

DEL TORO SILVER CORP.  
Form 10-K  
February 16, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **October 31, 2009**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **000-52499**

**DEL TORO SILVER CORP.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**98-0515290**

(I.R.S. Employer Identification No.)

**Suite 400 409 Granville Street**

**Vancouver, British Columbia, Canada**

(Address of principal executive offices)

**V6C 1T2**

(Zip Code)

Registrant's telephone number, including area code **775.338.2598**

Securities registered under Section 12(b) of the Act:

**None**

Title of each class

**N/A**

Name of each exchange on which registered

Securities registered under Section 12(g) of the Act:

**Common Stock, \$0.001 par value**

(Title of class)

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes[ ] No[ x ]

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes[ ] No [ x ]

Indicate by checkmark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes[ x ] No[ ]

---

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes[ ] No[ ]

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]

Accelerated filer [ ]

Non-accelerated filer [ ] (Do not check if a smaller reporting company)

Smaller reporting company [ x ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes[ ] No[ x ]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: **\$666,000 based on a price of \$0.20 per share, being the average bid and asked price of such common equity on the OTC Bulletin Board as of April 30, 2009.**

#### APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY

#### PROCEEDINGS DURING THE PAST FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes[ ] No[ ] N/A

#### (APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. **9,835,135 shares of common stock as of February 12, 2010.**

#### DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933.

---

The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980). **Not Applicable**

---

## Part I

### Forward Looking Statements.

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may, should, expect, plan, anticipate, believe, estimate, predict, potential negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled Risk Factors and the risks set out below, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

- risks and uncertainties relating to the interpretation of sampling results, the geology, grade and continuity of mineral deposits;
- risks and uncertainties that results of initial sampling and mapping will not be consistent with our expectations;
- mining and development risks, including risks related to accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in production;
- the potential for delays in exploration activities;
- risks related to the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price fluctuations;
- the uncertainty of profitability based upon our limited history;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms for our planned exploration project;
- risks related to environmental regulation and liability;
- risks that the amounts reserved or allocated for environmental compliance, reclamation, post-closure control measures, monitoring and on-going maintenance may not be sufficient to cover such costs;
- risks related to tax assessments;
- political and regulatory risks associated with mining development and exploration; and
- other risks and uncertainties related to our mineral property and business strategy.

This list is not an exhaustive list of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements.

Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to common stock refer to the common shares in our capital stock.

As used in this annual report, the terms we , us , our , and Del Toro mean Del Toro Silver Corp., unless the context clearly requires otherwise.

---

## ITEM 1. BUSINESS

### General

We were incorporated under the laws of the state of Nevada on January 9, 2006 under the name of Candev Resource Exploration, Inc. Effective July 28, 2009, we changed our name from Candev Resource Exploration, Inc. to Del Toro Silver Corp. On August 14, 2009, the name change became effective with the Over-the-Counter Bulletin Board at the opening for trading on August 14, 2009 under the new stock symbol DTOR. We are an exploration stage mineral company. We own a 50% undivided interest in the Dos Naciones Project Property, located in the state of Sonora, Mexico. We also intend to acquire additional mineral claims in the future. Previously, we had entered into a property option agreement dated August 25, 2006 (the King Property Option Agreement) with Carl von Einsiedel pursuant to which we received a right and option to acquire a 100% interest in and to the King claims. On January 15, 2008 Candev amended the King Property Option Agreement. The Amended King Property Option Agreement was entered into for the purpose of increasing the number of claims covered by the option agreement including two (2) additional mining claims located in the Iskut River region in northwestern British Columbia: tenure numbers 552025 and 552026. We entered into a termination agreement dated December 3, 2008 with Carl von Einsiedel (the Termination Agreement) and effective as of October 31, 2008. Pursuant to the terms of the Termination Agreement the parties agreed to terminate the King Property Option Agreement and any amendments thereto. Both parties have released each other from any and all obligations and liabilities pursuant to the King Property Option Agreement.

To date, our activities have been limited to organizational matters, obtaining a geology report on the King claims and conducting our exploration program on the King Claims. We intend to focus our business on pursuing a three phase exploration program on the Dos Naciones Property. We also changed the address of our head office to 400 -409 Granville Street Vancouver, British Columbia V6C 1T2.

We have no revenues, have achieved losses since inception, have been issued a going concern opinion by our auditors and rely upon the sale of our securities to fund operations. Accordingly, we will be dependent on future additional financing in order to seek other business opportunities in the mining industry or new business opportunities.

### Our Current Business

Our current business focus is to conduct exploration activities on our Dos Naciones Property, exercise the Option under the Option Agreement with Yale and subsequently enter into the Joint Venture Agreement with Yale. The Dos Naciones Property is located approximately 140 km north northeast of the city of Hermosillo, in north-central Sonora, Mexico and is approximately 75 km southwest of the important Cananea mining district. The Dos Naciones Property is comprised of one mineral concession that covers approximately 2,391 hectares.

Del Toro received a technical report dated March 25, 2009 from its consulting geologist David J. Pawliuk respecting the Dos Naciones Property. Pursuant to the report, Mr. Pawliuk recommended a three phase exploration program on the Dos Naciones Property to explore potential mineralization on the property. The report found that Dos Naciones Property hosts different styles of significant metallic mineralization and that economic concentrations of silver and lead occur in quartz veins at both the Josefina and the Dos Naciones occurrence areas within the property.

We intend to conduct a three phase exploration program on the Dos Naciones Property at an aggregate estimated cost of \$450,000 subject to receiving additional financing. The first phase of our exploration program is intended to commence in March, 2010, subject to receipt of additional financing and is anticipated to cost approximately \$53,500. The first phase is expected to consist of detailed geological mapping, hand trenching and prospecting. If the results of the first phase of our exploration program warrant the continuation into the second phase of the program, we intend to conduct the second phase of the program consisting of diamond drilling and IP surveys of the entire property. The

second phase is anticipated to cost approximately \$174,000. If the results of the second phase of our exploration program warrant the continuation into the third phase of the program, we intend to conduct the third phase of the program consisting of further diamond drilling of identified IP anomalies from Phase II at an estimated cost of \$180,000.

---



We have not commenced our planned exploration program on the Dos Naciones Property. There was prior exploration on the property by our joint venture partner Yale Resources Ltd. Our plan of operation is to carry out exploration work on our Dos Naciones Property in order to ascertain whether it possesses commercially exploitable quantities of gold, silver, and other metals. We intend to primarily explore for gold, silver, and copper but if we discover that our mineral property hold potential for other minerals that our management determines are worth exploring further, then we intend to explore for those other minerals. We will not be able to determine whether or not the Dos Naciones Property contains a commercially exploitable mineral deposit, or reserve, until appropriate exploratory work is done and an economic evaluation based on that work indicates economic viability.

Mineral property exploration is typically conducted in phases. Each subsequent phase of exploration work is recommended by a geologist based on the results from the most recent phase of exploration. We have not yet commenced the initial phase of exploration on our Dos Naciones Property. Once we complete each phase of exploration, we will make a decision as to whether or not we proceed with each successive phase based upon the analysis of the results of that program. Our management will make these decisions based upon the recommendations of the independent geologist who oversees the program and records the results.

### **Acquisition of Dos Naciones Property**

Effective July 9, 2009, we completed the acquisition of a 50% undivided interest, and the Option to acquire a further 30% interest in, the Dos Naciones Property, located in state of Sonora, Mexico, in accordance with the terms of the Property Option Agreement with Yale dated July 7, 2009. In consideration of the transfer of a 50% undivided interest in the Property, we paid a purchase price of CAD\$35,000. To exercise the Option to acquire a further 30% interest in the Property, we are required to issue securities of Del Toro and fund the Expenditures on the Dos Naciones Property in the following manner:

- (i) on or before July 7, 2010, we are required to issue 200,000 restricted shares of our common stock to Yale and fund expenditures on the exploration program on the Dos Naciones Property in the minimum amount of CDN\$150,000;
- (ii) on or before July 7, 2011, we are required to issue 250,000 restricted shares of common stock of Del Toro to Yale and fund expenditures on the exploration program on the Property in the minimum amount of CDN\$250,000; and
- (iii) on or before July 7, 2012, we are required to issue 350,000 restricted shares of common stock of Del Toro to Yale and fund expenditures on the exploration program on the Dos Naciones Property in the minimum amount of CDN\$400,000.

During the term of the Option Agreement, if at any time prior to the exercise of the Option any of the following events occur then Yale will have the right to purchase all of our interest in the Dos Naciones Property for CDN\$17,500 (the Option Period ):

- (i) Del Toro provides notice that it does not intend to exercise the Option;
- (ii) Del Toro is in material default of the Option Agreement for a period of 30 days after receiving a default notice from Yale;
- (iii) Del Toro fails to implement Phase I of the work program within six months of July 7, 2009;
- (iv) Del Toro fails to make the Expenditures or make an equivalent payment to Yale in lieu of the Expenditures.

If we exercise the Option, the parties will be deemed to enter into a joint venture agreement with Yale (the Joint Venture Agreement ) in accordance with the terms of the Option Agreement.

During the Option Period, the operator of all operations on the Dos Naciones Property is Yale for a period of at least one year from the closing date of the agreement, afterwhich, at its choosing, Del Toro may become operator. The operator may delegate any management duties and responsibilities it deems necessary for the efficient operation of the Dos Naciones Property and will be paid a management fee equal to fifteen percent (15%) of the Expenditures incurred on the Dos Naciones Property provided that such payments to Yale may be offset by any management fees that Yale receives under the Joint Venture Agreement such that Yale will only receive total management fees under the Joint Venture Agreement and the Option Agreement equal to fifteen percent (15%) of Expenditures incurred on the Dos Naciones Property. The operator agrees to provide to the other party an accounting of such management fees on a regular basis or whenever requested by the other party. During the Option Period, Yale and Del Toro agree they will have mutual voting power.

---

## Competition

We are a junior mineral resource exploration company. We compete with other mineral resource exploration companies for financing and for the acquisition of new mineral properties. Many of the mineral resource exploration companies with whom we compete have greater financial and technical resources than those available to us. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford more geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact on our ability to achieve the financing necessary for us to conduct further exploration of our mineral properties.

We also compete with other junior mineral resource exploration companies for financing from a limited number of investors that are prepared to make investments in junior mineral resource exploration companies. The presence of competing junior mineral resource exploration companies may impact on our ability to raise additional capital in order to fund our exploration programs if investors are of the view that investments in competitors are more attractive based on the merit of the mineral properties under investigation and the price of the investment offered to investors. We also compete with other junior and senior mineral resource exploration companies for available resources, including, but not limited to, professional geologists, camp staff, helicopter or float planes, mineral exploration supplies and drill rigs.

## Governmental Regulations

In Mexico, mineral resources belong to the Mexican nation and all mining activity requires a concession from the federal government. A concession is granted over free land, pursuant to the first in time, first right principle, which establishes that the first person to request a concession over a portion of land will have the right to the same, provided all other requirements under the Mining Law of Mexico and its associated regulations are met.

