AMERICAN LITHIUM MINERALS, INC.
Form 10-K
January 10, 2011
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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x ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES

EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2010

Commission File # 333-132648

AMERICAN LITHIUM MINERALS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

71-1049972

(IRS Employer Identification Number)

130 King St. West, Suite 3670

Toronto, Ontario, Canada

M5X 1A9

Address of principal executive offices)

416-214-5640

(Registrant s telephone number)

Securities registered pursuant to section 12(b) of the Act:

None

Securities registered pursuant to section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. o Yes x No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act: o Yes x No

Indicate by check mark whether the registrant(1) has filed all reports required 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 day. x Yes o No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K 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. **o**

Indicate by check mark 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 o

Accelerated filer o

Non-accelerated filer o

Smaller reporting company x

(Do not check if a smaller reporting company)

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

o Yes x No

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 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 fiscal year end. **$17,708,666**

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date. **53,390,740 shares of common stock issued and outstanding as of January 7, 2011.**

Documents incorporated by reference: **None.**

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PART I

Item 1.

Business

DESCRIPTION OF BUSINESS

Business Development

We commenced operations as an exploration stage company. In August 2005 we acquired an interest in a 524,728 hectare mineral claim, known as the Raven property, located approximately 17 kilometers northeast of Princeton, in south central British Columbia. However, we were unable to keep the mineral claim in good standing due to lack of funding and our interest in it expired.

Pursuant to a mineral property purchase agreement dated June 15, 2009 with GeoXplor Corp, a private arm s length Nevada Company, we acquired an option to acquire a 100% interest in 88 unpatented mining claims in Esmeralda County, Nevada. The property is located approximately 25 miles east of the Nevada-California border, 35 miles southwest of Tonopah, Nevada.

As consideration for the property we agreed to pay the following:

(a)

cash payments totalling $61,000, which have been paid, and the issuance of 250,000 common shares at a market price of $0.48 per share, which shares have been issued; and

(b)

additional cash payments totalling $303,000 to be paid over a period of three years and the issuance of an additional 500,000 common shares to be issued over a period of two years.

The acquisition of the Esmeralda Property was subject to a 3% royalty in respect of the sale or disposition of lithium carbonate or other lithium compounds. We had the option to acquire up to 2% of the royalty, in whole percentage points, for $1,000,000 for each 1%.

As part of the acquisition we also had a commitment to incur $2,000,000 in exploration expenditures over a term of five years.

We were in negotiations with the vendor regarding the terms of the property agreement and subsequently elected not to move forward on the property. We expensed $295,609 as mineral property impairment during the year related to the costs being capitalized on the property.

Pursuant to a letter of intent dated August 30, 2009, we acquired an option to acquire a 100% interest in 50 mineral claims in Esmeralda County, Nevada, subject to a 3% Net Value Royalty. As consideration for the property we agreed to pay the following:

(a)

cash payment of $20,000, which has been paid, and the issuance of 250,000 common shares at a market price of $0.77 per share, which shares have been issued; and

(b)

additional cash payments totalling $382,500 to be paid over a term of five years and the issuance of an additional 750,000 common shares to be issued over a term of four years.

We had the right to purchase up to two percent (2%) of the Net Value Royalty, in whole percentage points, for $1,000,000.

As part of the acquisition we also had a commitment to incur $2,000,000 in exploration expenditures within a period of five years.

We discontinued negotiations to enter into a definitive agreement on this property and have expensed $217,687, as mineral property impairment during the year related to the costs being capitalized on this property.

On January 5, 2010, we entered into an agreement with Gold Summit Corporation to acquire a 100% interest in five grassroots exploration brine projects mineral claims located in Nevada, USA. Consideration includes a cash payment of $50,000 (paid) and the issuance of 500,000 shares (issued). In the event that our share price closes at less than $1.00, six to twelve months after the closing date of the Agreement, we agreed to issue on a one-time basis, an additional 200,000 common shares. On July 6, 2010, the price per share of our common stock closed at a price per share of less than $1.00. On August 12, 2010, we issued 200,000 shares of common stock as required under this agreement (valued at $146,000 using market price of $0.73 per share). A 2% Net Revenue Royalty (*NRR*) is payable to the vendor with the provision that we can buy back the NRR for $2 million.

On January 11, 2010, we entered into a property acquisition agreement with Robert Craig, Barbra Anne Craig and Elizabeth Dickman to acquire a 100% interest in mineral claims located in Nevada, USA. Consideration includes a cash payment of $40,000 (paid) and the issuance of 500,000 shares (issued). A 2% NRR is payable to the vendor with a provision that we can purchase 1% back for $1 million.

On January 11, 2010, we entered into a property acquisition agreement with Nevada Alaska Mining Co., Robert Craig, Barbra An Craig and Elizabeth Dickman to acquire a 100% interest in mineral claims located in Nevada and Utah. Consideration includes a cash payment of $40,000 (paid) and the issuance of 1,200,000 shares (issued). A 2% NRR is payable to the vendor with a provision that we can purchase 1% back for $1 million.

On June 10, 2010, we entered into a property option agreement with Japan Oil, Gas and Metals National Corporation (*JOGMEC*) whereby JOGMEC can earn a 40% participating interest in certain mineral claims located in Nevada, owned by us. Terms of the agreement include staged work commitments totaling $4,000,000 over three years. JOGMEC also has the option to terminate the agreement with 30 days notice after expending $600,000. As of September 30, 2010 JOGMAC has advanced to us $260,000 for work commitments.

Employees

Currently, we do not have any employees. Our directors and certain contracted individuals play an important role in the running of our company. We do not expect any material changes in the number of employees over the next 12 month period. We do and will continue to outsource contract employment as needed.

We engage contractors from time to time to consult with us on specific corporate affairs or to perform specific tasks in connection with our exploration programs.

Research and Development Expenditures

We have not incurred any research or development expenditures since our incorporation.

Subsidiaries

We do not have any subsidiaries.

Intellectual Property

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

Dependence on Major Customers

We have no customers.

Competition

We are a 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. This competition could adversely impact on our ability to finance further exploration and to achieve the financing necessary for us to develop our mineral properties.

Compliance with Government Regulation

We are committed to complying with and are, to our knowledge, in compliance with, all governmental and environmental regulations applicable to our company and our property. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. We cannot predict the extent to which these requirements will affect our company or our property if we identify the existence of minerals in commercially exploitable quantities. In addition, future legislation and regulation could cause additional expense, capital expenditure, restrictions and delays in the exploration of our property.

Item 1A.

Risk Factors

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 1B.

Unresolved Staff Comments

None.

Item 2.

Properties

We do not own or lease any property. Pursuant to four agreements we acquired interests in certain mineral properties located in Esmeralda County, Nevada, as more particularly described under Business Development herein.

Item 3.

Legal Proceedings

There are no legal proceedings pending or threatened against us.

Item 4.

(Removed and Reserved)

PART II

Item 5.

Market for Registrant s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information

Our shares of common stock are quoted for trading on the OTC Bulletin Board under the symbol AMLM . The following table shows the high and low prices of our common shares on the NASD OTC Bulletin Board. The following quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions:

OTC Bulletin Board *(Symbol AMLM)*

Period	High (US $)	Low (US $)
First Quarter 2009	- (1)	- (1)
Second Quarter 2009	- (1)	- (1)
Third Quarter 2009(2)	0.48	0.31
Fourth Quarter 2009	1.34	0.40
First Quarter 2010	2.96	0.65
Second Quarter 2010	1.30	0.51
Third Quarter 2010	1.04	0.80
Fourth Quarter 2010	0.80	0.40

(1)

No trades.

(2)

On March 20, 2009, we changed our name from Nugget Resources Inc. to American Lithium Minerals Inc. and carried out a four for one forward split of our share capital.

Holders

As of January 7, 2011, there were 20 holders of record of our common stock and approximately 7,500 non-registered shareholders.

Dividends

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

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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.

Securities authorized for issuance under equity compensation plans

On August 20, 2009, our Board of Directors ratified, approved and adopted our 2009 Stock Option Plan to issue up to 4,000,000 common shares, with an exercisable period of up to 10 years. In the event an optionee ceases to be employed by or to provide services to our company for reasons other than cause, any stock option that is vested and held by such optionee may be exercisable within ninety calendar days after the effective date that his or her position ceases. Stock options are non-transferable. Any stock option held by an optionee at the time of his death may be exercised by his estate within one year of his death or such longer period as the Board of Directors may determine.

