1,045,000	n/a
Number of units		1,306,250	
Number of whole warrants		1,306,250	
Unit price		\$0.80	
Warrant exercise price		\$1.00	
Warrant expiry date		March 7, 2006	

In November 2003, the Company completed a private placement consisting of 225,000 units at a price of \$0.30 per unit, for total proceeds of \$67,500. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.42 per share until November 14, 2005. No finder's fee was issued. During the year ended November 30, 2005, 225,000 (years ended November 30, 2004 and 2003 Nil) warrants were exercised.

In February 2004, the Company completed a private placement consisting of 850,000 units at a price of \$0.24 per unit, for total proceeds of \$204,000. Each unit consists of one common share and one-half share purchase warrant, where one full warrant entitles the holder to purchase an additional common share at a price of \$0.35 per share until August

26, 2005. No finder's fee was issued. During the year ended November 30, 2005, 425,000 (year ended November 30, 2004 Nil) full warrants were exercised.

In March 2004, the Company completed a private placement consisting of 2,500,000 units at a price of \$0.27 per unit, for total proceeds of \$675,000. Each unit consisted of one common share and one-half share purchase warrant, where one full warrant entitles the holder to purchase an additional common share at a price of \$0.35 per share until March 15, 2006. No finder's fee was issued. During the year ended November 30, 2005, 355,000 (year ended November 30, 2004 150,000) full warrants were exercised. If the common shares trade above \$1.00 per share on the TSX Venture Exchange for a period of 10 consecutive trading days prior to the expiry of the warrants and after the initial four month hold period has expired, the Company has the right to force the exercise of the warrants.

In May 2004, the Company completed a private placement consisting of 3,010,000 units at a price of \$0.54 per unit, for total proceeds of \$1,625,400. Each unit consists of one common share and one-half share purchase warrant, where one full warrant entitles the holder to purchase an additional common share at a price of \$0.80 per share until May 14, 2006. No finder's fee was issued. During the year ended November 30, 2005, 552,500 (year ended November 30, 2004 Nil) warrants were exercised. If the common shares trade above \$1.50 per share on the TSX Venture Exchange for a period of 10 consecutive trading days prior to the expiry of the warrants and after the initial four month hold period has expired, the Company has the right to force the exercise of the warrants.

In September, 2004, the Company completed a private placement consisting of 1,306,250 units at a price of \$0.80 per unit, for total proceeds of \$1,045,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of \$1.00 per share until March 7, 2006. Finder's fees of \$40,200 were paid. During the year ended November 30, 2005, 100,000 (year ended November 30, 2004 Nil) warrants were exercised.

In June 2005, the Company completed a private placement consisting of 1,000,000 units at a price of \$0.56 per unit for total proceeds of \$560,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one half a common share at a price of \$0.80 per whole common share until December 23, 2006.

In July 2005, the Company completed a private placement consisting of 150,000 units at a price of \$0.61 per unit for total proceeds of \$91,500. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one half a common share at a price of \$0.80 per whole common share until January 5, 2007.

Escrow shares

As at November 30, 2005 and 2004, there were no common shares held in escrow.

Warrants

Year ended	Year ended
November 30,	November 30,

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	2005	2004
Outstanding, beginning of year	4,561,250	462,917
Exercised at \$0.42		(225,000) -
Exercised at \$1.20	-	(59,500)
Expired	-	(115,917)
Exercised at \$0.60	-	(62,500)
Issued- exercisable at \$0.35	-	1,675,000
Exercised at \$0.35	(780,000)	(150,000)
Issued- exercisable at \$0.80	575,000	1,505,000
Exercised at \$0.80	(577,500)	-
Issued- exercisable at \$1.00	-	1,306,250
Exercised at \$1.00	(100,000)	-
Outstanding, end of year	3,453,750	4,561,250

The following warrants were outstanding at November 30, 2005:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,206,250	\$1.00	March 7, 2006
745,000	\$0.35	March 15, 2006
952,500	\$0.80	December 23, 2006
475,000	\$0.80	May 14, 2006
<u>75,000</u>	\$0.80	January 5, 2007
3,453,750		

The following warrants were outstanding at November 30, 2004

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
425,000	\$0.35	August 26, 2005
225,000	\$0.42	November 14, 2005
1,306,250	\$1.00	March 7, 2006
1,100,000	\$0.35	March 15, 2006
<u>1,505,000</u>	\$0.80	May 14, 2006
4,561,250		

Refer to Note 14 for commitments to issue additional common shares.