A concession owner can perform:

- exploration works on the ground to identify mineral deposits and quantifying and evaluating economically viable reserves and accordingly perform work to develop areas containing mineral deposits; and
- exploitation works to detach and extract minerals from such deposits.

Only Mexican nationals or legal entities incorporated under Mexican law may hold concessions, although there are no restrictions on foreign ownership of such entities. Mining concessions are granted for 50 years, and can be renewed for another 50 years. The main obligations to keep them are the semi-annual payment of mining duties (taxes), based on the surface area of the concession, and the performance of work in the areas covered by the concessions, which is evidenced by minimum expenditures or by the production of ore.

In connection with mining and exploration activities in the Dos Naciones Property, we are subject to extensive Mexican federal, state and local laws and regulations governing the protection of the environment, including laws and regulations relating to protection of air and water quality, hazardous waste management and mine reclamation as well as the protection of endangered or threatened species.

Currently, we are not required to submit any environmental impact statement to the Mexican government for our proposed three phase exploration program on the Dos Naciones Property because exploration activities such as mapping and sampling do not require the preparation of the environmental impact statement. However, if, after we conduct our three phase exploration program on the Dos Naciones Property, we decided to conduct a full drilling

program, we will have to prepare the environmental impact statement to be submitted to the Mexican government, which will describe the anticipated environmental impact of our planned drilling program, as well as outlining our planned actions to minimize any potential environmental damage. Studies required to support the environmental impact statement include a detailed analysis of the area, among others: soil, water, vegetation, wildlife, cultural resources and socio-economic impacts.

---

In reviewing the environmental impact statement, the Mexican government looks at potential impact on national Mexican environment, as well as reviewing for local concerns such as proximity to water supplies or potential interference with local farms. The Mexican government has ten days to respond after we file the environmental impact statement, and if it does not respond, authorization is deemed to have been granted. If the Mexican government does respond, then the time within which authorization will be granted can be increased to six to twelve months or longer. It is also possible that no authorization will be granted if the Mexican government is not satisfied that appropriate measure will be taken to protect the environment.

### **Employees**

Currently our employees are our directors and officers, Mark McLeary and Ezra Jimenez. We do not expect any material changes in the number of employees over the next 12 month period. We anticipate that we will be conducting most of our business through agreements with consultants and third parties. Our officers do not have employment agreements with us.

### **Subsidiaries**

Our sole subsidiary is Minera Plata Del Toro S.A. de C.V. a Mexican corporation. The subsidiary is wholly owned by Del Toro.

### **Intellectual Property**

We do not own, either legally or beneficially, any patents or trademarks.

## **ITEM 1A. RISK FACTORS**

Our common shares are considered speculative. Prospective investors should consider carefully the risk factors set out below.

### Risks Associated with Mining

*All of our properties are in the exploration stage. There is no assurance that we can establish the existence of any mineral resource on any of our properties in commercially exploitable quantities. Until we can do so, we cannot earn any revenues from operations and if we do not do so we will lose all of the funds that we expend on exploration. If we do not discover any mineral resource in a commercially exploitable quantity, our business could fail.*

Despite exploration work on our mineral properties, we have not established that any of them contain any mineral reserve, nor can there be any assurance that we will be able to do so. If we do not, our business could fail.

A mineral reserve is defined by the Securities and Exchange Commission in its Industry Guide 7 (which can be viewed over the Internet at <http://www.sec.gov/divisions/corpfin/forms/industry.htm#secguide7>) as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. The probability of an individual prospect ever having a reserve that meets the requirements of the Securities and Exchange Commission's Industry Guide 7 is extremely remote; in all probability our mineral resource property does not contain any reserve and any funds that we spend on exploration will probably be lost.

Even if we do eventually discover a mineral reserve on one or more of our properties, there can be no assurance that we will be able to develop our properties into producing mines and extract those resources. Both mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into

producing mines.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade and other attributes of the mineral deposit, the proximity of the resource to infrastructure such as a smelter, roads and a point for shipping, government regulation and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral resource unprofitable.

---

*Mineral operations are subject to applicable law and government regulation. Even if we discover a mineral resource in a commercially exploitable quantity, these laws and regulations could restrict or prohibit the exploitation of that mineral resource. If we cannot exploit any mineral resource that we might discover on our properties, our business may fail.*

Both mineral exploration and extraction require permits from various foreign, federal, state, provincial and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to obtain or maintain any of the permits required for the continued exploration of our mineral properties or for the construction and operation of a mine on our properties at economically viable costs. If we cannot accomplish these objectives, our business could fail.

We believe that we are in compliance with all material laws and regulations that currently apply to our activities but there can be no assurance that we can continue to remain in compliance. Current laws and regulations could be amended and we might not be able to comply with them, as amended. Further, there can be no assurance that we will be able to obtain or maintain all permits necessary for our future operations, or that we will be able to obtain them on reasonable terms. To the extent such approvals are required and are not obtained, we may be delayed or prohibited from proceeding with planned exploration or development of our mineral properties.

*If we establish the existence of a mineral resource on any of our properties in a commercially exploitable quantity, we will require additional capital in order to develop the property into a producing mine. If we cannot raise this additional capital, we will not be able to exploit the resource, and our business could fail.*

If we do discover mineral resources in commercially exploitable quantities on any of our properties, we will be required to expend substantial sums of money to establish the extent of the resource, develop processes to extract it and develop extraction and processing facilities and infrastructure. Although we may derive substantial benefits from the discovery of a major deposit, there can be no assurance that such a resource will be large enough to justify commercial operations, nor can there be any assurance that we will be able to raise the funds required for development on a timely basis. If we cannot raise the necessary capital or complete the necessary facilities and infrastructure, our business may fail.

*Mineral exploration and development is subject to extraordinary operating risks. We do not currently insure against these risks. In the event of a cave-in or similar occurrence, our liability may exceed our resources, which would have an adverse impact on our company.*

Mineral exploration, development and production involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our operations will be subject to all the hazards and risks inherent in the exploration for mineral resources and, if we discover a mineral resource in commercially exploitable quantity, our operations could be subject to all of the hazards and risks inherent in the development and production of resources, including liability for pollution, cave-ins or similar hazards against which we cannot insure or against which we may elect not to insure. Any such event could result in work stoppages and damage to property, including damage to the environment. We do not currently maintain any insurance coverage against these operating hazards. The payment of any liabilities that arise from any such occurrence would have a material adverse impact on our company.

*Mineral prices are subject to dramatic and unpredictable fluctuations.*

We expect to derive revenues, if any, either from the sale of our mineral resource properties or from the extraction and sale of precious and base metals such as gold, silver and copper. The price of those commodities has fluctuated widely in recent years, and is affected by numerous factors beyond our control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of our exploration properties and projects, cannot accurately be predicted.

---



*The mining industry is highly competitive and there is no assurance that we will continue to be successful in acquiring mineral claims. If we cannot continue to acquire properties to explore for mineral resources, we may be required to reduce or cease operations.*

The mineral exploration, development, and production industry is largely un-integrated. We compete with other exploration companies looking for mineral resource properties. While we compete with other exploration companies in the effort to locate and acquire mineral resource properties, we will not compete with them for the removal or sales of mineral products from our properties if we should eventually discover the presence of them in quantities sufficient to make production economically feasible. Readily available markets exist worldwide for the sale of mineral products. Therefore, we will likely be able to sell any mineral products that we identify and produce.

In identifying and acquiring mineral resource properties, we compete with many companies possessing greater financial resources and technical facilities. This competition could adversely affect our ability to acquire suitable prospects for exploration in the future. Accordingly, there can be no assurance that we will acquire any interest in additional mineral resource properties that might yield reserves or result in commercial mining operations.

*If our costs of exploration are greater than anticipated, then we may not be able to complete the exploration program for our Dos Naciones Property without additional financing, of which there is no assurance that we would be able to obtain.*

We are proceeding with the initial stages of exploration on our Dos Naciones Property. We intend to carry out an exploration program that has been recommended by a consulting geologist. This exploration program outlines a budget for completion of the recommended exploration program. However, there is no assurance that our actual costs will not exceed the budgeted costs. Factors that could cause actual costs to exceed budgeted costs include increased prices due to competition for personnel and supplies during the exploration season, unanticipated problems in completing the exploration program and delays experienced in completing the exploration program. Increases in exploration costs could result in our not being able to carry out our exploration program without additional financing. There is no assurance that we would be able to obtain additional financing in this event.

*Because of the speculative nature of exploration of mining properties, there is substantial risk that no commercially exploitable minerals will be found and our business will fail.*

We are in the initial stage of exploration of our mineral property, and thus have no way to evaluate the likelihood that we will be successful in establishing commercially exploitable reserves of gold, silver or other valuable minerals on our Dos Naciones Property. The search for valuable minerals as a business is extremely risky. We may not find commercially exploitable reserves of gold, silver or other valuable minerals in our mineral property. Exploration for minerals is a speculative venture necessarily involving substantial risk. The expenditures to be made by us on our exploration program may not result in the discovery of commercial quantities of ore. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. Problems such as unusual or unexpected formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. In such a case, we would be unable to complete our business plan.

*Because of the inherent dangers involved in mineral exploration, there is a risk that we may incur liability or damages as we conduct our business.*

The search for valuable minerals involves numerous hazards. In the course of carrying out exploration of our Dos Naciones Property, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. We currently have no such

insurance nor do we expect to get such insurance for the foreseeable future. If a hazard were to occur, the costs of rectifying the hazard may exceed our asset value and cause us to liquidate all of our assets, resulting in the loss of your entire investment in this offering.

*Because access to our mineral property is often restricted by inclement weather, we may be delayed in our exploration and any future mining efforts.*

Access to the mineral property is restricted to the period between August to March of each year because the period between April and July are typically rainy season in the area. We can attempt to visit, test or explore our mineral property only when weather permits such activities. These limitations can result in significant delays in exploration efforts, as well as in mining and production in the event that commercial amounts of minerals are found. Such delays can cause our business to fail.

---

*As we undertake exploration of our mineral property, we will be subject to compliance with government regulation that may increase the anticipated time and cost of our exploration program, which could increase our expenses.*

We will be subject to the mining laws and regulations in Mexico as we carry out our exploration program. We will be required to pay mining taxes to the Mexican government. We will be required to prove our compliance with relevant Mexican environmental and workplace safety laws, regulations and standards by submitting receipts showing the purchase of equipment used for workplace safety or the prevention of pollution or the undertaking of environmental remediation projects before we are able to obtain drilling permits. If our exploration activities lead us to make a decision to go into mining production, before we initiate a major drilling program, we will have to obtain an environmental impact statement authorization. This could potentially take more than 10 months to obtain and could potentially be refused. New regulations, if any, could increase our time and costs of doing business and prevent us from carrying out our exploration program. These factors could prevent us from becoming profitable.