On March 8, 2010, our Board of Directors ratified, approved and adopted our 2010 Stock Option Plan to issue up to 5,000,000 common shares, with an exercisable period of up to 10 years. In the event an optionee ceases to be employed by or to provide services to our company for reasons other than cause, any stock option that is vested and held by such optionee may be exercisable within ninety calendar days after the effective date that his or her position ceases. Stock options are non-transferable. Any stock option held by an optionee at the time of his death may be exercised by his estate within one year of his death or such longer period as the Board of Directors may determine.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders	7,400,000	$0.90	1,600,000

Performance graph

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Recent sales of unregistered securities

On October 9, 2009, we issued 740,740 units at a price of $1.35 per unit by way of a private placement, raising gross proceeds of $1,000,000. Each unit consists of one common share and one and one-half common share purchase warrant. Each full share purchase warrant is non-transferable and shall entitle the holder thereof to purchase one share of common stock, for a period of twenty four months commencing from closing, at a purchase price of $1.50. We issued all of the securities to one non-U.S. persons (as that term is defined in Regulation S of the *Securities Act of 1933*), in an offshore transaction relying on Regulation S of the *Securities Act of 1933*.

On September 2, 2010, we issued a promissory convertible note in the amount of $750,000 to a third-party secured by our mineral properties in Nevada in an arm s length transaction. The note is due August 31, 2015 and accrues interest at 4% per annum, payable every six months. Should we default on the interest payment, the interest rate increases to 12% per annum and the note is payable on demand. We are currently in default of certain covenants related to the promissory convertible note due to an advance to a senior officer of $25,000 which is in contravention of SOX 402 required internal controls. As a result, we have classified the promissory convertible note as a current liability within the September 30, 2010 financial statements. We have disclosed the default to the holder of the note and are requesting a waiver of the specific covenants violated. We can provide no assurance such waiver will be granted. At the investor s option, the note principal and accrued interest can be converted to common shares at a fixed price of $0.54. A total of 1,388,889 warrants exercisable at $0.54, expiring September 2, 2011 were issued.

On January 5, 2010, 500,000 common shares were issued for a mineral property for a fair value of $425,000. On January 11, 2010, a total of 1,700,000 common shares were issued for certain mineral properties for a fair value of $1,870,000. On August 12, 2010, a total of 200,000 common shares were issued in connection with mineral property purchases, valued at $146,000, using market price of $0.73 per share.

Issuer Repurchases of Equity Securities

None.

Item 6.

Selected Financial Data.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 7.

Management s Discussion and Analysis of Financial Condition and Results of Operations.

Forward-looking statements

This report contains "*forward-looking statements*" relating to us which represent our current expectations or beliefs, including statements concerning our operations, performance, financial condition and growth. For this purpose, any statements contained in this report that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "*may*", "*anticipation*", "*intend*", "*could*", "*estimate*", or "*continue*" or the negative or other comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel and variability of quarterly results, our ability to continue our growth strategy and competition, certain of which are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

The following discussion and analysis should be read in conjunction with the information set forth in our audited financial statements for the period ended September 30, 2010.

Plan of Operation

Our plan of operation for the twelve months following the date of this annual report is to carry out exploration work on our recently acquired properties located in Nevada and to continue to review other potential acquisitions in the resource and non-resource sectors.

We anticipate spending approximately $1,000,000 on administrative fees, including fees we will incur in complying with reporting obligations.

We currently do not have sufficient funds on hand to cover our anticipated expenses for the next 12 months. We anticipate that additional funding will be required in the future in the form of equity financing from the sale of our common stock or from director loans. However, we do not have any arrangements in place for any future equity financing.

Results of Operations

We did not earn any revenues for the year ended September 30, 2010. We incurred operating expenses in the amount of $10,939,820 for the year ended September 30, 2010, compared to $196,054 for the year ended September 30, 2009. At September 30, 2010, we had current assets of $479,240 (September 30, 2009 - $1,232,712) consisting of cash and cash equivalents, advances, prepaid expenses and notes due from related parties. We had total current liabilities of $709,733 (September 30, 2009 - $79,232). These consisted of accounts payable of $76,929 ($15,355 - September 30, 2009), $69,877 due to a related party (September 30, 2009 - $63,877), $6,958 for interest payable on convertible note (September 30, 2009 - $Nil), $295,969 in net convertible note payable (September 30, 2009- $Nil) and $260,000 in deposit on property option (September 30, 2009- $Nil).

For the fiscal year ended September 30, 2010, mineral property impairment was $513,926 (September 30, 2009- $Nil), consulting fees to related parties were $404,748 (September 30, 2009 - $Nil), general and administrative expenses were $297,305 (September 30, 2009 - $85,042), promotion and shareholder relations were $196,260 (September 30, 2009 - $Nil), management fees were $192,000 (September 30, 2009 - $12,000), legal and accounting were $168,879 (September 30, 2009 - $33,352) and consulting fees were $90,628 (September 30, 2009 - $Nil). For the year ended September 30, 2010 we incurred consulting fees by way of stock compensation in the amount of $9,066,704 (September 30, 2009 - $Nil).

Expenses were significantly higher in fiscal 2010 as a result of increased activity related to our recent acquisition of certain mineral properties and two recently completed private placements. In addition, we incurred stock based compensation of $9,066,704 in fiscal 2010, compared to $65,660 in fiscal 2009.

We have not attained profitable operations and are dependent upon obtaining financing to develop our mineral properties and to continue to search for new acquisitions. For these reasons management believes that there is substantial doubt about our ability to continue as a going concern.

We have had no operating revenues since our inception on March 10, 2005 through September 30, 2010, and have incurred operating expenses in the amount of $11,251,238 for the same period. Our activities have been financed from the proceeds of share subscriptions and director loans.

During the year ended September 30, 2010, we incurred a net loss of $10,968,549, which resulted in an accumulated deficit of $11,270,474.

Our financial statements have been prepared in accordance with accounting principles generally accepted in the Unites States of America. We have expensed all development costs related to our establishment.

Liquidity and Capital Resources

We had cash and cash equivalents of $425,794 as of September 30, 2010, compared to a cash position of $1,232,712 at September 30, 2009. During the year ended September 30, 2010, we raised an aggregate of $750,000 by way of a promissory convertible note.

We expect to run at a loss for at least the next twelve months. We have no agreements for additional financing and cannot provide any assurance that additional funding will be available to finance our operations on acceptable terms in order to enable us to complete our plan of operations. There are no assurances that we will be able to achieve further sales of our common stock or any other form of additional financing. If we are unable to achieve the financing necessary to continue our plan of operations, then we will not be able to continue our exploration of our mineral claims and our venture will fail.

Off-balance sheet arrangements

We have no off-balance sheet arrangements including arrangements that would affect our liquidity, capital resources, market risk support and credit risk support or other benefits.

Item 7A.

Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 8.

Financial Statements and Supplementary Data.

American Lithium Minerals, Inc.

(fka Nugget Resources Inc.)

(An Exploration Stage Company)

Financial Statements

(Expressed in U.S. Dollars)

(Audited)

De Joya Griffith & Company, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Report of Independent Registered Public Accounting Firm

To The Board of Directors and Stockholders

American Lithium Minerals, Inc.

Henderson, NV 89052

We have audited the accompanying balance sheets of American Lithium Minerals, Inc. (An Exploration Stage Company) (the Company) as of September 30, 2010 and 2009, and the related statements of operations, stockholders equity, and cash flows for the years then ended and from inception (March 10, 2005) to September 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Lithium Minerals, Inc. (An Exploration Stage Company) as of September 30, 2010 and 2009, and the results of their operations and cash flows for the years then ended and from inception (March 10, 2005) to September 30, 2010 in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, which raise substantial doubt about its ability to continue as a going concern. Management s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

De Joya Griffith & Company, LLC

/s/ De Joya Griffith & Company, LLC

Henderson, Nevada

January 3, 2011

2580 Anthem Village Drive, Henderson, NV 89052

Telephone (702) 563-1600   Facsimile (702) 920-8049

American Lithium Minerals, Inc.