9.

STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

Under its existing accounting policy for stock options, the Company recognizes an expense for the fair value of options granted on or after November 30, 2003, and provided certain pro-forma disclosure for the fair value of options granted up to November 30, 2003. The Company uses the Black-Scholes option pricing model to value stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation and disclosures, the following assumptions were used:

	Options granted on				
	January 29, 2004	September 29, 2004	May 5, 2005	August 29, 2005	November 3 and 24, 2005
Risk free interest rate	2.5%	3.22%	3.03%	3.10%	3.80%
Expected life	2 years	2 years	2 years	2 years	2 years

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Expected volatility	136%	165%	129%	51%	68% / 74%
Expected dividends	-	-	-	-	-

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, employees and consultants, up to 10% of issued and outstanding common stock. The exercise price of each option is not less than the average market price of the Company's stock as calculated over the ten trading days preceding the date of grant, and may also be set at a higher price. The options can be granted for a maximum term of 5 years. The consolidation of the Company's outstanding options on a one new for every four old basis on January 14, 2004, and the repricing of all consolidated options to \$0.25 per share on February 24, 2004, have been applied on a retroactive basis.

Current year stock-based compensation of \$335,362 from the May, August and November 2005 grants to directors, officers and consultants of 885,000 options exercisable at \$0.70 to \$1.12 per share for two years was calculated using the Black-Scholes Option Pricing Model. The amounts were charged against income in the period granted, with the corresponding credit to contributed surplus. Upon exercise, a proportionate amount is credited to capital stock.

The following 1,260,000 incentive stock options were outstanding at November 30, 2005:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
425,000	\$0.70	September 29, 2006
560,000	\$0.70	May 5, 2007
150,000	\$1.05	August 29, 2007
50,000	\$1.00	November 3, 2007
75,000	\$1.12	November 24, 2007

The following 920,000 incentive stock options were outstanding at November 30, 2004:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
20,000	\$0.25	January 29, 2009

900,000

\$0.70

September 29, 2006

	Year ended November 30,	Year Ended November 30,
	2005	2004
Outstanding, beginning of year	920,000	95,000
Issued exercisable at \$0.25	-	120,000
Exercised at \$0.25	(20,000)	(195,000)
Issued- exercisable at \$0.70	585,000	900,000
Exercised at \$0.70	(75,000)	-
Cancelled	(425,000)	-
Issued- exercisable at \$1.05	175,000	-
Cancelled	(25,000)	-
Issued- exercisable at \$1.00	50,000	-
Issued exercisable at \$1.12	75,000	-
Outstanding, end of year	1,260,000	920,000

10.**CONTRIBUTED SURPLUS**

The Company's contributed surplus is comprised of the following:

	2005	2004
	\$	\$
Balance beginning of year	532,560	-
Stock-based compensation (Note 9)	335,362	549,360
Stock options exercised	(42,910)	(16,800)

Balance	end of year	\$	\$
		825,012	532,560

11.

RELATED PARTY TRANSACTIONS

These consolidated financial statements include transactions during the current year with related parties as follows:

a)

The Company paid consulting fees of \$105,600 (2004 - \$152,500; 2003 - \$60,000) to three directors, \$28,000 (2004 \$Nil; 2003 - \$Nil) to officers, and paid wages (including severance) of \$144,000 (2004 - \$Nil; 2003 - \$Nil) to a director;

b)

The Company paid rent and administration fees of \$55,867 (2004 \$Nil; 2003 - \$Nil) to Cardero Resource Corp. (Cardero), a public company related by a common director;

c)

The Company paid rent of \$Nil (2004 - \$3,996; 2003 - \$Nil) to a company controlled by a director;

d)

Amounts due to related parties of \$40,084 (November 30, 2004 - \$25,525) is comprised of \$5,000 (2004 - \$8,780) to directors and officers for consulting, \$4,931 (2004 - \$2,461) to Cardero for rent and administration expenses, and \$30,153 (2004 - \$14,284) to directors for expense reimbursements;

e)

Directors participated in the following transactions during the year:

f)

A director subscribed for 30,000 private placement units at \$0.56 per unit;

g)

A director exercised 20,000 stock options at \$0.25 per share.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties (see Note 3).