*Because our executive officers have limited experience in mineral exploration and do not have formal training specific to the technicalities of mineral exploration, there is a higher risk that our business will fail.*

Our executive officers have limited experience in mineral exploration and do not have formal training as geologists or in the technical aspects of management of a mineral resource exploration company. As a result of this inexperience, there is a higher risk of our being unable to complete our business plan for the exploration of our mineral property. With no direct training or experience in these areas, our management may not be fully aware of many of the specific requirements related to working within this industry. Our decisions and choices may not take into account standard engineering or managerial approaches mineral resource exploration companies commonly use. Consequently, the lack of training and experience of our management in this industry could result in management making decisions that could result in a reduced likelihood of our being able to locate commercially exploitable reserves on our mineral property with the result that we would not be able to achieve revenues or raise further financing to continue exploration activities. In addition, we will have to rely on the technical services of others with expertise in geological exploration in order for us to carry out our planned exploration program. If we are unable to contract for the services of such individuals, it will make it difficult and maybe impossible to pursue our business plan. There is thus a higher risk that our operations, earnings and ultimate financial success could suffer irreparable harm and our business will likely fail.

*Because our executive officers have other business interests, they may not be able or willing to devote a sufficient amount of time to our business operation, causing our business to fail.*

Mark McLeary our president and chief executive officer devotes approximately 50% of his working time on providing management services to us and Ezra Jimenez our chief financial officer devotes approximately 25% of his working time on providing management services to us. If the demands on our executive officers from their other obligations increase, they may no longer be able to devote sufficient time to the management of our business. This could negatively impact our business development.

#### Risks Related to Our Company

*We have a limited operating history on which to base an evaluation of our business and prospects.*

We have been in the business of exploring mineral resource properties since January 2006 and we have not yet located any mineral reserve. As a result, we have never had any revenues from our operations. In addition, our operating history has been restricted to the acquisition and exploration of our mineral properties and this does not provide a meaningful basis for an evaluation of our prospects if we ever determine that we have a mineral reserve and commence the construction and operation of a mine. We have no way to evaluate the likelihood of whether our mineral properties contain any mineral reserve or, if they do that we will be able to build or operate a mine

successfully. We anticipate that we will continue to incur operating costs without realizing any revenues during the period when we are exploring our properties. We therefore expect to continue to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from mining operations and any dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses and difficulties frequently encountered by companies at the start up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition. There is no history upon which to base any assumption as to the likelihood that we will prove successful and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

---

*The fact that we have not earned any operating revenues since our incorporation raises substantial doubt about our ability to continue to explore our mineral properties as a going concern.*

We have not generated any revenue from operations since our incorporation and we anticipate that we will continue to incur operating expenses without revenues unless and until we are able to identify a mineral resource in a commercially exploitable quantity on one or more of our mineral properties and we build and operate a mine. At October 31, 2009, we had working capital deficit of \$23,552. We incurred a net loss of \$135,825 for the year ended October 31, 2009 and \$314,205 since inception. We will require additional financing to sustain our business operations if we are not successful in earning revenues once exploration is complete. If our exploration programs are successful in discovering reserves of commercial tonnage and grade, we will require significant additional funds in order to place the Dos Naciones Property into commercial production. Should the results of our planned exploration require us to increase our current operating budget, we may have to raise additional funds to meet our currently budgeted operating requirements for the next 12 months. As we cannot assure a lender that we will be able to successfully explore and develop our mineral properties, we will probably find it difficult to raise debt financing from traditional lending sources. We have traditionally raised our operating capital from sales of equity and debt securities, but there can be no assurance that we will continue to be able to do so. If we cannot raise the money that we need to continue exploration of our mineral properties, we may be forced to delay, scale back, or eliminate our exploration activities. If any of these were to occur, there is a substantial risk that our business would fail.

These circumstances lead our independent registered public accounting firm, in their report dated January 25, 2010, to comment about our company's ability to continue as a going concern. When an auditor issues a going concern opinion, the auditor has substantial doubt that the company will continue to operate indefinitely and not go out of business and liquidate its assets. These conditions raise substantial doubt about our company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event our company cannot continue in existence. We continue to experience net operating losses.

*All of our assets and all of our directors and officers are outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or any of our directors or officers.*

All of our assets are located outside the United States and we do not currently maintain a permanent place of business within the United States. In addition, all of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or our officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under United States federal and state securities laws against us or our officers and directors.

#### Risks Associated with Our Common Stock

*Trading on the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.*

Our common stock is quoted on the OTC Bulletin Board service of the Financial Industry Regulatory Authority. Trading in stock quoted on the OTC Bulletin Board is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic

than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of their shares.

---

*Our stock is a penny stock. Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.*

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

*The Financial Industry Regulatory Authority sales practice requirements may also limit a stockholder's ability to buy and sell our stock.*

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority, which we refer to as FINRA, has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for shares of our common stock.

## **ITEM 2. PROPERTIES.**

### **Executive Offices**

As of the date of this report, our executive offices consist of 200 square feet are located at 400 - 409 Granville Street Vancouver, British Columbia V6C 1T2, Canada. We rent the office at a rate of \$575 per month on a month to month basis. We believe that our office space and facilities are sufficient to meet our present needs and do not anticipate any difficulty securing alternative or additional space, as needed, on terms acceptable to us.

### **Mineral Properties**

We own a 50% undivided interest in the Dos Naciones Property and have the option to acquire an additional 30% pursuant to the terms of our Option Agreement with Yale Resources Ltd. The mineral concession that forms the Dos Naciones property was staked by Minera Alta Vista, S.A. de C.V. (Minera Alta Vista), a Mexican company that is a subsidiary of Yale Resources Ltd. Mineral concession Dos Naciones, number 230649, was registered September 28, 2007 and expires September 27, 2057. The concession is registered by the Government of Mexico in Book 366 Page 155 Act 309. This exploration concession covers an area of 2930.8269 ha, and is currently registered in the name of Minera Alta Vista, S.A. de C.V. Title to the concession is currently held in the name of Minera Alta Vista, upon exercise of the Option by Del Toro, title to 80% of the concession will be transferred to Del Toro's wholly owned Mexican subsidiary. The Dos Naciones mineral concession lies within the municipalities of Opodepe and Cucurpe, Sonora. Payments of \$12,146 pesos are paid every semester, i.e., twice per year, to the Government of Mexico in order to maintain the rights to the mineral concession. Our joint venture partner Yale Resources Ltd. has spent approximately \$150,000 on property exploration to date.

---



*Technical Report*

In accordance with its requirements under Canadian securities laws Del Toro received an National Instrument 43-101 technical report dated March 25, 2009 from its consulting geologist David J. Pawliuk respecting the Dos Naciones property. Pursuant to the report, Mr. Pawliuk recommended a three phase exploration program on the Dos Naciones Property to explore potential mineralization on the property. The report found that Dos Naciones Property hosts different styles of significant metallic mineralization and that economic concentrations of silver and lead occur in quartz veins at both the Josefina and the Dos Naciones occurrence areas within the property.

The report also concluded that there were extensive areas of skarn occur within the Dos Naciones property at the La Espanola area, and at the Dos Naciones occurrence area. These skarns contain economic concentrations of copper, silver and gold. Skarns often form around the periphery of porphyry copper mineralization systems. A lead- and silver-bearing quartz vein occurs along a fault that strikes 130 degrees and dips 55 degrees to the northeast at the east side of the Dos Naciones occurrence area; this vein is approximately parallel the mineralized quartz veins at Josefina. The report further concluded that the geological setting of the Dos Naciones property area is favourable for bulk-tonnage porphyry copper deposits.

*Description of Property, Location, Means and Access*

The Dos Naciones property is located approximately 140 km north northeast of the city of Hermosillo, in north-central Sonora, Mexico (See Figure 1 below). The Dos Naciones Property is located approximately 75 km southwest of the important Cananea mining district (Figure 1). The Dos Naciones Property is comprised of one mineral concession, or lote, that covers approximately 2,391 hectares. The Dos Naciones mineral concession measures approximately 5 km east-west by 5 km north-south; it surrounds the CRUZ concession, which covers an area of 100 hectares. The Dos Naciones Property is accessible via a gravel road that leads to Rancho Los Janos; this gravel road leads southward from the paved road between Magdalena de Kino and the village of Los Janos. The turnoff southwards to Rancho Los Janos is about 10 km east of the village of Cucurpe. Four-wheel-drive roads extend southwards beyond the ranch buildings and provide good access to all parts of the property. About 3 hours is required to drive from Hermosillo to the Dos Naciones Property.

There is a turf airstrip about 850 m long within the northeast corner of the concession area. However, this airstrip has been de-activated by erecting fence posts at intervals along the length of the airstrip, in order to prevent its use. There is an electrical powerline extending north from the village of Cucurpe to the Mina Santa Gertrudis, a former gold-producing mine located about 45 km north of the Dos Naciones Property. Cucurpe is about 20 km northwest of the Dos Naciones Property.

---

**Figure 1 Location of Dos Naciones Claim**

---

### *Climate, Local Resources, Infrastructure And Physiography*

The climate within the property area is semi-arid, typical of higher elevations in the Sonoran desert. Seasonal rains occur between April and July. The local ranchers have constructed dams along creek drainages within the property area, to collect runoff water for their livestock. Magdalena de Kino is the nearest community with fuel and full services. Magdalena de Kino is situated along the Pan-American Highway about 85 km south of the United States border at Nogales. The Dos Naciones Property area forms part of the Sierra El Jucaral, a north northwest trending mountain range on the western fringe of the Sierra Madre de Occidental. Elevations range between 1,140 and 1,690 m a.s.l. within the property area. The hillsides are moderately steep and thinly forested by scrub oak trees. Rock outcrop is exposed over about 10 to 20 per cent of the Dos Naciones Project property area.

North-central Sonora has undergone intermittent exploration since the time of the copper discoveries at Nacozari in 1660 and at Cananea in 1760 (Heylman, 1996). Northern Sonora is one of the most important mining areas in Mexico. A variety of different types of mineral deposits have been mined within the region, including porphyry copper deposits at Cananea and Nacozari, Carlin-type gold deposits at Santa Gertrudis and Amelia, and gold-silver veins at Klondike and Las Chispas (Heylman, 1996; Figure 1).

### *History of Exploration*

Silver- and lead-bearing quartz veins have been mined in at least two places on the Dos Naciones property, at Josefina and at the Dos Naciones occurrence area. Historic workings on the Dos Naciones property include pits and short adits excavated to extract copper from skarns. Silver- and lead-bearing quartz veins have been mined at the Dos Naciones occurrence area, in the southwest corner of the Dos Naciones property. There is a 30 m deep shaft excavated within granitic intrusive rock at the Dos Naciones occurrence area. From the size of the mine dump piles, the writer estimates that at least 1,000 tonnes of vein material has been mined at Dos Naciones occurrence area. There has been limited historic mining of the copper- and iron-bearing skarns at the Dos Naciones occurrence area. One skarn body in this area extends across 100 m by 20 m, and the other skarn body is 180 m long by 75 m wide.

La Espanola area is on the eastern side of the Dos Naciones property. Minera Alta Vista has determined that six drillholes have been completed in the La Espanola area. Anecdotal evidence suggests that these holes were drilled during the 1990 s by Penoles, the largest mining company in Mexico. The results of this drilling are unknown to the Company s consulting geologist. Minera Alta Vista is currently seeking additional information pertaining to these drill holes.