(fka Nugget Resources Inc.)

(An Exploration Stage Company)

Balance Sheets

(Expressed in U.S. Dollars)

(Audited)

	As of 30 September 2010	As of 30 September 2009
Assets		
Current assets		
Cash and cash equivalents	$ 425,794	$ 1,232,712
Advance to PinePoint (Note 8)	8,123	-
Due from related party (Note 8)	25,000	-
Prepaid expenses	20,323	-
Total current assets	479,240	1,232,712
Fixed assets (Note 3)		
Computer equipment and office furniture - net of depreciation	17,032	-
Total fixed assets	17,032	-
Other assets		
Website - net of amortization (Note 4)	10,828	-
Mineral claims (Note 5)	2,861,604	468,655
Total other assets	2,872,432	468,655
Long term assets		
Rent deposit	9,152	-
TOTAL ASSETS	$ 3,377,856	$ 1,701,367
Liabilities and Stockholders Equity		
Current liabilities		

Accounts payable (Note 6)	$ 76,929	$ 15,355
Due to related party (Note 8)	69,877	63,877
Deposit on property option	260,000	-
Convertible note payable, net of unamortized debt discount of $454,031 and $0, respectively (Note 10)	295,969	-
Interest payable on convertible note	6,958	-
Total current liabilities	709,733	79,232
TOTAL LIABILITIES	709,733	79,232
Stockholders equity		
Common stock (Note 7): $0.001 par value; authorized 75,000,000 shares; issued and outstanding as of September 30, 2010 and 2009: 53,390,740 and 49,750,000, respectively	53,391	49,750
Additional paid-in capital	14,267,706	874,310
Subscriptions receivable	(382,500)	-
Stock payable (Note 7)	-	1,000,000
Deficit accumulated during the exploration stage	(11,270,474)	(301,925)
Total stockholders equity	2,668,123	1,622,135
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 3,377,856	$ 1,701,367

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

American Lithium Minerals, Inc.

(fka Nugget Resources Inc.)

(An Exploration Stage Company)

Statements of Operations

(Expressed in U.S. Dollars)

(Audited)

	For the year ended 30 September 2010	For the year ended 30 September 2009	From inception (10 March 2005) to 30 September 2010
Revenues	$ -	$ -	$ -
Expenses			
Mineral property expenditures (Note 5)	10,000	-	19,000
Mineral property impairment	513,296	-	513,296
Consulting fees related party (Note 8)	404,748	-	404,748
Consulting fees stock compensation	9,066,704	65,660	9,132,364
Consulting fees	90,628	-	90,628
General and administrative	297,305	85,042	396,532
Legal and accounting	168,879	33,352	250,810
Management fees related party (Note 7)	192,000	12,000	240,000
Promotion and shareholder relations	196,260	-	196,260
Rent expense related party (Note 7)	-	-	7,600
Total expenses	10,939,820	196,054	11,251,238
Other expenses (income)			
Interest income	(2,531)	(993)	(3,524)
Gain on extinguishment of accrued liability	-	8,500	(8,500)
Interest expense on convertible note	31,260	-	31,260
Net loss	$ 10,968,549	$ 186,561	$ 11,270,474
Basic loss per common share	$ (0.21)	$ (0.00)	
	53,034,437	48,339,041	

Weighted average number of common shares basic

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

American Lithium Minerals, Inc.

(fka Nugget Resources Inc.)

(An Exploration Stage Company)

Statement of Stockholders Equity (Deficit)

(Expressed in U.S. Dollars)

From Inception (10, March 2005) to 30 September 2010

(Audited)

	Number of common shares issued	Common stock	Additional paid-in capital	Stock payable	Subscriptions receivables	Deficit accumulated during the exploration stage	Total stockholders equity
Balance at 10 March 2005 (inception)							
Common shares issued for cash ($0.001 per share)							
- 18 March 2005 (Note 7)	20,000,000	$ 20,000	$ (15,000)	$ -	$ -	$ -	$ 5,000
Common shares issued for cash ($0.001 per share)							
- 5 April 2005 (Note 7)	16,000,000	16,000	(12,000)	-	-	-	4,000
Common shares issued for cash ($0.01 per share)							
- 13 April 2005 (Note 7)	2,700,000	2,700	4,050	-	-	-	6,750
Common shares issued for cash ($0.01 per share)							
- 21 April 2005 (Note 7)	3,300,000	3,300	4,950	-	-	-	8,250
Net loss	-	-	-	-	-	(7,055)	(7,055)

Balance at 30 September 2005	42,000,000	42,000	(18,000)	-	-	(7,055)	16,945
Contributions to capital by related parties expenses							
(Notes 7 and 8)	-	-	14,400	-	-	-	14,400
Net loss	-	-	-	-	-	(39,676)	(39,676)
Balance at 30 September 2006	42,000,000	42,000	(3,600)	-	-	(46,731)	(8,331)
Contributions to capital by related parties expenses							
(Notes 7 and 8)	-	-	14,400	-	-	-	14,400
Net loss	-	-	-	-	-	(29,220)	(29,220)
Balance at 30 September 2007	42,000,000	42,000	10,800	-	-	(75,951)	(23,151)
Contributions to capital by related parties expenses							
(Notes 7 and 8)	-	-	9,600	-	-	-	9,600
Common shares issued for cash ($0.001 per share)							
- 17 June 2008 (Note 7)	6,000,000	6,000	(4,500)	-	-	-	1,500
Net loss	-	-	-	-	-	(39,413)	(39,413)

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

American Lithium Minerals, Inc.

(fka Nugget Resources Inc.)

(An Exploration Stage Company)

Statement of Stockholders Equity (Deficit)

(Expressed in U.S. Dollars)

From Inception (10, March 2005) to 30 September 2010

(Audited)

	Number of common shares issued	**Common stock**	**Additional paid-in capital**	**Stock payable**	**Subscriptions receivables**	**Deficit accumulated during the exploration stage**	**Total stockholders equity**
Balance at 30 September 2008	48,000,000	$ 48,000	$ 15,900	$ -	$ -	$ (115,364)	$ (51,464)
Common shares issued for property payment (250,000 at $0.48 per share) (Note 5)	250,000	250	119,750	-	-	-	120,000
Common shares issued for cash ($0.36 per share) - 14 July 2009 (Note 7)	1,250,000	1,250	448,750	-	-	-	450,000
Common shares issued for property payment (250,000 at $0.77 per share) (Note 5)	250,000	250	192,250	-	-	-	192,500
Common shares payable for private placement (740,740 at $1.35 per share) (Note 7)	-	-	-	1,000,000	-	-	1,000,000
Contributions to capital by related parties forgiven debt (Note 8)	-	-	32,000	-		-	32,000

Stock based compensation expense on options vested during period	-	-	65,660	-	-	-	65,660
Net loss	-	-	-	-	-	(186,561)	(186,561)
Balance at 30 September 2009	49,750,000	$ 49,750	$ 874,310	1,000,000	-	(301,925)	1,622,135
Common shares issued for cash (at $1.35 per share)							
- 6 October 2009 (Note 7)	740,740	741	999,259	(1,000,000)		-	-
Common shares issued for property payment							
(500,000 at $0.85 per share) (Note 5)	500,000	500	424,500	-	-	-	425,000
Common shares issued for property payment							
(1,700,000 at $1.10 per share) (Note 5)	1,700,000	1,700	1,868,300	-	-	-	1,870,000
Stock options exercised (at $0.85 per share)							
(Note 7)	450,000	450	382,050	-	(382,050)	-	-
Stock options exercised (at $0.60 per share)							
(Note 7)	50,000	50	29,950	-	-	-	30,000
Warrants issued with convertible note	-	-	252,305				252,305
Stock based compensation expense on options vested during period	-	-	9,066,704	-	-	-	9,066,704
Beneficial conversion feature of convertible debt	-	-	224,528				224,528
Common shares issued for property (200,000 at $0.73 per share) (Note 5)	200,000	200	145,800	-	-	-	146,000
Net loss	-	-	-	-	-	(10,968,549)	(10,968,549)
Balance at 30 September 2010	53,390,740	$ 53,391	$ 14,267,706	-	(382,500)	(11,270,474)	2,668,123

All share amounts have been retroactively restated to reflect the 4:1 share split on March 2, 2009 (Note 7).

