

CORTEZ GOLD CORP.
(formerly Cortez Resources Corp.)

INTERIM FINANCIAL STATEMENTS

November 30, 2009

(Stated in Canadian Dollars)

(Unaudited)

**THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE PERIOD ENDED NOVEMBER 30, 2009
HAVE NOT BEEN REVIEWED OR AUDITED BY THE CORPORATION'S AUDITORS.**

CORTEZ GOLD CORP.
(formerly Cortez Resources Corp.)
INTERIM BALANCE SHEETS
November 30, 2009 and February 28, 2009
(Stated in Canadian Dollars)
(Unaudited)

	November 30, 2009	February 28, 2009
<u>ASSETS</u>		
Current		
Cash	\$ 652,877	\$ 366,822
GST recoverable	10,968	2,431
	\$ 663,845	\$ 369,253

<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 500	\$ 13,750

<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Note 3	1,454,846	517,166
Contributed surplus – Note 3	61,545	65,989
Deficit	(853,046)	(227,652)
	663,345	355,503
	\$ 663,845	\$ 369,253

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Commitments – Notes 3 and 7
Subsequent event – Note 7

APPROVED ON BEHALF OF THE BOARD:

<u>“Robert Eadie”</u> Robert Eadie	Director	<u>“Gary Arca”</u> Gary Arca	Director
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SEE ACCOMPANYING NOTES

CORTEZ GOLD CORP.
(formerly Cortez Resources Corp.)
INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
For the three and nine months ended November, 2009 and 2008
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended		Nine months ended	
	November 30,		November 30,	
	2009	2008	2009	2008
Expenses				
Accounting and audit fees – Note 4	\$ 8,131	\$ -	\$ 15,131	\$ 128
Bank charges and interest	527	65	1,238	244
Consulting fees	86,350	1,250	89,077	2,150
Legal and corporate services	50,115	8,304	99,982	24,304
Office and administration – Note 4	4,801	5,359	15,319	14,361
Rent – Note 4	4,500	4,500	13,500	13,500
Shareholder communications	34,534	4,860	49,851	5,263
Transfer agent and filing fees	11,438	2,319	24,314	7,573
Travel	40,474	-	73,551	-
Loss before other items	(240,870)	(26,657)	(381,963)	(67,523)
Other items				
Interest income	-	868	12	3,997
Foreign exchange gain (loss)	(37,100)	-	(20,694)	-
Write-down of deferred acquisition costs	(222,749)	-	(222,749)	-
Net loss and comprehensive loss for the period	(500,719)	(25,789)	(625,394)	(63,526)
Deficit, beginning of period	(352,327)	(170,294)	(227,652)	(132,557)
Deficit, end of period	\$ (853,046)	\$ (196,083)	\$ (853,046)	\$ (196,083)
Basic and diluted loss per share	\$ (0.07)	\$ (0.01)	\$ (0.17)	\$ (0.03)
Weighted average number of shares outstanding	7,100,001	2,050,000	3,762,741	2,050,000

SEE ACCOMPANYING NOTES

CORTEZ GOLD CORP.
(formerly Cortez Resources Corp.)
INTERIM STATEMENTS OF CASH FLOWS
For the three and nine months ended November 30, 2009 and 2008
(Stated in Canadian Dollars)
(Unaudited)

	Three months ended November 30,		Nine months ended November 30,	
	2009	2008	2009	2008
Operating Activities				
Net loss for the period	\$ (500,719)	\$ (25,789)	\$ (625,394)	\$ (63,526)
Non-cash item:				
Write-down of deferred acquisition costs	222,749	-	222,749	-
	(277,970)	(25,789)	(402,645)	(63,526)
Changes in non-cash working capital items:				
GST recoverable	(5,382)	425	(8,787)	333
Prepaid expenses	46,249	-	-	-
Accounts payable and accrued liabilities	-	(446)	(13,000)	(12,948)
Cash used in operating activities	(237,103)	(25,810)	(424,432)	(76,141)
Investing Activities				
Deferred property investigation	-	-	(675,550)	-
Recovery of deferred property investigation	452,801	-	452,801	-
Cash used in (provided by) investing activities	452,801	-	(222,749)	-
Financing Activities				
Issuance of common shares	-	-	1,010,000	-
Share issue costs	-	-	(76,764)	-
Cash provided by financing activities	-	-	933,236	-
Increase (decrease) in cash during the period	215,698	(25,810)	286,055	(76,141)
Cash, beginning of the period	437,179	412,123	366,822	462,454
Cash, end of the period	\$ 652,877	\$ 386,313	\$ 652,877	\$ 386,313
Supplementary disclosure of cash flow information:				
Cash paid for:				
Interest	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -

Non-cash Transaction – Note 3

SEE ACCOMPANYING NOTES

CORTEZ GOLD CORP.
(formerly Cortez Resources Corp.)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
November 30, 2009
(Stated in Canadian Dollars)
(Unaudited)

Note 1 **Nature of Operations and Ability to Continue as a Going Concern**

The Company was incorporated in the Province of British Columbia on March 29, 2007 under the Business Corporations Act of British Columbia as 0786996 BC Ltd., changed its name to Cortez Resources Corp. on April 13, 2007 and changed its name to Cortez Gold Corp. on September 18, 2009. The Company is classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4.

The Company’s continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction (as defined in the policies of the Exchange). The Company has received an extension, until February 19, 2010, to complete its Qualifying Transaction.. The acquisition will be subject to regulatory approval, and may also require shareholder approval.

During the period ended November 30, 2009, the Company entered into an agreement to acquire a group of mineral properties. This acquisition was intended to represent the Company’s Qualifying Transaction, however during the period ended November 30, 2009, the agreement was terminated (see Note 6).

Note 2 **Interim Reporting**

While the information presented in the accompanying financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim period in accordance with Canadian generally accepted accounting principles. It is suggested that these interim unaudited financial statements be read in conjunction with the Company’s audited financial statements for the year ended February 28, 2009.

These unaudited interim financial statements follow the same accounting policies and methods as the Company’s most recent annual audited financial statements. Operating results for the three and nine months ended November 30, 2009 are not necessarily indicative of the results that can be expected for the year ending February 28, 2010.

Note 3 **Share Capital and Contributed Surplus**

a) Authorized

Unlimited common shares without par value

CORTEZ GOLD CORP.

(formerly Cortez Resources Corp.)

Notes to the Interim Financial Statements

November 30, 2009

(Stated in Canadian Dollars)

(Unaudited) – Page 3

Note 3 Share Capital and Contributed Surplus – (cont'd)c) Stock-based Compensation

The Company, in accordance with the policies of the Exchange, is authorized to grant options to directors, officers, and employees to acquire up to 10% of common stock outstanding. Options may be granted for a maximum term of 5 years. Optioned shares will vest when granted except where granted for investor relations activities which vest and may be exercised in accordance with the vesting provisions as to ¼ of the options each 3 months.

No stock options were granted during the year ended February 28, 2009 or the period ended November 30, 2009. During the period ended November 30, 2009, 85,000 options were cancelled upon the resignation of a director.

A summary of the Company's outstanding stock options as of November 30, 2009 and the changes during the period then ended is presented below:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2009 and 2008	400,000	\$0.20
Cancelled	(85,000)	\$0.20
Outstanding and exercisable at November 30, 2009	315,000	\$0.20

At November 30, 2009, there were 315,000 stock options outstanding entitling the holders thereof to purchase one common share for each option held as follows:

Number of Shares	Number Exercisable	Exercise Price	Expiry Date	Contractual Life Remaining
305,000	305,000	\$0.20	August 20, 2012	2.72 years
10,000	10,000	\$0.20	August 20, 2017	7.72 years
315,000	315,000	\$0.20		2.88 years

d) Warrants Outstanding

A summary of the Company's outstanding share purchase warrants at November 30, 2009 and the year ended February 28, 2009 and the changes during the periods then ended is presented below:

CORTEZ GOLD CORP.

(formerly Cortez Resources Corp.)

Notes to the Interim Financial Statements

November 30, 2009

(Stated in Canadian Dollars)

(Unaudited) – Page 4

Note 3 Share Capital and Contributed Surplus – (cont'd)d) Warrants Outstanding (cont'd)

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 28, 2009 and 2008	150,000	\$0.20
Exercised	(50,000)	\$0.20
Expired	(100,000)	\$0.20
Outstanding at November 30, 2009	-	N/A

e) Contributed Surplus

	November 30, 2009	February 28, 2009
Balance, beginning of the period	\$ 65,989	\$ 65,989
Transfer to share capital on exercise of Agent's warrants exercised	(4,444)	-
Balance, end of the period	\$ 61,545	\$ 65,989

Note 4 Related Party Transactions

During the period ended November 30, 2009, the Company paid accounting fees of \$7,550 (2008: \$Nil), rent of \$13,500 (2008: \$13,500) and office and administration fees, including reimbursement of expenses, of \$13,500 (2008: \$13,500) to companies controlled by directors.