The most recent known exploration work on the Dos Naciones property was geological mapping and geochemical rock sampling by Minera Alta Vista, S.A. de C.V., a wholly owned subsidiary of Yale Resources Ltd. The geochemical rock sampling was mainly done in areas of historic workings within the property area. Results of this work indicated that economic concentrations of silver and lead are present in quartz veins which occur at two places on the property.

### *Geological Setting and Mineralization*

The economic mineralization encountered to date on the Dos Naciones Project property is quartz veins containing galena, silver and minor gold. In addition, skarn or calc-silicate rocks at Dos Naciones locally contain gold, silver and copper. Thus, there have been at least two episodes of gold and silver mineralization at the Dos Naciones Property.

The geological setting of the Dos Naciones property is favourable for economic porphyry copper deposits. The Dos Naciones Project property area is within the Cananea district of northern Sonora. The Cananea district was mapped by Teran Martinez et al. (1999) of the Servicio Geologico Mexicano at 1:250,000 scale. A wide variety of sedimentary,

igneous and metamorphic rocks of various ages occur in the region; the geologic history of this region is relatively complex. The oldest rock units within the property region are gneisses of Early Proterozoic age that belong to the Bamori Metamorphic Complex, which formed as a result of the Mazatazal Orogeny. These gneisses occur about 15 km to the south, and to the southeast, of the Dos Naciones property area. Granite of Proterozoic age is also exposed south of the property.

Areas of Cambrian age quartzite have been mapped within the Dos Naciones property. The next youngest rocks are extensive sedimentary and volcanic rocks of Jurassic age. These include rhyolite and sandstone of possible Early Jurassic age and younger sandstone, siltstone, argillite and minor limestone of Late Jurassic age; andesite flows are locally interstratified with the Late Jurassic sedimentary rocks. Late Jurassic sandstone hosts most of the gold and silver occurrences northeast of Cucurpe.

---

Limestone and shale of Cretaceous age overlie the Late Jurassic sedimentary rocks to the west of the Dos Naciones property. The stratified rock units are intruded by a large body of granodiorite and granite of Late Cretaceous and Early Tertiary age known as the Laramide Batholith. Cretaceous-aged limestone and shale are overlain by Tertiary rhyolite to the east of Dos Naciones. Tertiary conglomerate covers much of the property region, especially the sides of the wide, northerly trending valleys. Regional deformation has resulted in numerous faults crosscutting the Dos Naciones Property area. Most of these faults have likely been reactivated at different times. Regional-scale, northerly trending normal faults indicate that east-west crustal extension has occurred since the Tertiary Period.

**ITEM 3. LEGAL PROCEEDINGS.**

We know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

None.

---

**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.****Market for Securities**

Our company's common stock is traded on the FINRA's OTC Bulletin Board under the symbol "DTOR". Set forth below are the range of high and low bid quotations for the periods indicated as reported by the NASD. The market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions. Our company's common stock began trading on July 12, 2007 under the symbol "CVRX". On August 14, 2009, our symbol changed to "DTOR". The following table reports high and low closing prices, on a quarterly basis, for our company's common stock:

Quarter Ending	High	Low
October 31, 2009	\$0.28	\$0.05
July 31, 2009	\$0.3	\$0
April 30, 2009	\$0.24	\$0
January 31, 2009	\$0.20	\$0
October 31, 2008	\$0.30	\$0.05

Our transfer agent is Wall Street Transfer Agents Inc., of 12492 Harris Road, Pitt Meadows, BC, Canada V3Y 2J4; telephone number: 604-542-7440; facsimile: 604-465-7485.

**Holders of our Common Stock**

As of February 12, 2010, there were 29 registered stockholders holding 9,835,135 shares of our issued and outstanding common stock.

**Dividend Policy**

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1. We would not be able to pay our debts as they become due in the usual course of business; or
2. Our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

We have not declared any dividends and we do not plan to declare any dividends in the foreseeable future.

**Recent Sales of Unregistered Securities**

Other than as described below, we have not sold any equity securities that were not registered under the Securities Act during the fiscal year ended October 31, 2009.

On June 30, 2009, we completed a private placement of 1,055,135 units at a price of \$0.15 per unit to twenty investors, with each unit consisting of one common share and one common share purchase warrant, for gross proceeds of approximately \$158,270. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.30 per share for a period of two years expiring on June 30, 2011. We issued the securities to twenty

subscribers, each of whom represented that they were not a U.S. person (as that term is defined in Regulation S of the Securities Act of 1933) in an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933.

---

### **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

We did not purchase any of our shares of common stock or other securities during our fiscal year ended October 31, 2009.

### **Securities Authorized for Issuance Under Equity Compensation Plans**

We do not have any equity compensation plans.

### **ITEM 6. SELECTED FINANCIAL DATA.**

Not Applicable.

### **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

The following discussion should be read in conjunction with our audited financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this annual report.

Our audited consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

#### **Plan of Operation**

Our Plan of Operation is to conduct exploration activities on our Dos Naciones Property, exercise the Option under the Option Agreement with Yale and subsequently enter into the Joint Venture Agreement with Yale. The Dos Naciones Property is located approximately 140 km north northeast of the city of Hermosillo, in north-central Sonora, Mexico and is approximately 75 km southwest of the important Cananea mining district. The Dos Naciones Property is comprised of one mineral concession that covers approximately 2,391 hectares.

We intend to conduct a three phase exploration program on the Dos Naciones Property at an aggregate estimated cost of \$450,000. The first phase of our exploration program is intended to commence in March, 2010 and is anticipated to cost approximately \$53,500. This phase is expected to consist of detailed geological mapping, hand trenching and prospecting. If the results of the first phase of our exploration program warrant the continuation into the second phase of the program, we intend to conduct the second phase of the program consisting of diamond drilling and IP surveys of the entire property. This phase is anticipated to cost approximately \$174,000. If the results of the second phase of our exploration program warrant the continuation into the third phase of the program, we intend to conduct the third phase of the program consisting of further diamond drilling of identified IP anomalies from Phase II at an estimated cost of \$180,000. A detailed breakdown of the proposed budget and work exploration program is as follows:

---



Estimated Dos Naciones Work Program Costs**Phase One****Detailed geological mapping, stripping and trenching**

	Cost
1 Geologist for 50 days @ \$300 per day:	\$ 15,000
3 Field Assistants for 50 days @ \$100 per day:	\$ 15,000
Food and accommodation @ \$30 per man-day:	\$ 6,000
Field supplies:	\$ 1,000
Vehicle rental, fuel and maintenance:	\$ 5,000
Analytical costs: 300 samples @ \$30 per sample:	\$ 9,000
Total geological mapping, stripping and trenching:	\$ 51,000

**Report preparation**

For reporting on all of the above work, including drafting: \$ 2,500

**Subtotal \$ 53,500**

**Phase One****Phase Two****IP surveying in area of aeromagnetic low**

15 days of surveying along cut grid lines with pickets  
at 25 m intervals (slope distance) at an all-inclusive cost \$ 30,000

**Diamond drilling to test mineralized vein structures at Josefina**

500 meters at an all-inclusive (drilled, logged, split, sampled, water haul)  
cost of \$180 per meter: \$ 90,000

**Diamond drilling to test mineralized vein structures at Dos**

**Naciones**  
300 meters at an all-inclusive (drilled, logged, split, sampled, water haul)  
cost of \$180 per meter: \$ 54,000

**Subtotal \$ 174,000**

**Phase Two****Phase Three**

(contingent on IP anomalies from Phase Two work being determined to be favourable for testing with diamond drill holes)

**Diamond drilling in area of IP chargeability anomalies**

1,000 meters at an all-inclusive (drilled, logged, split, sampled, water haul)

cost of \$180 per meter: \$ 180,000

**Subtotal Phase Three \$ 180,000**

**Contingency 10% \$ 42,500**

**TOTAL THREE PHASE PROGRAM: \$ 450,000**

We have not commenced our planned exploration program on the Dos Naciones Property. Our plan of operation is to carry out exploration work on our Dos Naciones Property in order to ascertain whether it possesses commercially exploitable quantities of gold, silver, and other metals. We intend to primarily explore for gold, silver, and copper but

if we discover that our mineral property holds potential for other minerals that our management determines are worth exploring further, then we intend to explore for those other minerals. We will not be able to determine whether or not the Dos Naciones Property contains a commercially exploitable mineral deposit, or reserve, until appropriate exploratory work is done and an economic evaluation based on that work indicates economic viability.

Mineral property exploration is typically conducted in phases. Each subsequent phase of exploration work is recommended by a geologist based on the results from the most recent phase of exploration. We have not yet commenced the initial phase of exploration on our Dos Naciones Property. Once we complete each phase of exploration, we will make a decision as to whether or not we proceed with each successive phase based upon the analysis of the results of that program. Our management will make these decisions based upon the recommendations of the independent geologist who oversees the program and records the results.

---

### Anticipated Cash Requirements

We anticipate that we will incur the following expenses over the next twelve months:

Expense Item	Cost
Expenditures on the Dos Naciones Property in accordance with the terms of our Option Agreement with Yale Resources Ltd.	\$ 150,000
Ongoing professional expenses associated with our company being a reporting issuer under the Securities Exchange Act of 1934	\$ 60,000
General and administrative expenses	\$ 25,000
<b>Total</b>	<b>\$ 235,000</b>

As of October 31, 2009, we had cash of \$738. Presently we do not have enough funds to commence the initial phase of our work program and we will require additional funds to proceed with our plan of operation over the next twelve months. This amount may also increase if we are required to carry out due diligence investigations in regards to any prospective property or business opportunity or if the costs of negotiating the applicable transaction are greater than anticipated. We plan to rely on the equity financing in order to raise the funds necessary to pursue our plan of operation and to fund our working capital deficit in order to enable us to pay our accounts payable and accrued liabilities. We currently do not have any arrangements in place for the completion of any equity financings and there is no assurance that we will be successful in completing any equity financings.

### Results of Operations

The following summary of our results of operations should be read in conjunction with our audited financial statements for the financial years ended October 31, 2009 and 2008 which are included herein.

Our operating results for the years ended October 31, 2009 and 2008 are summarized as follows:

	Years Ended October 31,	
	2009	2008
Revenue	\$ -	\$ -
Operating Expenses	95,942	73,439
Mineral Property Acquisition Costs	29,658	9,760
Mineral Property Exploration Costs	10,225	3,467
Net Loss	\$ 135,825	\$ 86,666

#### Revenues

We terminated our property option agreement on our King claims and acquired the Dos Naciones Property and have not earned any revenues to date.