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

American Lithium Minerals, Inc.

(fka Nugget Resources Inc.)

(An Exploration Stage Company)

Statements of Cash Flows

(Expressed in U.S. Dollars)

(Audited)

	For the year ended 30 September 2010	For the year ended 30 September 2009	From inception (10 March 2005) to 30 September 2010
Cash flows from operating activities			
Net loss	$ (10,968,549)	$ (186,561)	$ (11,270,474)
Adjustments to reconcile net loss to net cash used in operating activities			
Contributions to capital by related parties expenses (Notes 7 and 8)	-	-	38,400
Contributions to capital by related parties forgiven debt (Note 8)	-	32,000	32,000
Non-cash gain on extinguishment of accrued liability	-	8,500	8,500
Depreciation and amortization	2,605	-	2,605
Stock based compensation expense	9,066,704	65,660	9,132,364
Amortization of debt discount & accretion of warrants fair value	22,802	-	22,802
Interest	6,958	-	6,958
Mineral property impairment	513,296	-	513,296
Changes in operating assets and liabilities			
Due from related party	(25,000)	-	(25,000)
Increase in prepaid expenses and rent deposit	(29,475)	-	(29,475)
Increase in advance to Pine Point	(8,123)	-	(8,123)
Increase (decrease) in accounts payable	61,574	(1,645)	68,429
Net cash used in operating activities	(1,357,208)	(82,046)	(1,507,718)
Cash flows from investing activities:			
Acquisition of fixed assets and website development	(30,465)	-	(30,465)
Purchase of mineral claims and exploration	(205,245)	(156,155)	(361,400)

Net cash used in investing activities	(235,710)	(156,155)	(391,865)
Cash flows from financing activities			
Proceeds from convertible note	750,000	-	750,000
Due to related party	6,000	20,209	69,877
Common shares issued for cash	30,000	450,000	1,505,500
Stock payable for private placement	-	1,000,000	-
Net cash provided by financing activities	786,000	1,470,209	2,325,377
(Decrease) increase in cash and cash equivalents	(806,918)	1,232,008	425,794
Cash and cash equivalents, beginning of year	1,232,712	704	-
Cash and cash equivalents, end of year	$ 425,794	$ 1,232,712	$ 425,794

Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$ -	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -	$ -
Non cash investing and financing activities:			
Beneficial conversion feature	$ 224,528	$ -	$ 224,528
Financing costs associated with warrants	$ 252,305	$ -	$ 252,305
Common stock issued to satisfy common stock payable	$ 1,000,000	$ -	$ 1,000,000
Stock issued for mineral property	$ 2,441,000	$ 312,500	$ 2,607,500

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

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

30 September 2010

(Audited)

1.

Nature of Operations

American Lithium Minerals, Inc. (the Company) was originally organized as Nugget Resources Inc. under the laws of the State of Nevada on March 10, 2005. The Company has been investigating prospective lithium opportunities. On March 2, 2009, the Company changed its name to American Lithium Minerals, Inc. to better reflect the direction of the Company. The Company is an exploration stage enterprise, as defined in FASB ASC 915-10 *Development Stage Entities* . The Company is devoting all of its present efforts to securing and establishing a new business and its planned principal operations have not commenced. Accordingly, no revenue has been derived during the exploration period.

On May 7, 2010, the Company was registered under the Extra-Provincial Corporations Act in Ontario, Canada.

Going Concern

The Company s financial statements as at September 30, 2010 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has a net loss for the years ended September 30, 2010 and 2009 of $10,968,549 and $186,561, respectively, and has working capital (deficit) of ($230,493) and $1,153,480 at September 30, 2010 and September 30, 2009, respectively.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to raise additional funding in the form of equity financing from the sale of common stock and/or obtain short-term loans from the directors of the Company. However, if the Company is unable to raise additional capital in the near future, due to the Company s liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

At September 30, 2010, the Company was not engaged in a business and had suffered losses from exploration stage activities to date. Although management is currently attempting to implement its business plan, and is seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. Accordingly, the Company must rely on its president to perform essential functions with minimal compensation until a business operation can be commenced. These factors raise substantial doubt about the ability of the Company to continue as a going concern.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

30 September 2010

(Audited)

2.

Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Basis of presentation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to exploration stage enterprises, and are expressed in U.S. dollars. The Company s fiscal year end is 30 September.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Mineral property costs

The Company has been in the exploration stage since its formation March 10, 2005 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. Mineral property exploration costs are charged to operations 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 depleted using the units-of-production method over the estimated life of the probable reserve.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Financial instruments

The carrying value of cash, accounts payable and accrued liabilities, and due to related parties approximates their fair value because of the short maturity of these instruments. The Company s operations are in Canada and virtually all of its assets and liabilities are giving rise to significant exposure to market risks from changes in foreign currency rates. The Company s financial risk is the risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

30 September 2010

(Audited)

2.

Significant Accounting Policies (continued)

Environmental expenditures

The operations of the Company have been, and may in the future, be affected from time to time, in varying degrees, by changes in environmental regulations, including those for future reclamation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company s policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future reclamation and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

Fixed Assets

The Company s fixed assets consists of computer and office equipment and furniture which is valued at cost and depreciated using the straight-line method over a period range of three years.

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 ASC 740-10, 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 for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Basic and diluted net loss per share

The Company computes net loss per share in accordance with FASB ASC 205-10, which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

30 September 2010

(Audited)

2.

Significant Accounting Policies (continued)

potentially dilutive shares if their effect is anti-dilutive and is not presented in the accompanying financial statements.

Use of estimates

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

Concentrations of credit risk

The Company s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. At times, its cash and cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company s management also routinely assesses the financial strength and credit worthiness of any parties to which it extends funds and as such, it believes that any associated credit risk exposures are limited.

Stock based compensation

On August 1, 2009, the Company adopted the fair value recognition provisions of FASB ASC 718-10. The Company adopted FASB ASC 718-10 using the modified-prospective-transition method. Under this method, compensation cost recognized for the year ended September 30, 2009 includes: a) compensation cost for all share-based payments granted prior to, but not yet vested as of December 31, 2005, based on the grant-date fair value estimated in accordance with the original provisions of FASB ASC 718-10, and b) compensation cost for all share-based payments granted subsequent to December 31, 2005, based on the grant-date fair value estimated in accordance with the provisions of FASB ASC 718-10. In addition, deferred stock compensation related to non-vested options is required to be eliminated against additional paid-in capital upon adoption of FASB ASC 718-10. The results for the prior periods were not restated.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with FASB ASC 718-10 and the conclusions reached in FASB ASC 505-10. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by FASB ASC 505-10.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

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(Audited)

2.

Significant Accounting Policies (continued)

Risks and uncertainties

The Company operates in the resource exploration industry that is subject to significant risks and uncertainties, including financial, operational, technological, and other risks associated with operating a resource exploration business, including the potential risk of business failure.

Website Development Costs

Costs incurred in developing and maintaining a website are charged to expense when incurred for the planning, content population, and administration or maintenance of the website. All development costs for the application, infrastructure, and graphics development are capitalized and subsequently reported at the lower of unamortized cost or net realizable value. Capitalized costs are amortized using straight-line basis over a five year estimated economic life of the product.

Foreign Currency Translation

The financial statements are presented in United States dollars. In accordance with FASB ASC 830-10,   Foreign Currency Matters , foreign denominated monetary assets and liabilities are translated to their United States dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the period. Related translation adjustments are reported as a separate component of stockholders   equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations. To September 30, 2010, the Company has not recorded any translation adjustments into stockholders   equity.

Long-lived assets

The Company accounts for its long-lived assets in accordance with FASB ASC 360-10, Property, Plant and Equipment which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset s carrying value and fair value or disposal value.

Recent Accounting Pronouncements

In April 2010, the FASB issued ASU No. 2010-17, "Revenue Recognition - Milestone Method (Topic 605): Milestone Method of Revenue Recognition" (codified within ASC 605 - Revenue Recognition). ASU 2010-17 provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. ASU 2010-17 is effective for interim and annual periods beginning after June 15, 2010. The adoption of ASU 2010-17 is not expected to have any material impact on our financial position, results of operations or cash flows.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

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(Audited)

2.

Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In May 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-19 (ASU 2010-19), Foreign Currency (Topic 830): Foreign Currency Issues: Multiple Foreign Currency Exchange Rates. The amendments in this Update are effective as of the announcement date of March 18, 2010. The Company does not expect the provisions of ASU 2010-19 to have a material effect on the Company's financial position, results of operations or cash flows of the Company.

3.

Fixed Assets

The Company s fixed assets consist of the following:

	30 September 2010	30 September 2009
Computer	$ 4,878	$ -
Office furniture	13,774	-
	18,652	-
Less - accumulated depreciation	(1,620)	-
Net fixed assets	$ 17,032	$ -

Depreciation of $1,620 and $nil is included in general and administrative expenses in the statement of operations for the years ended September 30, 2010 and 2009, respectively.

4.

Website

	30 September 2010	30 September 2009
Website	$ 11,813	$ -
Less - accumulated amortization	(985)	-
Net website	$ 10,828	$ -

Amortization expense of $985 and $nil is included in general and administrative expenses in the statement of operations for the years ended September 30, 2010 and 2009, respectively.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

30 September 2010

(Audited)

5.

Mineral Properties

Pursuant to a mineral property purchase agreement dated August 17, 2005, the Company acquired a 100% undivided right, title and interest in a 524.728 hectare mineral claim, located in the Similkameen Mining Division of British Columbia, Canada for a cash payment of $4,000 (paid). During the year ended September 30, 2006, the Company paid $5,000 for exploration work on the property. The Company was unable to keep the mineral claim in good standing due to lack of funding and has lost its interest in the mineral claim.

Pursuant to a mineral property purchase agreement dated June 15, 2009, the Company acquired an option to acquire a 100% interest in 88 unpatented mining claims in Esmeralda County, Nevada, U.S.A, subject to a 3% Net Value Royalty. Consideration for the property is as follows:

Cash payments of:

-

$5,000 upon the execution of a letter of intent on April 29, 2009, (paid);

-

$56,000 upon execution of the agreement (paid);

-

$18,000 upon presentation of a receipt for payment of the filing and claim maintenance fees;

- $35,000 on or before June 15, 2010; (see below)
- $50,000 on or before June 15, 2011;
- $100,000 on or before June 15, 2012;
- $100,000 on or before June 15, 2013.

Shares to be issued:

- 250,000 common shares on execution of the agreement; (issued, valued at $120,000 using the market price of $0.48 per share)
- 250,000 common shares on or before June 15, 2010; and (see below)
- 250,000 common shares on or before June 15, 2011.

The Company has the right to purchase up to two percent (2%) of the Net Value Royalty, in whole percentage points, for $1,000,000 for each 1%.

Should the Company, its assignees or a joint venture partner: (i) deliver to the board of directors or applicable other management a feasibility study recommending mining of lithium carbonate or other lithium compound from the property and such board authorizes implementation of a mining plan, or (ii) sells, options, assigns, disposes or otherwise alienates all or a portion of its interest in the property, the Company will pay the vendor an additional $500,000 in cash or shares.

The Company has a commitment to incur $2,000,000 in exploration expenditures within five years of the agreement as follows:

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American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

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(Audited)

5.

Mineral Properties (continued)

-

$100,000 during the first year;

-

$200,000 during the second year;

-

$500,000 during the third year;

-

$1,200,000 during the fourth year.

The Company was in negotiations with the vendor regarding the property agreement and has since terminated their discussions to move forward on the property. The Company expensed $295,609 as mineral property impairment during the year related to the costs being capitalized on the property.

Pursuant to a letter of intent dated August 30, 2009, the Company acquired an option to acquire a 100% interest in 50 mining claims in Esmeralda County, Nevada, U.S.A, subject to a 3% Net Value Royalty. The Company had the right to negotiate and enter into a definitive purchase agreement on or before January 1, 2010 which encompasses the terms of the letter of intent. The Company has a verbal agreement to continue to negotiate a definitive agreement. As per the terms of the letter of intent the consideration for the property is as follows:

Cash payments of:

-

$20,000 upon the execution of a letter of intent on August 30, 2009, (paid);

-

$32,500 upon execution of the purchase agreement;

-

$50,000 on or before the first year anniversary;

-

$100,000 on or before the second year anniversary;

-

$100,000 on or before the third year anniversary;

-

$100,000 on or before the fourth year anniversary.

Shares to be issued:

-

250,000 common shares on execution of the letter of intent; (issued valued at $120,000 using the market price of $0.48 per share)

-

250,000 common shares on or before first year anniversary;

-

250,000 common shares on or before second year anniversary; and

-

250,000 common shares on or before third year anniversary.

The Company has the right to purchase up to two percent (2%) of the Net Value Royalty, in whole percentage points, for $1,000,000.

The Company has a commitment to incur $1,300,000 in exploration expenditures within four years of the agreement as follows:

- $100,000 during the first year;
- $200,000 during the second year;
- $500,000 during the third year;
- $500,000 during the fourth year.

American Lithium Minerals, Inc.

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(Audited)

5.

Mineral Properties (continued)

The Company discontinued negotiations to enter into a definitive agreement on this property and has expensed $217,687 as mineral property impairment during the year related to the costs being capitalized on this property.

On January 5, 2010, the Company entered into an agreement to acquire a 100% interest in mineral claims located in Nevada, USA. Consideration includes a cash payment of $50,000 (paid) and the issuance of 500,000 shares (issued valued at $425,000 using market price of $0.85 per share). In the event that the share price of the Company closes at less than $1.00, six to twelve months after the closing date of the Agreement, the Company shall issue on a one-time basis, an additional 200,000 shares. On July 6, 2010, the price per share of the Company s common stock closed at a price per share less than $1.00. On August 12, 2010, the Company issued 200,000 shares of common stock as required under this agreement (valued at $146,000 using market price of $0.73 per share). A 2% NRR is payable to the vendor with the provision that the Company can buyback the NRR for $2 million.

On January 11, 2010, the Company entered into an agreement to acquire a 100% interest in mineral claims located in Nevada, USA. Consideration includes a cash payment of $40,000 (paid) and the issuance of 500,000 shares (issued valued at $550,000 using the market price of $1.10 per share). A 2% NRR is payable to the vendor with a provision that the Company can purchase 1% back for $1 million.

On January 11, 2010, the Company entered into an agreement to acquire a 100% interest in mineral claims located in Nevada and Utah, USA. Consideration includes a cash payment of $40,000 (paid) and the issuance of 1,200,000 shares (issued valued at $1,320,000 using the market price of $1.10 per share). A 2% NRR is payable to the vendor with a provision that the Company can purchase 1% back for $1 million.

On June 10, 2010, the Company entered into an property option agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) whereby JOGMEC can earn a 40% interest in certain mineral claims located in Nevada, USA owned by the Company. Terms of the agreement include staged work commitments totaling $4,000,000 over three years. JOGMEC also has the option to terminate the agreement with 30 days notice after expending $600,000. As of September 30, 2010 JOGMAC has advanced the Company $260,000 for work commitments. The $260,000 advance has been recorded as a deposit liability on property option.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

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(Audited)

5.

Mineral Properties (continued)

Mineral properties costs are summarized below:

	As of September 30, 2010	As of September 30, 2009
Acquisition Costs		
Cash	$ 191,600	$ 99,000
Value of shares issued	2,441,000	312,500
	2,632,600	411,500
Exploration Costs		
Exploration advance	$ -	$ 37,000
Exploration	175,000	-
Claim maintenance, licenses, and legal	-	13,331
Consulting	47,645	-
Gravity survey	76,641	-
Miscellaneous	(37,000)	187
Travel and accommodation	11,359	-
Reports	-	6,637
	273,645	57,155
Total costs incurred during the year	$ 2,906,245	$ 468,655
Balance of costs, beginning of year	468,655	-
Less costs written down during year	(513,296)	-
Balance of costs, end of year	$ 2,861,604	$ 468,655

6.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

7.