These charges were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

Note 5 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support a qualifying transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is currently attempting to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction. As such the Company is dependent on external financing to fund its activities. In order to carry out the requirements of a Qualifying Transaction and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

CORTEZ GOLD CORP.

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Notes to the Interim Financial Statements

November 30, 2009

(Stated in Canadian Dollars)

(Unaudited) – Page 5

Note 5 Capital Management

Should current market conditions persist, management anticipates potential challenges in raising further external financing.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended November 30, 2009. The net proceeds from all of the Company's financings have certain limitations on them until completion of the Qualifying Transaction. The Company is subject to no other externally imposed capital requirements.

Note 6 Seabridge Agreement

The Company has entered into a letter agreement dated March 25, 2009, and amended July 9, 2009, and September 30, 2009, as well as an Asset Purchase agreement dated July 31, 2009 and amended September 30, 2009 (the "Agreement") with Seabridge Gold Inc. ("Seabridge") to acquire various mineral claims in Nevada (the "Seabridge Acquisition") held by Seabridge's wholly-owned subsidiaries.

The Seabridge Acquisition consists of interests in all or, at the election of the Company, any number of Seabridge's mineral properties located in various counties in Nevada, including Churchill, Elko, Esmeralda, Humboldt and Nye, and includes Seabridge's Castle Blackrock Property (the "Properties"). The Properties comprise interests in 2,141 claims covering more than 30 exploration projects staked in Nevada.

Pursuant to the Agreement, the Company paid Seabridge a non-refundable deposit of US\$20,000 in March, 2009. The Seabridge Acquisition was to be completed by October 30, 2009. In consideration for an extension under the amended agreement, the Company paid an additional US\$80,000 to Seabridge. Upon execution of the Formal Agreement, the Company advanced to Seabridge's counsel the further refundable deposit of US\$409,925 for lease and claims maintenance fees in respect of the Properties that were due prior to September 30, 2009.

During the period ended November 30, 2009, the agreement was terminated and a write-down of \$222,749 relating to deposits and property investigation costs, was reported on the statement of operations. The US\$409,925 was recovered and is included in cash at November 30, 2009.

CORTEZ GOLD CORP.

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Notes to the Interim Financial Statements

November 30, 2009

(Stated in Canadian Dollars)

(Unaudited) – Page 6

Note 7 Qualifying Transaction

Subsequent to November 30, 2009, the Company announced that it entered into an Option Agreement dated January 14, 2010 with Strategic Metals Ltd. (“Strategic”) whereby the Company may acquire a 50% interest in 48 Yukon quartz mineral claims located in the Mining District of Watson Lake, Yukon (the “Proposed Acquisition”). Strategic is a junior mining company listed on the TSX Venture Exchange (the “Exchange”) (symbol “SMD”) specializing in generative exploration in northwestern Canada.

The Proposed Acquisition consists of a 50% interest in 48 Yukon quartz mineral claims more commonly known as the Timber Claims in southeast Yukon, together with the surface rights, mineral rights, personal property and permits associated therewith (the “Properties”).

In consideration of the Proposed Acquisition and to acquire a 50% interest in the Properties, the Company will:

- (a) pay Strategic not less than an aggregate \$150,000, as follows:
 - (i) \$25,000 upon Exchange Acceptance (the “Closing Date”);
 - (ii) an additional \$50,000 after the first anniversary of the Closing Date; and
 - (iii) an additional \$75,000 after the second anniversary of the Closing Date.

- (b) incur exploration expenditures of not less than an aggregate \$1,000,000 as follows:
 - (i) \$200,000 on or before December 31, 2010;
 - (ii) an additional \$300,000 on or before December 31, 2011; and
 - (iii) an additional \$500,000 on or before December 31, 2012.

The Company shall be the operator until the option is fully exercised, at which point the Company and Strategic shall enter into a Joint Venture Agreement.

The Company is a capital pool company and the Proposed Acquisition will constitute its Qualifying Transaction (as such term is defined in the policies of the Exchange). The Proposed Acquisition is subject to Exchange approval.