12.

INCOME TAXES

The tax effects of temporary differences that give rise to significant components of future income tax assets and liabilities by applying the combined Canadian federal and provincial income tax rate of 34.99% (2004 35.79%) are as follows:

	2005	2004
Net loss for the year	\$ <u>(3,176,055)</u>	\$ <u>(1,630,322)</u>
Income tax recovery at combined basic Canadian Federal and Provincial tax rate: 34.99% (2004 35.79%)	1,111,302	583,476
Foreign tax rates differentials	(116)	(4,143)
Tax benefit of losses not recognized in current year	<u>(1,111,186)</u>	<u>(579,333)</u>
Income tax recovery	\$ -	\$ -

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A reconciliation of the income tax benefit (provisions) with amounts determined by applying the Canadian income tax rates to the consolidated loss for completed financial periods is as follows:

	2005	2004
Future income tax:		
Property, plant and equipment	\$	\$
	7,208	5,969
Exploration and development expenditures	1,235,919	620,589
Issuance costs	204,561	209,232
Losses available for future periods	<u>1,294,289</u>	<u>1,038,433</u>
	2,741,977	1,874,223
Valuation allowance	<u>(2,741,977)</u>	<u>(1,874,223)</u>
	\$	\$
	-	-

The above loss available for future periods include US operating losses by applying the income tax rates of 34% (2004 34%). These tax benefits have not been recognized in the consolidated financial statements, as there is no certainty that they will be utilized.

Subject to certain restrictions, the Company has exploration and development expenditures of approximately \$3,532,207 (2004 - \$1,766,000) and operating losses of approximately \$2,704,034 (2004 - \$1,913,822) available to reduce future Canadian taxable income. The Company also has operating losses from US subsidiary of approximately \$1,023,964 (2004 - \$1,023,386) available to reduce US taxable income. These losses expire as follows:

	Canada	U.S.
2006	\$	\$
	283,378	-
2007	243,750	-
2008	210,167	-
2009	254,374	-
2010	235,356	-

2014	538,975	
2015	938,034	
2018	-	523,786
2019	-	255,021
2020	-	168,818
2021	-	34,215
2022	-	5,182
2023	-	18,488
2024	-	17,876
2025	-	578
	\$	\$
	2,704,03	1,023,964

13.

SUPPLEMENTAL DISCLOSURES WITH RESPECT TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS:

				Cumulative Amounts From October 7, 1994 to November 30, 2005
	2005	Years Ended November 30, 2004	2003	
Cash paid during the year for:				
Interest	\$	\$	\$	\$
	-	-	-	-
Income taxes	\$	\$	\$	\$
	-	-	-	-

Since inception of the exploration stage, the Company has issued a total of 800,410 common shares (adjusted for roll-backs) for non-cash consideration as follows:

Year	Number of Shares	Amount	Consideration
2005	200,000	\$	Acquisition of mineral property
		238,000	
2004	200,000	244,000	Acquisition of mineral property
2004	84,583	20,300	Shares for debt owing
2002	23,750	15,350	Finder's fees
2002	139,402	66,457	Shares for debt owing
1999	2,675	8,025	Finder's fees
1996	150,000	600,000	Acquisition of mineral property

14.

CONTINGENCIES AND COMMITMENTS

a)

The Company has entered into a month to month office lease arrangement with no annual lease commitments.

b)

All phases of the Company's operations are subject to environmental regulations. Environmental legislation, in the countries in which the Company is currently performing exploration work, 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 heightened degree of responsibilities for companies and their officers, directors and employees. Although presently, compliance with such laws is not a significant factor in the Company's operations, there is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations.

c)

As at November 30, 2005, the Company has the following mineral property commitments over the next two years:

Canada		Argentina	
Non - Cash	Cash	Non - Cash	Cash

2006

Number of common shares to
issue

200,000

200,000

Annual option payment

\$

25,000

\$

-

2007

Number of common shares to
issue

250,000

300,000

Annual option payment

25,000

-

450,000

\$
50,000

500,000

\$

-

15.