Capital Stock

Authorized

The total authorized capital is 75,000,000 common shares with a par value of $0.001 per common share.

Issued and outstanding

The total issued and outstanding capital stock is 53,390,740 common shares with a par value of $0.001 per common share.

i.

On March 18, 2005, 20,000,000 common shares of the Company were issued for cash proceeds of $5,000.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

Notes to Annual Financial Statements

(Expressed in U.S. Dollars)

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(Audited)

7.

Capital Stock (continued)

ii.

On April 5, 2005, 16,000,000 common shares of the Company were issued for cash proceeds of $4,000.

iii.

On April 13, 2005, 2,700,000 common shares of the Company were issued for cash proceeds of $6,750.

iv.

On April 21, 2005, 3,300,000 common shares of the Company were issued for cash proceeds of $8,250.

v.

On June 17, 2008, 6,000,000 common shares of the Company were issued for cash proceeds of $1,500.

vi.

On July 14, 2009, 250,000 common shares of the Company were issued for property for a fair value of $120,000.

vii.

On July 14, 2009, 1,250,000 common shares and 1,250,000 warrants of the Company were issued for cash proceeds of $450,000. Each share purchase warrant is exercisable at a price of $0.50 for a period of two years.

viii.

On July 23, 2009, 1,250,000 common shares of the Company were issued for cash proceeds of $450,000.

ix.

On August 30, 2009, 250,000 common shares of the Company were issued for property for a fair value of $192,500.

x.

On October 6, 2009, 740,740 common shares and 1,111,110 warrants of the Company were issued for cash proceeds of $1,000,000. Each share purchase warrant is exercisable at a price of $1.50 for a period of two years.

xi.

On January 5, 2010, 500,000 common shares were issued for property with a fair value of $425,000.

xii.

On January 11, 2010, a total of 1,700,000 common shares were issued for properties with a fair value of $1,870,000.

xiii.

On February 4, 2010, 50,000 common shares were issued pursuant to the exercise of stock options for cash proceeds of $30,000.

xiv.

On August 12, 2010, a total of 200,000 common shares were issued in connection with the agreement to acquire mineral claims located in Nevada, USA, with a fair value of $146,000.

xv.

On September 30, 2010, the Company recorded the fair value of the beneficial conversion feature of the convertible note (see note 10), total beneficial conversion feature was recorded to additional paid - in capital in the amount of $224,528.

American Lithium Minerals, Inc.

(An Exploration Stage Company)

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7.

Capital Stock (continued)

xvi.

On September 30, 2010, the Company recorded the fair value of 1,388,899 warrants of the Company issued in connection with the convertible note (see note 10) of $252,305. Each share purchase warrant is exercisable at a price of $0.54 for a period of one year.

xvii.

During the year ended September 30, 2010, the Company had issued 1,650,000 stock options to various individuals with a value of $1,402,500 all of which were exercised during the year. As of September 30, 2010, a total of 1,200,000 stock options valued at $1,020,000 had been cancelled by the Company. A total of 450,000 stock options valued at $382,050 remain as a subscription receivable as of September 30, 2010.

On March 2, 2009, the Board of Directors authorized a 4:1 forward stock split. The number of shares issued in accordance with the private offerings as listed above, include the effects of this split.

On August 20, 2009, the Board of Directors of the Company ratified, approved and adopted a Stock Option Plan for the Company in the amount of 4,000,000 shares with an exercisable period up to 10 years. In the event an optionee ceases to be employed by or to provide services to the Company for reasons other than cause, any Stock Option that is vested and held by such optionee may be exercisable within up to ninety calendar days after the effective date that his position ceases. No Stock Option granted under the Stock Option Plan is transferable. Any Stock Option held by an optionee at the time of his death may be exercised by his estate within one year of his death or such longer period as the Board of Directors may determine. On December 3, 2009, the Company filed a Form S-8 to register these shares.

On August 20, 2009, the Company granted a total of 50,000 fully vested stock options to a consultant of the Company at $0.60 per share expiring August 20, 2014.

On September 1, 2009, the Company granted a total of 500,000 stock options to a consultant of the Company at $0.85 per share expiring August 31, 2010. The options vest in increments of 125,000 options per quarter for the duration of the term. On January 8, 2010, the option agreement was amended to 100% vesting of the options.

On October 6, 2009, the Company granted a total of 50,000 fully vested stock options to a consultant of the Company at $0.85 per share expiring October 6, 2014.

On October 8, 2009, the Company granted a total of 750,000 stock options to a consultant of the Company at $0.85 per share expiring October 8, 2014. 250,000 options vest immediately, 250,000 on February 4, 2010, and 250,000 on May 4, 2010. On January 8, 2010, the option agreements were amended to 100% vesting of the options.

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7.

Capital Stock (continued)

On November 4, 2009, the Company granted a total of 750,000 stock options to a consultant of the Company at $0.85 per share expiring November 8, 2014. 250,000 options vest immediately, 250,000 on February 4, 2010 and 250,000 on May 4, 2010. On January 8, 2010, the option agreements were amended to 100% vesting of the options.

On December 29, 2009, the Company granted a total of 500,000 fully vested stock options to a consultant of the Company at $0.85 per share expiring December 29, 2014.

On March 4, 2010, the Company granted a total of 1,325,000 fully vested stock options to a director and a consultant of the Company at $0.85 per share expiring March 4, 2015.

On March 8, 2010, the Board of Directors of the Company ratified, approved and adopted a Stock Option Plan for the Company in the amount of 5,000,000 shares with an exercisable period up to 10 years. In the event an optionee ceases to be employed by or to provide services to the Company for reasons other than cause, any Stock Option that is vested and held by such optionee may be exercisable within up to ninety calendar days after the effective date that his position ceases. No Stock Option granted under the Stock Option Plan is transferable. Any Stock Option held by an optionee at the time of his death may be exercised by his estate within one year of his death or such longer period as the Board of Directors may determine. On July 20, 2010, the Company filed a Form S-8 to register these shares.

On April 1, 2010, the Company granted 1,075,000 fully vested stock options to directors and consultants of the Company at $0.85 per share expiring April 1, 2015.

On April 23, 2010, the Company granted 1,300,000 fully vested stock options to directors and consultants of the Company at $1.00 per share expiring April 23, 2015.

On May 17, 2010, the Company granted 3,100,000 fully vested stock options to directors and consultants of the Company at $0.925 per share expiring May 17, 2015.

During the year ended September 30, 2010, a total of 8,800,000 options were granted. The Company recognized stock based consulting expenses totalling $9,066,704 which was charged to operations. The fair value of each option granted is estimated at the respective grant date using the Black-Scholes Option Model. The following assumptions were used in estimating the fair value:

Expected volatility	83.59% - 153.41%
Expected life	1 to 5 years
Risk-free interest rate	0.41 2.62
Dividend yield	-

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7.

Capital Stock (continued)

At September 30, 2010, the following stock options were outstanding:

Number of Shares	Exercise Price	Expiry Date
50,000	$0.85	August 20, 2014
1,300,000	$0.85	November 4, 2014
500,000	$0.85	December 29, 2014
325,000	$0.85	March 4, 2015
825,000	$0.85	April 1, 2015
1,300,000	$1.00	April 23, 2015
3,100,000	$0.925	May 17, 2015
7,400,000		

The Company s stock option activity is presented below:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Contractual Life
Balance, September 30, 2008	-	-	-
Granted	550,000	$0.83	1.28
Balance, September 30, 2009	550,000	$0.83	1.28
Exercised	(50,000)	$0.64	-

Expired	(500,000)	$0.85	-
Exercised	(450,000)	$0.85	-
Cancelled	1,000,000		
Granted	8,850,000	$0.90	4.06
Outstanding at end of year	8,400,000	$0.91	4.54
Exercisable at end of year	7,400,000		

Stock based compensation on shares vested and exercisable during the years ended September 30, 2010 and 2009 is $9,066,704 and $65,660, respectively.

At September 30, 2010, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,250,000	$0.50	July 14, 2011
1,388,889	$0.54	September 2, 2011
1,111,110	$1.50	October 6, 2011

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7.