*Expenses*

Our expenses for the years ended October 31, 2009 and 2008 are outlined in the table below:

	<b>Years Ended October 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>General and Administrative Expenses</b>		-
Accounting and Auditing	\$ 19,793	\$ 28,420
Advertising and Promotion	1,311	3,260
Amortization	926	527
Bank Charges and Interest	338	142
Consulting Fee	2,185	10,000
Filing Fees	7,513	-
Foreign Exchange Loss (gain)	(1,675)	(5,164)
Legal	55,455	31,199
Meals and Entertainment	1,306	1,319
Office and Sundry	380	425
Rent	6,310	-
Shareholders communication	673	-
Telephone	621	-
Transfer Agent	745	1,118
Travel and Accommodations	61	2,193
<b>Total General and Administrative Expenses</b>	<b>\$ 95,942</b>	<b>\$ 73,439</b>
<b>Mineral Expenses</b>		
Mineral Property Acquisition Costs	29,658	9,760
Mineral Property Exploration Costs	10,225	3,467
<b>Total Mineral Expenses</b>	<b>\$ 39,883</b>	<b>\$ 13,227</b>
<b>Total Expenses</b>	<b>\$ 135,825</b>	<b>\$ 86,666</b>
<u>General and Administrative</u>		

The \$49,159 increase in our general and administrative expenses for the year ended October 31, 2009 compared to October 31, 2008 was primarily due to: (i) an increase in legal fees; (ii) an increase in filing fees; (iii) an increase in rent; and (iv) an increase in acquisition expenses.

Professional Fees

Professional fees include our accounting and auditing expenses incurred in connection with the preparation and audit of our financial statements and professional fees that we pay to our legal counsel. Our accounting and auditing expenses were incurred in connection with the preparation of our audited financial statements and unaudited interim financial statements and our preparation and filing of a registration statement with the SEC. Our legal expenses represent amounts paid to legal counsel in connection with our corporate organization. Legal and accounting expenses will be ongoing during fiscal 2010 as we are subject to the reporting obligations of the Securities Exchange Act of 1934.

**Liquidity and Capital Resources***Working Capital*

	<b>As at October 31, 2009</b>	<b>As at October 31, 2008</b>	<b>Percentage Increase / (Decrease)</b>
Current Assets	\$ 4,535	\$ 3,092	46.7%
Current Liabilities	\$ 28,087	\$ 50,015	(43.8%)
Working Capital (Deficiency)	\$ (23,552)	\$ (46,923)	(49.8%)

---

*Cash Flows*

	<b>Year Ended October 31, 2009</b>	<b>Year Ended October 31, 2008</b>	<b>Percentage Increase / (Decrease)</b>
Cash used in Operating Activities	\$ (126,523)	\$ (69,109)	83.1%
Cash used by Investing Activities	\$ -	\$ (4,530)	(100%)
Cash provided by Financing Activities	\$ 127,036	\$ 31,234	306.7%
Net Increase (Decrease) in Cash	\$ 513	\$ (42,405)	(101.2%)

We anticipate that we will incur approximately \$56,000 for operating expenses, including professional, legal and accounting expenses associated with our reporting requirements under the Exchange Act during the next twelve months. Accordingly, we will need to obtain additional financing in order to complete our business plan.

Cash Used In Operating Activities

We used cash in operating activities in the amount of \$126,523 during the year ended October 31, 2009 and \$69,109 during the year ended October 31, 2008.

Cash From Investing Activities

We used cash in investing activities in the amount of \$- during the year ended October 31, 2009 and \$4,530 during the year ended October 31, 2008.

Cash from Financing Activities

We generated \$127,036 from financing activities during the year ended October 31, 2009 compared to \$31,234 during the year ended October 31, 2008.

Disclosure of Outstanding Share Data

As at the date of this annual report, we had 9,835,135 shares of common stock issued and outstanding and 1,055,135 warrants outstanding. The warrants are exercisable at a price of \$0.30 per share until June 30, 2011. We do not have any options or shares of any other class issued and outstanding as at the date of this annual report.

**Going Concern**

The financial statements accompanying this report have been prepared on a going concern basis, which implies that our company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our company has not generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the continued financial support from our shareholders, the ability of our company to obtain necessary equity financing to achieve our operating objectives, and the attainment of profitable operations. As at October 31, 2009, our company has accumulated losses of \$314,025 since inception. We do not have sufficient working capital to enable us to carry out our stated plan of operation for the next twelve months.

Due to the uncertainty of our ability to meet our current operating expenses and the capital expenses noted above in their report on the financial statements for the year ended October 31, 2009, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements

contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

---

**Future Financings**

We anticipate continuing to rely on equity sales of shares of our common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned activities.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

**Critical Accounting Policies**

The financial statements of our company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment.

The main accounting and valuation policies used by Del Toro are outlined in Note 3 to Del Toro's audited financial statements accompanying this report. While not all of the significant accounting policies require difficult, subjective or complex judgments, Del Toro considers that the following accounting policies should be considered critical accounting policies:

*Mineral Property Exploration and Development*

We are in the exploration stage and have not yet realized any revenue from our planned operations. We are primarily engaged in the acquisition, exploration, and development of mining properties. Mineral property acquisition and exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized. Such costs will be depreciated using the units-of-production method over the estimated life of the probable reserve.

*Use of Estimates*

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements; accordingly, upon settlement, actual results may differ from estimated amounts.

*Foreign Currency Translation*

The Company's functional and reporting currency is the U.S. dollar. Integrated foreign operations are translated using the temporal method. All transactions initiated in foreign currencies are translated into U.S. dollars as follows:

- a) monetary assets and liabilities at the rate of exchange in effect at the balance sheet date;
- b) non-monetary assets at historical exchange rates; and



c) revenue and expense items at the average rate of exchange prevailing during the period. Gains and losses arising from the translation of foreign currencies are included in the determination of net loss for the period.

**Recent Accounting Pronouncements**

Effective November 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”, codified as FASB ASC topic 820). It defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The adoption of the standard has not had any impact on the Company’s financial position, results of operations, or cash flows.

---

Effective November 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”, codified as FASB ASC topic 825). It permits entities to choose to measure many financial instruments, and certain other items, at fair value. The adoption of the standard has not had any impact on the Company’s financial position, results of operations, or cash flows.

Effective May 1, 2009, the Company adopted Statement of Financial Accounting Standards No. 165, “Subsequent Events” (“SFAS 165”, codified as FASB ASC 855-10-50). It establishes general standards of accounting for and disclosure of subsequent events. The adoption of the standard has not had any impact on the Company’s financial position, results of operations, or cash flows.

In June 2009 the FASB established the Accounting Standards Codification (“Codification” or “ASC”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact our financial statements.

Statement of Financial Accounting Standards (“SFAS”) No. 166 (ASC Topic 810), “Accounting for Transfers of Financial Assets—an Amendment of FASB Statement No. 140”, SFAS No. 167 (ASC Topic 810), “Amendments to FASB Interpretation No. 46(R)”, and SFAS No. 168 (ASC Topic 105), “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162” were recently issued. SFAS No. 166, 167, and 168 have no current applicability to the Company or their effect on the financial statements would not have been significant.

Accounting Standards Update (“ASU”) ASU No. 2009-05 (ASC Topic 820), which amends Fair Value Measurements and Disclosures – Overall, ASU No. 2009-13 (ASC Topic 605), Multiple-Deliverable Revenue Arrangements, ASU No. 2009-14 (ASC Topic 985), Certain Revenue Arrangements that include Software Elements, and various other ASU’s No. 2009-2 through ASU No. 2009-15 which contain technical corrections to existing guidance or affect guidance to specialized industries or entities were recently issued. These updates have no current applicability to the Company or their effect on the financial statements would not have been significant.

---

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

---

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED OCTOBER 31, 2009**

**(Stated in US Dollars)**

**-----INDEX -----**

<b>Report of Independent Registered Public Accountant</b>
<b>Consolidated Balance Sheets</b>
<b>Consolidated Statements of Operations</b>
<b>Consolidated Statements of Cash Flows</b>
<b>Consolidated Statement of Stockholders' Equity (Deficit)</b>
<b>Notes to the Consolidated Financial Statements</b>

---

**CHARTERED  
ACCOUNTANTS**  
MacKay LLP  
1100 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
Tel: (604) 687-4511  
Fax: (604) 687-5805  
Toll Free: 1-800-351-0426  
www.mackay.ca

**Report of Independent Registered Public Accounting Firm**

**To the Shareholders of  
Del Toro Silver Corp. (Formerly Candev Resource Exploration, Inc.)**  
(an Exploration Stage Enterprise)

We have audited the balance sheets of Del Toro Silver Corp. (Formerly Candev Resource Exploration, Inc.) (an Exploration Stage Enterprise) as at October 31, 2009 and 2008 and the statements of operations, stockholders' equity (deficit), and cash flows for the years then ended and the period from incorporation on January 10, 2006 to October 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 misstatements. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended and the period from incorporation on January 10, 2006 to October 31, 2009 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to financial statements, the Company is in the exploration stage, and has no permanently established source of revenue and is dependent on its ability to raise capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth in Note 2, raise substantial doubt that the Company will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Vancouver, Canada  
January 25, 2010**

***MacKay LLP*  
Chartered Accountants**

F-1

---

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**CONSOLIDATED BALANCE SHEETS**

(Stated in US Dollars)

	2009	2008
<b>ASSETS</b>		
Current Assets		
Cash	\$ 738	\$ 225
Receivables	3,797	2,867
<b>Total Current Assets</b>	<b>4,535</b>	<b>3,092</b>
Property and equipment (Note 4)	3,077	4,003
<b>Total Assets</b>	<b>\$ 7,612</b>	<b>\$ 7,095</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 28,087	\$ 18,781
Due to director	-	31,234
<b>Total Liabilities</b>	<b>28,087</b>	<b>50,015</b>
Stockholders' Deficit		
Capital Stock (Note 6)		
Authorized:		
100,000,000 preferred shares, par value \$0.001 per share		
100,000,000 common shares, par value \$0.001 per share		
Issued and outstanding:		
9,835,135 (2008 - 8,780,000) common shares	9,835	8,780
Additional paid in capital	283,895	126,680
Deficit - Accumulated during exploration stage	(314,205)	(178,380)
<b>Total Stockholders' Deficit</b>	<b>(20,475)</b>	<b>(42,920)</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 7,612</b>	<b>\$ 7,095</b>
Going concern (Note 2)		

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

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Stated in US Dollars)

	Cumulative Amounts from Inception to October 31 2009	Year Ended October 31 2009	Year Ended October 31 2008
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Accounting and auditing	\$ 72,945	\$ 19,793	\$ 28,420
Advertising and promotion	6,429	1,311	3,260
Amortization	1,453	926	527
Bank charges and interest	644	338	142
Consulting	12,185	2,185	10,000
Filing fees	7,513	7,513	-
Foreign exchange (gain) loss	(5,946)	(1,675)	(5,164)
Legal	126,019	55,455	31,199
Meals and entertainment	2,625	1,306	1,319
Office and sundry	1,621	380	425
Rent	6,310	6,310	-
Shareholders' communications	673	673	-
Telephone	621	621	-
Transfer agent	4,123	745	1,118
Travel and accommodation	2,254	61	2,193
	239,469	95,942	73,439
<b>MINERAL PROPERTY EXPENSES (NOTE 7)</b>			
Acquisition	43,918	29,658	9,760
Exploration	30,818	10,225	3,467
	74,736	39,883	13,227
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (314,205)</b>	<b>\$ (135,825)</b>	<b>\$ (86,666)</b>
<b>BASIC AND DILUTED NET LOSS PER COMMON SHARE</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>WEIGHTED AVERAGE NUMBER OF BASIC AND DILUTED COMMON SHARES OUTSTANDING</b>		<b>9,135,566</b>	<b>8,780,000</b>