SUBSEQUENT EVENTS

a)

Subsequent to year end, 274,750 warrants were exercised at \$0.80 per share, 225,000 warrants were exercised at \$0.35 per share, and 93,750 warrants were exercised at \$1.00 per share.

b)

Stock options

i)

Subsequent to year end, 75,000 options were granted to consultants, exercisable at \$1.14 per share until December 5, 2007

ii)

25,000 options were exercised at \$0.70 per share

16.

SEGMENTED INFORMATION

The Company operates in a single industry segment, mineral acquisition, exploration and development. As the Company expenses its acquisition, exploration, and development costs, no assets outside of Canada are shown on the balance sheet. Thus, no capital asset geographic segment disclosure is made here. However, significant losses due to mineral property expenses are incurred outside of Canada. Consequently, the following segmented information is provided:

	Years ended November 30		
	2005	2004	2003
	\$	\$	\$
Net loss for the year- Canada	(2,098,125)	(1,126,060)	(235,416)
Net loss for the year- Peru	(8,562)	(484,847)	-
Net loss for the year- Argentina	(1,068,790)	-	-
Net loss for the year- US	(578)	(19,415)	(27,783)
Consolidated net loss for the year	\$	\$	\$
	(3,176,055)	(1,630,322)	(263,199)

17.

COMPARATIVE FIGURES

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

18.

UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada. Except as set out below, these consolidated financial statements also comply, in all material respects, with accounting principles generally accepted in the United States and the rules and regulations of the Securities and Exchange Commission.

Stock-Based Compensation

The United States Financial Accounting Standards Board has issued Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB25). This statement uses the intrinsic value based method whereby compensation cost is recorded for the excess, if any, of the quoted market price over the exercise price, at the date the stock options are granted. As at November 30, 2003, no compensation cost would have been recorded for any period under this method.

Statement of Financial Accounting Standards No. 123, Accounting for Stock Based Compensation (SFAS 123), issued in October 1995, requires the use of the fair value based method of accounting for stock options. Under this method, compensation cost is measured at the grant date based on the fair value of the options granted and is recognized over the exercise period. SFAS 123 allows the Company to continue to measure the compensation cost of employees and directors in accordance with APB 25.

Prior to 2004, Canadian generally accepted accounting principles did not require the reporting of any stock based compensation expense in the Company's consolidated financial statements.

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of incentive stock options at the grant date. As at November 30, 2005 cumulative compensation expense totaling \$884,722 (November 30, 2004 - \$549,360) has been incurred. Cumulative compensation expense does not include the value of options granted and subsequently forfeited or exercised. In determining the fair value of the incentive stock options, the following assumptions, on a weighted average basis, were used:

Options granted on

	January 29, 2004	September 29, 2004	May 5, 2005	August 29, 2005	November 3 and 24, 2005
Risk free interest rate	2.5%	3.22%	3.03%	3.10%	3.80%
Expected life	2 years	2 years	2 years	2 years	2 years
Expected volatility	136%	165%	129%	51%	68% / 74%
Expected dividends	-	-	-	-	-

The following is a summary of the status of stock options outstanding at November 30, 2005:

Range of Exercise Prices	Number	Outstanding Options		Exercisable Options	
		Weighted			
		Average	Weighted	Weighted	
		Remaining	Average	Average	
		Contractual	Exercise	Exercise	
Exercise Prices	Number	Life (Years)	Price	Number	Price
\$0.70 - \$1.12	1,260,000	1.32	\$0.78	1,166,250	\$0.76

The following is a summary of the stock-based compensation plan during 2005, 2004, and 2003:

	Number of Shares	Weighted Average Exercise Price
Outstanding and exercisable at November 30, 2003	95,000	\$ 0.80
Forfeited	(16,250)	0.68
Repricing of all options- February 24, 2004	78,750	0.25
Granted	120,000	0.25
Granted	900,000	0.70
Exercised	(178,750)	0.25
Outstanding and exercisable at November 30, 2004	920,000	0.69
Granted	860,000	0.79
Forfeited	(425,000)	0.70

Exercised	(95,000)	0.61
Outstanding and exercisable at November 30, 2005	1,260,000	\$ 0.78

Income taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS No. 109). SFAS No. 109 requires a company to recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in a company's financial statements. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the tax rates in effect in the years when the temporary differences are expected to reverse.

Mineral properties

The Company's policy of expensing acquisition, exploration and development costs except in the case where an outright property interest has been acquired has resulted in an accounting treatment for these costs which the Company considers to be, in substance, congruent with US generally accepted accounting principles.