Capital Stock (continued)

The Company s share purchase warrants activity for the years ended September 30, 2010 and 2009 is summarized as follows:

	Number of Warrants	Weighted average exercise Price per share	Weighted average remaining In contractual life (in years)
Balance, September 30, 2009	1,250,000	$0.50	1.79
Issued	2,499,999	$0.96	0.96
Balance, September 30, 2010	3,749,999	$0.97	0.90

All warrants are exercisable as at September 30, 2010.

During the year ended September 30, 2009, officers and/or directors of the Company made contributions to capital by the payment of Company expenses and forgiveness of debt (Note 8).

8.

Related Party Transactions

During the year ended September 30, 2009, a former director of the Company advanced $32,000 to the Company. During the year ended September 30, 2009, the debt was forgiven and $32,000 has been allocated to additional paid-in capital.

During the year September 30, 2010, a total of $8,123 was advanced to a company owned by a senior officer for rent, office, and administrative expenses.

During the year ended September 30, 2010, advances totalling $69,877 is payable to a director of the Company. The amount is unsecured, non interest bearing and is due on demand.

During the years ended September 30, 2010 and 2009 and from inception (March 10, 2005) to September 30, 2010, management fees of $6,000, $12,000 and $18,000, respectively, were payable to a director of the Company.

During the year ended September 30, 2010 and 2009 and from inception (March 10, 2005) to September 30, 2010, consulting fees totalling $404,748 and $0 and $404,748 have been paid to senior officers of the Company.

During the year ended September 30, 2010 and 2009 and from inception (March 10, 2005) to September 30, 2010, management fees totalling $186,000 and $0 and $186,000 have been paid to a senior officer of the Company.

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8.

Related Party Transactions (continued)

The Company has also advanced $25,000 to a senior officer. This amount is repayable upon demand. This advance is in contravention of SOX 402 and the Company has since implemented strict internal controls to avoid a future occurrence. The Company expects the amount to be repaid by February 28, 2011.

As of September 30, 2010 and September 30, 2009, total due to related party is $69,877 and $63,877, respectively.

9.

Office Lease

On April 1, 2010, the Company entered into a premises sublease for a three year period expiring June 30, 2013, at a basic rent of $8,832 CDN (approximately $8,500 US) effective July 31, 2010. Future minimum lease payments over the next five years are as follows:

Year	Lease $
2011	$102,000
2012	$102,000
2013	$76,500
2014	-
2015	-

Total	$280,500

As of September 30, 2010 and 2009, total rent expense was $100,871 and $1,595, respectively.

10.

Convertible Note Payable

On September 2, 2010, the Company issued a promissory convertible note in the amount of $750,000 to an unrelated third party in an arm s length transaction secured by the Company s mineral claims in Nevada and a Security Agreement (8K filed September 8, 2010). The note is due August 31, 2015 and accrues interest at 4% per annum payable every six months. Should the Company default on the interest payment, the interest rate increases to 12% per annum and the note is payable on demand. The Company is currently in default of certain covenants related to the promissory convertible note due to an advance to a senior officer of $25,000 which is in contravention of SOX 402. As a result, the Company has classified the promissory convertible note as a current liability and has accrued interest payable on the note at 12% per annum. The Company has disclosed the default to the holder of the note and is requesting a waiver of the specific covenants violated. The Company can provide no assurance such waiver will be granted. At the investor s option, the note principal and accrued interest can be converted to shares of the Company at a fixed price of $0.54.

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10.

Convertible Note Payable (continued)

A total of 1,388,889 warrants exercisable at $0.54, expiring September 2, 2011 were issued. The Company has determined the fair value of the warrants issued as $252,305 using the Black Scholes valuation model. The fair value of the warrants has been accreted and is being amortized over the life of the warrants (1 year). As at September 30, 2010, $19,355 has been amortized and expensed as interest.

The Company has determined the value associated with the conversion feature in connection with the convertible note payable. The Company has determined the note, with a face value of $750,000, to have a beneficial conversion feature of $224,528. The beneficial conversion feature has been accreted and is being amortized over the life of the note (5 years). As at September 30, 2010, $3,447 had been amortized and expensed as interest. The beneficial conversion feature is valued under the intrinsic value method.

11.

Income Taxes

At September 30, 2010 and 2009, the Company had a federal operating loss carryforward of approximately $1,873,116 and $186,561, respectively, which begin to expire in 2026.

The provision for income taxes consisted of the following components for the years ended September 30:

	2010	2009	Cumulative from inception (March 10, 2005) to September 30, 2010
Current:			
Federal	$ --	$ --	$ --
Foreign	--	--	--
Deferred	--	--	--
	$ --	$ --	$ --

Components of net deferred tax assets, including a valuation allowance, are as follows at September 30:

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11.

Income Taxes (continued)

	2010	2009	Cumulative from inception (March 10, 2005) to September 30, 2010
Deferred tax assets:			
Net operating loss carryforward	$ 1,873,116	$ 186,561	$ 2,138,110
Total deferred tax assets	655,591	65,296	748,339
Less: Valuation Allowance	(655,591)	(65,296)	(748,339)
Net Deferred Tax Assets	$ --	$ --	$ --

12. Subsequent events

Subsequent to September 30, 2010, 1,200,000 common shares related to previously issued subscription receivables were surrendered to the Company for cancellation of which 250,000 have been cancelled by the Company s stock transfer agent. The Company is in the process of having these shares cancelled by its stock transfer agent. These have been included as cancelled as of September 30, 2010.

Item 9.

Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

There have been no changes in and disagreements with our accountants on accounting and financial disclosure from the inception of our company through to the date of this Report.

Item 9A(t).

Controls and Procedures.

(a)

Evaluation of disclosure controls and procedures

An evaluation was carried out under the supervision and with the participation of our management, including our Principal Financial Officer and Principal Executive officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report on Form 10-K. Disclosure controls and procedures are procedures designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, such as this Form 10-K, is recorded, processed, summarized and reported, within the time period specified in the Securities and Exchange Commission s rules and forms, and that such information is accumulated and is communicated to our management, including our Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our management concluded that, as of September 30, 2010, our disclosure controls and procedures were not effective.

In light of the material weaknesses described below, we performed additional analysis and other post-closing procedures to ensure that our financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations, changes in stockholders equity and cash flows for the periods presented.

(b)

Management s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of our principal executive officer and principal financial officer and implemented by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements in accordance with U.S. generally accepted accounting principles.

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

A material weakness is a control deficiency (within the meaning of Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 5) or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Hugh Aird, our Principal Executive and Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2010 based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework. Management s assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of September 30, 2010 due to the material weakness described below.

Material Weaknesses

1.

Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2010. In making this assessment, our management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control Integrated Framework. Based on this assessment, management concluded that, as of September 30, 2010, our internal control over financial reporting was not effective based on this framework.

Management evaluated the impact of ineffective control over financial reporting and concluded that the control deficiency represented a material weakness.

2.

In connection with the audit of our consolidated financial statements for the year ended September 30, 2010, our independent registered accounting firm, DeJoya Griffith & Company, LLC, reported to our Board of Directors that they observed inadequate review and approval of certain aspects of the accounting process that they considered to be a material weakness in internal control.

After a review of our current review and approval of certain aspects of the accounting process, management concluded that the inadequate review and approval process represented a material weakness.

Remediation of Material Weaknesses

To remediate the material weaknesses identified above, we have commenced the following subsequent to September 30, 2010, which correspond to the two material weaknesses identified above.

1.

In connection with the ineffective assessment of our internal control over financial reporting, management plans to hire additional resources to perform our internal audit and assist with SEC compliance for purposes of all future reporting.

Management believes this remediation will remediate the corresponding material weakness described in Item 1, immediately above.

2.

In connection with the reported inadequate review and approval of certain aspects of the accounting process, management has reiterated our current review and approval processes, to insure that all accounting reconciliations and journal entries are reviewed and approved on a timely basis.

Management believes this remediation has remediated the corresponding material weakness described in Item 2, immediately above.

(c)

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal controls or in other factors that occurred during our last fiscal year ended September 30, 2010 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B.

Other Information.

None.

PART III

Item 10.

Directors, Executive Officers and Corporate Governance.