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





**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Stated in US Dollars)

	Cumulative Amounts from Inception to October 31 2009	Year Ended October 31 2009	Year Ended October 31 2008
<b>OPERATING ACTIVITIES</b>			
Net loss for the period	\$ (314,205)	\$ (135,825)	\$ (86,666)
Items not affecting cash			
Shares issued for mineral property	11,960	-	9,760
Amortization	1,453	926	527
Foreign exchange loss (gain)	(5,946)	(1,675)	(5,164)
Changes in operating assets and liabilities			
Receivables	(3,797)	(930)	(2,511)
Prepaid expenses and deposits	-	-	1,000
Accounts payable and accrued liabilities	34,033	9,306	8,781
Cash used in operating activities	(276,502)	(128,198)	(74,273)
<b>INVESTING ACTIVITY</b>			
Equipment acquired	(4,530)	-	(4,530)
Cash used in investing activity	(4,530)	-	(4,530)
<b>FINANCING ACTIVITIES</b>			
Advances from (to) director	-	(29,559)	36,398
Common stock issued for cash	281,770	158,270	-
Cash provided by financing activities	281,770	128,711	36,398
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>738</b>	<b>513</b>	<b>(42,405)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>-</b>	<b>225</b>	<b>42,630</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 738</b>	<b>\$ 738</b>	<b>\$ 225</b>
<b>SUPPLEMENTAL DISCLOSURE</b>			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -

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



**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**FROM INCEPTION ON JANUARY 9, 2006 TO OCTOBER 31, 2009**

(Stated in US Dollars)

	Common Shares (Note 6) Number of Shares	Amount	Additional Paid In Capital	Deficit Accumulated During Exploration Stage	Total Stockholders' Equity (Deficit)
Shares issued for cash @ \$0.001 on January 13, 2006	5,500,000	\$ 5,500	\$ -	\$ -	\$ 5,500
Shares issued for cash @ \$0.01 on August 24, 2006	2,300,000	2,300	20,700	-	23,000
Shares issued for cash @ \$0.10 on October 31, 2006	950,000	950	94,050	-	95,000
Net loss for the period	-	-	-	(22,176)	(22,176)
Balance, October 31, 2006	8,750,000	8,750	114,750	(22,176)	101,324
Shares issued for mineral property @ \$0.22 on September 7, 2007	10,000	10	2,190	-	2,200
Net loss for the year	-	-	-	(69,538)	(69,538)
Balance, October 31, 2007	8,760,000	8,760	116,940	(91,714)	33,986
Shares issued for mineral property @ \$0.488 on January 16, 2008	20,000	20	9,740	-	9,760
Net loss for the year	-	-	-	(86,666)	(86,666)
Balance, October 31, 2008	8,780,000	8,780	126,680	(178,380)	(42,920)
Shares issued for cash @ \$0.15 on June 30, 2009	1,055,135	1,055	157,215	-	158,270
Net loss for the year	-	-	-	(135,825)	(135,825)
Balance, October 31, 2009	9,835,135	\$ 9,835	\$ 283,895	\$ (314,205)	\$ (20,475)

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

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

**(Stated in US Dollars)**

**1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

Del Toro Silver Corp. (the Company ) was incorporated on January 9, 2006 as Candev Resource Exploration, Inc. under the laws of the State of Nevada and extraprovincially registered under the laws of the Province of British Columbia on August 15, 2006.

Effective July 28, 2009, the Company completed a merger with its wholly owned subsidiary, Del Toro Silver Corp., a Nevada corporation which was incorporated on July 7, 2009 solely to change the Company s name to Del Toro Silver Corp.

The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties.

**2. GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company incurred a net loss of \$135,825 for the year ended October 31, 2009, and has an accumulated deficit of \$314,205. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital, and other cash requirements.

The ability of the Company to emerge from the exploration stage is dependent upon, among other things, obtaining additional financing to continue operations, explore and develop mineral properties, and the discovery, development and sale of ore reserves.

These factors, among others, raise substantial doubt about the Company s ability to continue as a going concern. In response to these problems, management intends to raise additional funds through public or private placement offerings. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**3. SIGNIFICANT ACCOUNTING POLICIES**

a) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Mexican subsidiary, Mineral Plata Del Toro S.A. de C.V. All significant intercompany transactions have been eliminated.

b) Exploration Stage Company

The Company is considered to be in the Exploration stage. The Company is devoting substantially all of its present efforts to exploring and developing its mineral property interest.

c) Accounting Method

The accounting and reporting policies of the Company conform to United States generally accepted accounting principles applicable to exploration stage enterprises.

F-6

---

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

**(Stated in US Dollars)**

**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

d) Mineral Property Exploration and Development

The Company is in the exploration stage and has not yet realized any revenue from its planned operations. It is primarily engaged in the acquisition, exploration, and development of mining properties. Mineral property acquisition and exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized. Such costs will be depreciated using the units-of-production method over the estimated life of the probable reserve.

e) Property and equipment

Property and equipment are recorded at cost. Amortization is provided using the declining balance method at the following annual rates:

Furniture and equipment	20%
Computer equipment	30%

f) Earnings per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore basic and diluted loss per share are the same.

g) Income Taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with FASB's accounting standard for income taxes, which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits 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, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides a valuation allowance for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

The Company accounts for uncertain income tax positions in accordance with FASB's accounting standard for Accounting for Uncertainty in Income Taxes, which requires that the Company recognize in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on examination by taxation authorities, based on the technical merits of the position.

F-7

---

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

**(Stated in US Dollars)**

**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

h) Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements; accordingly, upon settlement, actual results may differ from estimated amounts.

i) Cash and Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less at the date of acquisition to be cash equivalents.

j) Derivative Instruments

As of October 31, 2009, the Company had not engaged in any transactions that would be considered derivative instruments or hedging activities.

k) Foreign Currency Translation

The Company's functional and reporting currency is the U.S. dollar. Integrated foreign operations are translated using the temporal method. All transactions initiated in foreign currencies are translated into U.S. dollars as follows:

- a) monetary assets and liabilities at the rate of exchange in effect at the balance sheet date;
- b) non-monetary assets at historical exchange rates; and
- c) revenue and expense items at the average rate of exchange prevailing during the period.



**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

**(Stated in US Dollars)**

**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

m) Stock Based Compensation

The Company accounts for stock-based compensation issued to employees based on FASB's accounting standard for Share Based Payment. It requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). It requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of the standard includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

As of October 31, 2009, the Company had no stock-based compensation plans nor had it granted options to employees.

n) Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104 (SAB 104), Revenue Recognition in Financial Statements.

As of October 31, 2009, the Company had no revenues to report.

o) Segmented Reporting

The Company reports segmented information in accordance with FASB's accounting standard for Disclosure about Segments of an Enterprise and Related Information.

p) Recent Accounting Pronouncements

Effective November 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157, codified as FASB ASC topic 820). It defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The adoption of the standard has not had any impact on the Company's financial position, results of operations, or cash flows.

Effective November 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SFAS 159, codified as FASB ASC topic 825). It permits entities to choose to measure many financial instruments, and certain other

items, at fair value. The adoption of the standard has not had any impact on the Company's financial position, results of operations, or cash flows.

Effective May 1, 2009, the Company adopted Statement of Financial Accounting Standards No. 165, Subsequent Events (SFAS 165, codified as FASB ASC 855-10-50). It establishes general standards of accounting for and disclosure of subsequent events. The adoption of the standard has not had any impact on the Company's financial position, results of operations, or cash flows.

F-9

---

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

(Stated in US Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

p) Recent Accounting Pronouncements *(continued)*

In June 2009 the FASB established the Accounting Standards Codification ( Codification or ASC ) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States ( GAAP ). Rules and interpretive releases of the Securities and Exchange Commission ( SEC ) issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact our financial statements.

Statement of Financial Accounting Standards ( SFAS ) No. 166 (ASC Topic 810), Accounting for Transfers of Financial Assets an Amendment of FASB Statement No. 140 , SFAS No. 167 (ASC Topic 810), Amendments to FASB Interpretation No. 46(R) , and SFAS No. 168 (ASC Topic 105), The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162 were recently issued. SFAS No. 166, 167, and 168 have no current applicability to the Company or their effect on the financial statements would not have been significant.

Accounting Standards Update ( ASU ) ASU No. 2009-05 (ASC Topic 820), which amends Fair Value Measurements and Disclosures Overall, ASU No. 2009-13 (ASC Topic 605), Multiple-Deliverable Revenue Arrangements, ASU No. 2009-14 (ASC Topic 985), Certain Revenue Arrangements that include Software Elements, and various other ASU s No. 2009-2 through ASU No. 2009-15 which contain technical corrections to existing guidance or affect guidance to specialized industries or entities were recently issued. These updates have no current applicability to the Company or their effect on the financial statements would not have been significant.

	October 31, 2009			October 31, 2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Computer equipment	\$ 1,477	\$ 598	\$ 879	\$ 1,255	
Furniture and equipment	3,053	8,55	2,198	2,748	
	\$ 4,530	\$ 1,453	\$ 3,077	\$ 4,003	

F-10

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

**(Stated in US Dollars)**

**5. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and due to director. 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 due to their short term- maturity or capacity of prompt liquidation.

As at October 31, 2009, the Company had the following financial assets and liabilities denominated in Canadian dollars:

	Cdn dollars
Cash	\$ 627
Receivables	\$ 4,108

The above amounts are subject to gains and losses arising from fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar. As of October 31, 2009, Canadian dollar amounts were converted at a rate of \$1.08 Canadian dollars to \$1.00 U.S. dollar.

**6. CAPITAL STOCK**

On January 13, 2006, the Company issued 5,500,000 common shares to the President of the Company valued at \$0.001 per share, for total gross proceeds of \$5,500.

On August 24, 2006, the Company issued 2,300,000 common shares valued at \$0.01 per share, for total gross proceeds of \$23,000.

On October 31, 2006, the Company issued 950,000 common shares valued at \$0.10 per share, for total gross proceeds of \$95,000.

On September 7, 2007, the Company issued 10,000 common shares valued at \$0.22 per share, pursuant to the terms of the King Property agreement (Note 7).

On January 16, 2008 the Company issued 20,000 common shares valued at \$9,760, pursuant to the terms of the King Property agreement (Note 7).

On June 30, 2009, the Company completed a private placement of 1,055,135 units, with each unit consisting of one share of common stock and one common share purchase warrant, for gross proceeds of \$158,270. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.30 per share for a period of two years expiring on June 30, 2011. There are no values assigned to the warrants.

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

**(Stated in US Dollars)**

**7. MINERAL PROPERTIES**

**King Property**

On August 25, 2006 (and as amended on January 15, 2008) the Company entered into an agreement to acquire a 100% interest in certain mineral claims that make up the King Property located in the Iskut River region in northwestern British Columbia. In order to earn this 100% interest, subject to a 2% Net Smelter Return royalty, the Company was required to make cash payments totalling \$254,894 (Cdn\$305,000) and issue 10,000 common shares over a five year period.