Trading securities and available-for-sale securities

Under Canadian generally accepted accounting principles, marketable securities are recorded at the lower of cost or quoted market value. Long-term investments are recorded at cost and only written down when there is evidence of a decline in value below carried value that is other than temporary. Holding gains are never recognized.

Under Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities (SFAS No. 115), unrealized holding gains and losses for trading securities are included in statements of operations. Temporary unrealized holding gains and losses for available-for-sale securities are excluded from statements of operations and reported as a net amount in a separate component of shareholders' equity until realized.

Comprehensive Income

SFAS No. 130, Reporting Comprehensive Income, addresses standards for the reporting and display of comprehensive income and its components.

Comprehensive income includes net income and other comprehensive income. Other comprehensive income represents revenues, expenses, gains and losses that are excluded from net income under United States generally accepted accounting principles.

For the years ended November 30, 2005 and 2004 there were no other items of comprehensive income.

Loss per share

SFAS No. 128 Earnings Per Share simplifies the computation of income (loss) per share by replacing the presentation of primary earnings (loss) per share with a presentation of basic earnings (loss) per share, as defined. The statement requires dual presentation of basic and diluted earnings (loss) per share by entities with complex capital structures. Basic earnings (loss) per share includes no dilution and is computed by dividing income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share.

Recent accounting pronouncements

The following accounting pronouncements have been introduced since the filing of the Company's Form 20F filed on May 31, 2005:

a)

In March 2005, the Emerging Issue Task Force issued EITF Issue 04-6, Accounting for Stripping Costs in the Mining Industry (EITF Issue 04-6), stating that post-production stripping costs are a component of mineral inventory costs subject to the provisions of the American Institute of Certified Public Accountants Accounting Research Bulletin No.43, Restatement and Revision of Accounting Research Bulletins, Chapter 4, Inventory Pricing , (ARB No.43). Based upon this statement, post production stripping costs are considered as costs of the extracted minerals under a full absorption costing system and are recognized as a component of inventory to be recognized in costs of coal sales in the same period as the revenue from the sale of the inventory. In addition, capitalization of such costs would be appropriate only to the extent inventory exists at the end of a reporting period. The provisions will be effective for financial statements issued for the first reporting period in fiscal years beginning after December 15, 2005, with early adoption permitted. The Company has determined that the adoption of EITF Issue 04-6 does not have an impact on its results of operations or financial position since the Company is still in the exploration stage and has not yet realized any revenues from its operations.

b)

In March 2005, the FASB issued Interpretation No. 47 (FIN 47) Accounting for Conditional Asset Retirement Obligations an interpretation of FASB Statement No. 143 . A conditional asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Thus, the timing and (or) method of settlement may be conditional on a future event. FIN 47 requires an entity to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005 (December 31, 2005, for calendar-year enterprises). Retrospective application for interim financial information is permitted but is not required. The Company does not have any conditional asset retirement obligations.

c)

The following standards issued by the FASB do not impact the Company at this time:

SFAS No. 151, Inventory Costs an amendment of ARB No. 43, Chapter 4 effective for inventory costs incurred during fiscal years beginning after June 15, 2005.

SFAS No. 153, Exchanges of Nonmonetary Assets an amendment of APB Opinion No. 29 effective for nonmonetary asset exchanges occurring in fiscal years beginning after June 15, 2005.

The impact of the above differences between Canadian and United States generally accepted accounting principles on consolidated statements of loss, as reported, is as follows:

			Cumulative
			amount from
			October 7, 1994
			to November 30,
	Years Ended November 30,		
2005	2004	2003	

				2005
Loss for the period as reported	\$	\$	\$	\$
	(3,176,055)	(1,630,322)	(263,199)	(9,725,385)
Less:				
Compensation expense				
- stock options	-	-	-	(350,111)
				-
Loss for the period in				
accordance with United				
States generally accepted	\$	\$	\$	\$
accounting principles	(3,176,055)	(1,630,322)	(263,199)	(10,075,496)

The impact of the above differences between Canadian and United States generally accepted accounting principles on the consolidated statements of deficit, as reported, is as follows:

	Years Ended November 30,		
	2005	2004	2003
Deficit, as reported	\$	\$	\$
	(9,725,385)	(6,549,330)	(4,919,008)
Cumulative compensation expense			
- stock options	(350,111)	(350,111)	(350,111)
Deficit in accordance with United			
States generally accepted	\$	\$	\$
accounting principles	(10,075,496)	(6,899,441)	(5,269,119)

The impact of the above differences between Canadian and United States generally accepted accounting principles on the loss per share, as reported, is as follows:

	Years ended November 30		
	2005	2004	2003
Net loss for the period under United States generally accepted accounting principles	\$ (3,176,055)	\$ (1,630,322)	\$ (263,199)
Weighted average number of shares outstanding under United States generally accepted accounting principles	11,648,823	6,732,969	1,908,609
Basic loss per share	\$ (0.27)	\$ (0.24)	\$ (0.14)

Diluted EPS has not been disclosed as the effect of the exercise of the Company's outstanding options and warrants would be anti-dilutive.

The impact of the above differences between Canadian and United States generally accepted accounting principles on the statements of shareholders' equity, as reported, is as follows:

Number of shares	Capital Stock Amount	Subscriptions receivable	Additional Paid-In Capital	Deficit Accumulated during the Exploration Stage	Total

Shareholders' equity as
reported November 30,

2004	10,551,142	\$	\$	\$	\$ \$ 2,944,758
	8,991,903	(30,375)	532,560	(6,549,330)	

Cumulative
compensation

expense - stock options	- -	-	350,111	(350,111) -
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Shareholders' equity in
accordance with United
States generally

accepted accounting
principles at November
30, 2004

10,551,142	\$	\$	\$	\$ \$
8,991,903	(30,375)	882,671	(6,899,441)	2,944,758

Shareholders' equity as

	\$	\$	\$	
Reported November 30, 2005	13,678,642	10,911,313	-	825,012 \$ (9,725,385) \$ 2,010,940

Cumulative
compensation

expense - stock options	- -	-	350,111	(350,111) -
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Shareholders' equity in
accordance with United
States generally

accepted accounting
principles at November

	\$	\$	\$	\$ \$
30, 2005	13,678,642	10,911,313	-	1,175,123 (10,075,496) 2,010,940

ITEM 18.

FINANCIAL STATEMENTS

See Item 17

ITEM 19.

EXHIBITS

**Exhibit
Number**

Page

1.2	Certificates of Name Change dated July 18, 1996 and October 17, 1996.	*
1.3	Certificate of Incorporation dated October 7, 1994.	*
1.4	Articles (Bylaws) of the Corporation	*
1.5	Amendments to Articles of the Corporation, dated July 18, 1996 and October 16, 1996	*
1.6	Certificate of Name Change and Amendment to Articles of the Corporation dated August 22, 2001	*
1.7	Certificate of Amendment and Name Change of the Corporation dated December 12, 2003	*
2.1	Option Agreements between the Company and Management, Employees and Director.	*
<u>3.1</u>	<u>Notice of Articles</u>	
<u>3.2</u>	<u>Articles of the Company</u>	
4.1	Mining Lease and Option Agreement between St. George Metals, Inc. and Triband Resource US Inc. dated June 29, 1998	*
4.2	Letter of Engagement dated February 18, 1997 between the Company and Timothy J. Percival.	*
4.3	Option Assignment Agreement between Minera Koripampa del Peru S.A. and Wealth Minerals dated July 6, 2004	*
4.4	Property Agreement, Mackenzie Property	*
4.5	Property Agreement, Uranium Projects, Argentina	*
4.8	Mackenzie Project, British Columbia Location Map	*
5.1	Stock Option Plan	*
11.1	CEO Code of Ethics	*
11.2	CFO Code of Ethics	*

11.3	Directors and Officers Codes of Ethics	*
31.1	<u>CEO 302 Certification</u>	
	<u>CFO 302 Certification</u>	
31.2	<u>CEO 906 Certification</u>	
	<u>CFO 906 Certification</u>	
23.1	<u>Consent of James M. Dawson, P.Eng.</u>	
99.1	<u>Audit Committee Charter</u>	
99.2	<u>Uranium Properties, Argentina Location Map</u>	

* Indicates the named document has been previously filed and is incorporated by reference.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

WEALTH MINERALS CORP.

By:

/s/ Jerry G. Pogue

Acting President and Chief Executive Officer

Date: May 26, 2006