During the year ended October 31, 2008, the Company decided to cancel its option agreement relating to the King Property.

**Dos Naciones Property**

Effective July 9, 2009, the Company completed the acquisition of a 50% undivided interest, and an option (the Option ) to acquire a further 30% interest in the Dos Naciones Project Property (the Property ), located in state of Sonora, Mexico, in accordance with the terms of a property option agreement (the Option Agreement ) with Yale Resources Ltd. ( Yale ), a company with an officer who is also an officer and director of the Company, dated July 7, 2009. In consideration of the transfer of a 50% undivided interest in the Property, the Company agreed to pay a purchase price of \$29,658 (CAD\$35,000) (paid). To exercise the Option to acquire a further 30% interest in the Property, the Company is required to issue securities and fund exploration, development and other expenditures (the Expenditures ) on the Property in the following manner:

- i) on or before July 7, 2010, issue 200,000 restricted shares of common stock to Yale and fund expenditures on the exploration program on the Property in the minimum amount of CDN\$150,000;
- ii) on or before July 7, 2011, issue 250,000 restricted shares of common stock to Yale and fund expenditures on the exploration program on the Property in the minimum amount of CDN\$250,000; and
- iii) on or before July 7, 2012, issue 350,000 restricted shares of common stock to Yale and fund expenditures on the exploration program on the Property in the minimum amount of CDN\$400,000.

**DEL TORO SILVER CORP.**  
**(FORMERLY CANDEV RESOURCE EXPLORATION, INC.)**  
**(An Exploration Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2009**

(Stated in US Dollars)

## 8. INCOME TAXES

A reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows:

	October 31, 2009	October 31, 2008
Net loss before income taxes per financial statements	\$ (135,825)	\$ (86,666)
Income tax rate	34%	34%
Income tax recovery	(46,181)	(29,466)
Valuation allowance change	46,181	29,466
Provision for income taxes	\$	\$

The significant components of deferred income tax assets at October 31, 2009 and 2008 are as follows:

	October 31, 2009	October 31, 2008
Net operating loss carry forward	\$ 106,760	\$ 60,650
Valuation allowance	(106,760)	(60,650)
Net deferred income tax asset	\$	\$

The amount taken into income as deferred income tax assets must reflect that portion of the income tax loss carry forwards that is more likely-than-not to be realized from future operations. The Company has chosen to provide a full valuation allowance against all available income tax loss carry forwards. The Company has recognized a valuation allowance for the deferred income tax asset since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The valuation allowance is reviewed annually. When circumstances change and which cause a change in management's judgment about the realizability of deferred income tax assets, the impact of the change on the valuation allowance is generally reflected in current income.

Management has considered the likelihood and significance of possible penalties associated with its current and intended filing positions and has determined, based on their assessment, that such penalties, if any, would not be expected to be material.

No provision for income taxes has been provided in these financial statements due to the net loss for the years ended October 31, 2009 and 2008. At October 31, 2009, the Company has net operating loss carryforwards, which expire commencing in 2026, totaling approximately \$314,000.

## 9. SEGMENTED INFORMATION

The Company's interest in the Dos Naciones property is located in Mexico. All acquisition and exploration costs incurred during the year ended October 31, 2009 were incurred in Mexico. All of the Company's other assets,

liabilities and expenses are located/incurred in Canada.

**10. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events from the balance sheet date through January 25, 2010 and has determined that there are no events to disclose.

F-13

---

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

**ITEM 9A. CONTROLS AND PROCEDURES.****Disclosure Controls and Procedures**

As required by paragraph (b) of Rules 13a-15 or 15d-15 under the Exchange Act, our principal executive officer and our principal financial officer evaluated our company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this annual report on Form 10-K. Based on this evaluation, these officers concluded that as of the end of the period covered by this annual report on Form 10-K, these disclosure controls and procedures were not effective to ensure that the information required to be disclosed by our company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities Exchange Commission and include controls and procedures designed to ensure that such information is accumulated and communicated to our company's management, including our company's principal executive officer and our principal financial officer, to allow timely decisions regarding required disclosure. The conclusion that our disclosure controls and procedures were not effective was due to the presence of material weaknesses in internal control over financial reporting as identified below under the heading Management's Report on Internal Control Over Financial Reporting. Management anticipates that such disclosure controls and procedures will not be effective until the material weaknesses are remediated. Our company intends to remediate the material weaknesses as set out below.

**Management's Report on Internal Control Over Financial Reporting**

Our company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) for our company. Our company's internal control over financial reporting is designed to provide reasonable assurance, not absolute assurance, regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that our company's receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

Our Management, including our principal executive officer and our principal financial officer, conducted an evaluation of the design and operation of our internal control over financial reporting as of October 31, 2009 based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation.



Based on this evaluation, our management concluded our internal control over financial reporting was not effective as at October 31, 2009 due to the following material weaknesses which are indicative of many small companies with small staff: (i) inadequate segregation of duties and effective risk assessment; and (ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both US GAAP and SEC guidelines.

---

Our company plans to take steps to enhance and improve the design of our internal controls over financial reporting. During the period covered by this annual report on Form 10-K, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes during our fiscal year ending October 31, 2010: (i) appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and (ii) adopt sufficient written policies and procedures for accounting and financial reporting. The remediation efforts set out in (i) is largely dependent upon our company securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely effected in a material manner.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our internal control over financial reporting was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

**Changes in Internal Control Over Financial Reporting.**

There were no changes in our company's internal control over financial reporting during the quarter ended October 31, 2009 that have materially affected, or are reasonably likely to materially affect, our company's internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.

---

**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE****Directors and Executive Officers**

As at February 12, 2010, our directors and executive officers, their ages, positions held, and duration of such, are as follows:

<b>Name</b>	<b>Position Held with the Company</b>	<b>Age</b>	<b>Date First Elected or Appointed</b>
Mark McLeary	President, Secretary, Treasurer, Chief Executive Officer and Director	44	January 9, 2006
Ezra Jimenez	Chief Financial Officer and Director	44	July 17, 2009

*Business Experience*

The following is a brief account of the education and business experience of each director and executive officer during at least the past five years, indicating each person's principal occupation during the period, and the name and principal business of the organization by which he was employed.

**Mark A. McLeary** is our chief executive officer, president, secretary, treasurer and a director and has served in those capacities since our inception. Mr. McLeary has been a certified financial planner since 1995 and a chartered financial planner since 1991. He has worked in the financial planning industry for over 19 years with an emphasis on investment and tax planning. Mr. McLeary is a member of the Financial Planners Standards Council of Canada and founded McLeary Capital Management, Inc. in 1995. McLeary Capital provides retirement, tax and estate planning advice to individuals and corporations in British Columbia. Since 1995 Mr. McLeary, as the principal of McLeary Capital, has been responsible for managing approximately \$40 million of clients' investments. Mr. McLeary is currently the president, chief executive officer and a director of Enviro Energy Capital Corp., a public company listed on the TSX Venture Exchange. Mr. McLeary has served in those capacities since the inception of Enviro Energy.

**Ezra Jimenez** is our chief financial officer and a director of our company and has served in those capacities since July 17, 2009. Mr. Jimenez has a Master of Law and an MBA from ITAM, Mexico City, Mexico. For 20 years Mr. Jimenez was a partner of Cornejo, Mendez, Gonzalez & Duarte, S.C. (CMGD) of Mexico City where he assisted foreign companies in structuring mergers and acquisitions. Mr. Jimenez has specialized in various aspects of Mexican Law including arbitration and negotiations, mining law, and environmental law. Currently, Mr. Jimenez is the Vice President, Operations and Chief Financial Officer of Yale Resources Ltd., a public company listed on the TSX Venture Exchange in Canada. He has served in that capacity for the past two years. We entered into a property option agreement with Yale Resources Ltd. on July 7, 2009 pursuant to which we acquired (effective July 9, 2009) a 50% undivided interest, and an option to acquire a further 30% interest in, the Dos Naciones Property, located in state of Sonora, Mexico.

*Term of Office*

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

*Significant Employees*

We have no significant employees other than the directors and officers described above.

*Family Relationships*

There are no family relationships among our directors or officers.

*Involvement in Certain Legal Proceedings*

Our directors, executive officers and control persons have not been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

*Audit Committee*

The Company's audit committee is composed of its directors and officers, Mark McLeary and Ezra Jimenez.

*Audit Committee Financial Expert*

Our board of directors has determined that it does not have an audit committee member that qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. We believe that the audit committee members are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. In addition, we believe that retaining an independent director who would qualify as an audit committee financial expert would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated revenues to date.

*Nomination Procedures For Appointment of Directors*

As of February 12, 2010, we did not effect any material changes to the procedures by which our stockholders may recommend nominees to our board of directors.

*Code of Ethics*

We adopted a Code of Ethics applicable to all of our directors, officers, employees and consultants, which is a code of ethics as defined by applicable rules of the SEC. Our Code of Ethics was attached as an exhibit to our annual report filed on Form 10-KSB with the SEC on September 19, 2007. If we make any amendments to our Code of Ethics other

than technical, administrative, or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of our Code of Ethics to our chief executive officer, chief financial officer, or certain other finance executives, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies in a Current Report on Form 8-K filed with the SEC.

---

*Section 16(a) Beneficial Ownership Compliance*

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the SEC initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports that they file.

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that all filing requirements applicable to our officers, directors and greater than 10% percent beneficial owners were complied with, with the exception of the following:

Name	Number of Late Reports	Number of Transactions Not Reported on a Timely Basis	Failure to File Requested Forms
Ezra Jimenez	1 <sup>(1)</sup>	Nil	Nil

(1)

The named director filed a late Form 3 Initial Statement of Beneficial Ownership which has subsequently been filed.

**ITEM 11. EXECUTIVE COMPENSATION.**

The particulars of compensation paid to the following persons:

- our principal executive officer;
- each of our two most highly compensated executive officers who were serving as executive officers at the end of the year ended October 31, 2009; and
- up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the most recently completed financial year,

who we will collectively refer to as the named executive officers, for our years ended October 31, 2009 and 2008, are set out in the following summary compensation table:

SUMMARY COMPENSATION TABLE									
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Mark	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Edgar Filing: DEL TORO SILVER CORP. - Form 10-K

McLeary <sup>(1)</sup> President, Secretary, Treasurer, Chief Executive Officer	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ezra Jimenez <sup>(2)</sup> Chief Financial Officer	2009 2008	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A

- (1) Mark McLeary has been our president, secretary, treasurer, chief executive officer and chief financial officer since January 9, 2006. Mr. McLeary resigned as our chief financial officer on July 17, 2009.
- (2) Ezra Jimenez has been our chief financial officer since July 17, 2009.

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive stock options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our board of directors from time to time. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

#### *Outstanding Equity Awards at Fiscal Year-End*

As at October 31, 2009, we had not adopted any equity compensation plan and no stock, options, or other equity securities were awarded to our executive officers.

#### **Aggregated Options Exercised in the Year Ended October 31, 2009 and Year End Option Values**

There were no stock options exercised during the year ended October 31, 2009.

#### **Repricing of Options/SARS**

We did not reprice any options previously granted during the year ended October 31, 2009.

#### **Director Compensation**

We do not pay our directors any fees or other compensation for acting as directors. We have not paid any fees or other compensation to any of our directors for acting as directors to date.

#### **Employment Contracts**

We presently do not have any employment agreements or other compensation arrangements with either Mr. McLeary or Mr. Jimenez. Generally, Mr. McLeary provides his services on a part-time basis without compensation. Mr. McLeary has agreed not to charge any management fee during the current period in which we are seeking new business opportunities.

#### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

As of February 12, 2010, there were 9,835,135 shares of our common stock outstanding. The following table sets forth certain information known to us with respect to the beneficial ownership of our common stock as of that date by (i) each of our directors, (ii) each of our executive officers, and (iii) all of our directors and executive officers as a group. Except as set forth in the table below, there is no person known to us who beneficially owns more than 5% of our common stock.



<b>Title of Class Directors and Officers:</b>	<b>Name and Address of Beneficial Owner</b>	<b>Number of Shares Beneficially Owned (1)</b>	<b>Percentage of Class (2)</b>
Common Stock	Mark McLeary Suite 400 409 Granville Street Vancouver, BC V6C 1T2	5,810,000	59.1%
	Ezra Jiminez Suite 400 409 Granville Street Vancouver, BC V6C 1T	-	-
Common Stock	Directors and Officers as a group	5,810,000	59.1%
5% Stockholders			
Common Stock	Mark McLeary Suite 400 409 Granville Street Vancouver, BC V6C 1T2	5,810,000	59.1%

- (1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.
- (2) The percentage of class is based on 9,835,135 shares of common stock issued and outstanding as of February 12, 2010.

#### **Changes in Control**

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change of control of our company.

#### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

None of the following parties has, since commencement of our fiscal year ended October 31, 2009, had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction that has or will materially affect us, in which our company is a participant and the amount involved exceeds the lesser of \$120,000 or 1% of the average of our company's total assets for the last three completed financial years:

- (i) Any of our directors or officers;

- (ii) Any person proposed as a nominee for election as a director;
- (iii) Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;
- (iv) Any of our promoters; and
- (v) Any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the foregoing persons.

*Director Independence*

Our common stock is quoted on the OTC bulletin board interdealer quotation system, which does not have director independence requirements. Under NASDAQ rule 4200(a)(15), a director is not considered to be independent if he or she is also an executive officer or employee of the corporation. Mark McLeary is our chief executive officer, president and treasurer and Ezra Jimenez is our chief financial officer. As a result, we do not have any independent directors.

As a result of our limited operating history and limited resources, our management believes that we will have difficulty in attracting independent directors. In addition, we would be likely be required to obtain directors and officers insurance coverage in order to attract and retain independent directors. our management believes that the costs associated with maintaining such insurance is prohibitive at this time.

---

*Audit Committee Financial Expert*

We are a reporting issuer in the Province of British Columbia. National Instrument 52-110 of the Canadian Securities Administrators requires our company, as a venture issuer, to disclose annually in our annual report certain information concerning the constitution of our audit committee and our relationship with our independent auditor. Our board of directors has determined that it does not have an audit committee member that qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. Our audit committee is composed of our directors and officers. We believe that the audit committee members are capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. In addition, we believe that retaining an independent director who would qualify as an audit committee financial expert would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated revenues to date.

Since the commencement of our company's most recently completed financial year, our company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of National Instrument 52-110 in whole or in part.

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of our company. A copy of our company's Audit Committee Charter was filed as an exhibit to our annual report on Form 10-K filed on January 29, 2009.

*Transactions with Independent Directors*

Mark McLeary is our chief executive officer, president, secretary and treasurer and Ezra Jimenez is our chief financial officer. As a result, we do not have any independent directors.

**National Instrument 58-101**

We are a reporting issuer in the Province of British Columbia. National Instrument 58-101 of the Canadian Securities Administrators requires our company, as a venture issuer, to disclose annually in our annual report certain information concerning corporate governance disclosure.

*Board of Directors*

Our board of directors currently acts with two members consisting of Mark McLeary and Ezra Jimenez. We have determined that Messrs. McLeary and Jimenez are not independent as that term is defined in National Instrument 52-110 due to the fact that they are directors and officers of our company.

Our board of directors facilitates its exercise of independent supervision over management by endorsing the guidelines for responsibilities of the board as set out by regulatory authorities on corporate governance in Canada and the United States. Our board's primary responsibilities are to supervise the management of our company, to establish an appropriate corporate governance system, and to set a tone of high professional and ethical standards. The board is also responsible for:

- selecting and assessing members of the board;

- choosing, assessing and compensating the chief executive officer of our company, approving the compensation of all executive officers and ensuring that an orderly management succession plan exists;
  - reviewing and approving our company's strategic plan, operating plan, capital budget and financial goals, and reviewing its performance against those plans;
  - adopting a code of conduct and a disclosure policy for our company, and monitoring performance against those policies;
-

- ensuring the integrity of our company's internal control and management information systems;
- approving any major changes to our company's capital structure, including significant investments or financing arrangements; and
- reviewing and approving any other issues which, in the view of the board or management, may require board scrutiny.

### *Directorships*

The following directors are also directors of other reporting issuers (or the equivalent in a foreign jurisdiction), as identified next to their name:

<b>Director</b>	<b>Reporting Issuers or Equivalent in a Foreign Jurisdiction</b>
Mark McLeary	Silver Sun Resource Corp. TSX Venture Exchange
Ezra Jimenez	Yale Resources Ltd. TSX Venture Exchange

### *Orientation and Continuing Education*

We have an informal process to orient and educate new recruits to the board regarding their role of the board, our committees and our directors, as well as the nature and operations of our business. This process provides for an orientation with key members of the management staff, and further provides access to materials necessary to inform them of the information required to carry out their responsibilities as a board member. This information includes the most recent board approved budget, the most recent annual report, the audited financial statements and copies of the interim quarterly financial statements.

The board does not provide continuing education for its directors. Each director is responsible to maintain the skills and knowledge necessary to meet his or her obligations as directors.

### *Nomination of Directors*

The board is responsible for identifying new director nominees. In identifying candidates for membership on the board, the board takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the board. As part of the process, the board, together with management, is responsible for conducting background searches, and is empowered to retain search firms to assist in the nominations process. Once candidates have gone through a screening process and met with a number of the existing directors, they are formally put forward as nominees for approval by the board.

### *Assessments*

The board intends that individual director assessments be conducted by other directors, taking into account each director's contributions at board meetings, service on committees, experience base, and their general ability to contribute to one or more of our company's major needs. However, due to our stage of development and our need to deal with other urgent priorities, the board has not yet implemented such a process of assessment.

## **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

### **Audit fees**

The aggregate fees billed for the two most recently completed fiscal periods ended October 31, 2009 and October 31, 2008 for professional services rendered by MacKay LLP, Chartered Accountants for the audit of our annual financial statements, quarterly reviews of our interim financial statements and services normally provided by the independent accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

---

	<b>Year Ended October 31, 2009</b>	<b>Year Ended October 31, 2008</b>
Audit Fees and Audit Related Fees	\$15,000	\$15,000
Tax Fees	\$1,500	\$2,000
All Other Fees	-	-
<b>Total</b>	<b>\$16,500</b>	<b>\$17,000</b>

In the above table, audit fees are fees billed by our company's external auditor for services provided in auditing our company's annual financial statements for the subject year. Audit-related fees are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of our company's financial statements. Tax fees are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. All other fees are fees billed by the auditor for products and services not included in the foregoing categories.

#### **Policy on Pre-Approval by Audit Committee of Services Performed by Independent Auditors**

The board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

The board of directors has considered the nature and amount of fees billed by MacKay LLP and believes that the provision of services for activities unrelated to the audit is compatible with maintaining MacKay LLP.

---

**PART IV****ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

<b>Exhibit Number</b>	<b>Description</b>
3.1	Articles of Incorporation (filed as an exhibit to our Form SB-2 Registration Statement, filed on January 22, 2007)
3.2	Bylaws (filed as an exhibit to our Form SB-2 Registration Statement, filed on January 22, 2007)
3.3	Articles of Merger filed with the Secretary of State of Nevada on July 24, 2009 dated effective July 28, 2009 (filed as an exhibit to our Current Report on Form 8-K, filed on August 19, 2009)
10.1	Property Option Agreement dated August 25, 2006 (filed as an exhibit to our Form SB-2 Registration Statement, filed on January 22, 2007)
10.2	Amended Property Option Agreement dated January 15, 2008 (filed as an exhibit to our Current Report on Form 8-K, filed on January 16, 2008)
10.3	Termination Agreement and Mutual Release dated December 3, 2008 (filed as an exhibit to our Current Report on Form 8-K, filed on December 12, 2008)
10.4	Letter of Intent between Candev Resource Exploration Inc. and Yale Resources Ltd. dated February 24, 2009 (filed as an exhibit to our Quarterly Report on Form 10-Q, filed on June 18, 2009)
10.5	Amendment to Letter of Intent between Candev Resource Exploration Inc. and Yale Resources Ltd. dated March 11, 2009 (filed as an exhibit to our Quarterly Report on Form 10-Q, filed on June 18, 2009)
10.6	Form of Subscription Agreement for the Private Placement Completed on June 30, 2009 (incorporated by reference to an exhibit to our Current Report on Form 8-K, filed on July 8, 2009)
10.7	Option Agreement dated July 7, 2009 between Yale Resources Ltd. and our company (incorporated by reference to an exhibit to our Current Report on Form 8-K, filed on July 15, 2009)
10.8	Subscription Agreement between Mark McLeary and Candev Resource Exploration Inc. (incorporated by reference to an exhibit to Schedule 13D filed on July 16, 2009)
14.1	Code of Ethics (filed as an exhibit to our Quarterly Report on Form 10-QSB filed on September 19, 2007)
21.1	Subsidiary of Del Toro Silver Corp.: Minera Plata Del Toro S.A. de C.V., a Mexican corporation
<u>31.1*</u>	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>31.2*</u>	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>32.1*</u>	<u>Certification of Chief Executive Officer pursuant Section 906 Certifications under Sarbanes-Oxley Act of 2002</u>
<u>32.2*</u>	<u>Certification of Chief Financial Officer pursuant Section 906 Certifications under Sarbanes-Oxley Act of 2002</u>
99.1	Audit Committee Charter (filed as an exhibit to our Annual Report on Form 10-K filed on January 29, 2009)

\* Filed herewith.



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**DEL TORO SILVER CORP.**

By /s/ Mark McLeary  
Mark McLeary  
President, Secretary, Treasurer, Chief  
Executive Officer  
(Principal Executive Officer)

Date: February 12, 2010

By /s/ Ezra Jimenez  
Ezra Jimenez  
Chief Financial Officer  
(Principal Accounting Officer and  
Principal Financial Officer)

Date: February 12, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Mark McLeary  
Mark McLeary  
President, Secretary, Treasurer, Chief  
Executive Officer and Director

Date: February 12, 2010

By /s/ Ezra Jimenez  
Ezra Jimenez  
Chief Financial Officer and Director

Date: February 12, 2010

---