Our executive officers and directors and their respective ages as of the date of this annual report are as follows:

Directors:

<u>Name of Director</u>

<u>Age</u>

Chris Hobbs

44

William C. Deluce

61

Executive Officers:

Name of Officer

Age

Office

Hugh Aird

57

Chairman of the Board

Chris Hobbs

44

Chief Financial Officer

Biographical information

Set forth below is a brief description of the background and business experience of our executive officer and directors for the past five years.

Chris Hobbs

Mr. Chris Hobbs has over 9 years experience in finance and investment banking. Since 2008, Mr. Hobbs has been a partner and co-founder Pine Point Capital Advisors Inc., a private firm specializing in capital and financial advisory services to Canadian companies. Appointed in March 2009, he is currently a director and president of Apheresis Health Sciences Inc., an early stage health sciences company. In 2007, Mr. Hobbs was an associate with Becher McMahon Capital Markets Inc., an Ontario Securities Commission Limited Market Dealer where he assisted equity financings for mining and oil and gas companies listed on the Toronto Stock Exchange and conducted merger and acquisition services for clients with a focus on the mining, oil and gas and technology sectors. From 2004 to 2008, Mr. Hobbs was the Chief Financial Officer of Veris Health Sciences, a company providing a revolutionary new treatment for Age Related Macular Degeneration. Mr. Hobbs assisted the management team in raising more than $20 million in equity and debt financing to fund significant growth. Mr. Hobbs is a member of the Chartered Accountants of Ontario and holds a Bachelor of Business Administration Degree from the Schulich School of Business at York University.

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William S. Deluce

Mr. Deluce is a former director, audit committee Chairman and human resource compensation committee Chairman of Canadian Tire Corporation, as well as a former Director of Canada 3000 Airlines. Mr. Deluce is currently president of Wicklow Consulting Inc., a diversified investment company with global interests in the aviation and mining sectors. Mr. Deluce was recently appointed to the Canadian Air Transport Security Authority (CATSA) Board of Directors for a term of three years.

Hugh Aird

Since 2004, Mr. Hugh Aird has been the Vice-Chairman, North America, Business Development for Edelman Public Relations. From 2002 to 2004 he was the President of DRIA Capital, a financial consulting firm; from 1998 to 2002 he was the Managing Director at Berenson, Mineralla LTD, a firm providing M&A advisory services; and from 1994 to 1998 he was Vice-Chairman of Merrill Lynch Canada. Since graduating from Harvard University, Mr. Aird has held numerous top level executive positions throughout the financial industry.

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.

Family Relationships

There are no family relationships among our directors or executive 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.

Significant Employees and Consultants

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

Conflicts of Interest

We do not have any written procedures in place to address conflicts of interest that may arise between our business and the future business activities of our Board of Directors.

Audit Committee Financial Expert

We do not have a financial expert serving on an audit committee as we do not have an audit committee because our board of directors has determined that as a start-up exploration company with no revenues it would be too expensive to have one.

Role and Responsibilities of the Board

The Board of Directors oversees the conduct and supervises the management of our business and affairs pursuant to the powers vested in it by and in accordance with the requirements of the *Revised Statutes of Nevada.* The Board of Directors holds regular meetings to consider particular issues or conduct specific reviews whenever deemed appropriate.

Our Board of Directors considers good corporate governance to be important to our effective operations. Our directors are elected at the annual meeting of the stockholders and serve until their successors are elected or appointed. Officers are appointed by the Board of Directors and serve at the discretion of the Board of Directors or until their earlier resignation or removal.

We do not currently have any arrangements or understandings pursuant to which a director or executive officer is selected to be a director or executive officer.

Code of Ethics

We have adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-K of the *Securities Exchange Act of 1934*. The Code of Ethics applies to directors and senior officers, such as the principal executive officer, principal financial officer, controller, and persons performing similar functions.

Item 11.

Executive Compensation.

Summary Compensation Table

The table below summarizes all compensation awarded to, earned by, or paid to our executive officers for all services rendered in all capacities to us for the period from our inception through the fiscal period ended September 30, 2010 and for the fiscal year ended September 30, 2009.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Consulting ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Change in Pension Value and Nonqualified Deferred Compensation ($)	All Other Compen-sation ($)	Total ($)
Hugh Aird (1) *Chairman, Former President and CEO*	2010	0	0	186,000	0	2,008,129	0	0	0	2,194,129
Chris Hobbs (2) *Chief Financial Officer*	2010	0	0	110,000	0	709,296	0	0	0	819,296
Patrick Reid (3) *Chairman of the Board and Director*	2010	0	0		0	631,601	0	0	0	0
Matthew Markin, (4) *Former President, CEO, CFO,*	2010	0	0		0	0	0	0	0	0
	2009	0	0		0	0	0	0	0	0
	2008	0	0		0	0	0	0	0	0

Secretary, Treasurer & Director									
Peter Sorel, [5]	2010	0	0	0	0	0	0	0	0
Former President and CEO and Director	2009	0	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0	0

(1)

Hugh Aird was appointed as President and CEO on November 4, 2009 and resigned as President and CEO on September 29, 2010. Mr. Aird was appointed as Chairman of the Board on September 27, 2010.

(2)

Mr. Hobbs was appointed as Chief Financial Officer on November 3, 2009.

(3)

Mr. Reid was appointed as Chairman on April 23, 2010 and resigned on September 23, 2010.

(4)

Mr. Markin was appointed as President, CEO, Secretary/Treasurer and a director on May 13, 2008 and resigned as of March 8, 2010.

(5)

Mr. Sorel resigned as President and CEO on May 13, 2008. Effective July 15, 2009, Mr. Sorel resigned as a director.

Outstanding Equity Awards at Fiscal Year End

We granted the following stock options during the year ended September 30, 2010:

Name	**Number of securities underlying unexercised options (#)**	**Number of securities underlying unexercised options (#)**	**Equity incentive plan awards; Number of**	**Option exercise price ($)**	**Option expiration date**	**Number of shares or units of stock that have**	**Market value of shares or units of stock**	**Equity incentive plan awards; Number**	**Equity incentive plan awards; Market**

	exercisable	unexercisable	Securities underlying unexercised unearned options (#)			not that have vested (#)	not vested ($)	unearned shares, units or other rights that have not vested (#)	for payout value of unearned shares, units or other rights that have not vested ($)
Hugh Aird	**50,000**	**0**	N/A	**$0.85**	**Aug. 12, 2014**	**0**	**N/A**	N/A	N/A
	750,000			**$0.85**	**Nov. 4, 2014**				
	325,000			**$0.85**	**Mar. 4, 2015**				
	175,000			**$0.85**	**Apr. 1, 2015**				
	750,000			**$0.925**	**May 17, 2015**				
Chris Hobbs	**500,000**	**0**	N/A	**$0.85**	**Dec. 29, 2014**	**0**	**N/A**	N/A	N/A
	150,000			**$0.85**	**Apr. 1, 2015**				
Patrick Reid	**350,000**	**0**	N/A	**$1.00**	**Apr. 23, 2015**	**0**	**N/A**	N/A	N/A
	400,000			**$0.925**	**May 17, 2015**				
Matthew Markin	**0**	**0**	N/A	**0**	**N/A**	**0**	**N/A**	N/A	N/A
Peter Sorel	**0**	**0**	N/A	**0**	**N/A**	**0**	**N/A**	N/A	N/A

Compensation of Directors

Directors of our company may be paid for their expenses incurred in attending each meeting of the directors. In addition to expenses, directors may be paid a sum for attending each meeting of the directors or may receive a stated salary as director. No payment precludes any director from serving our company in any other capacity and being compensated for such service. Members of special or standing committees may be allowed similar reimbursement and compensation for

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attending committee meetings. During the year ended September 30, 2010, we did not pay any compensation to our directors.

Employment contracts and termination of employment and change-in-control arrangements

There are no compensatory plans or arrangements with respect to our executive officers resulting from their resignation, retirement or other termination of employment or from a change of control.

Item 12.

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information regarding the beneficial ownership of our common stock, as of the date of this registration statement, by (i) each person (including any group) who is known by us to beneficially own more than 5% of any class of the voting securities of our company; (ii) each of our directors, and (iii) officers and directors as a group.

Each common share entitles the holder thereof to one vote in respect of any matters that may properly come before our stockholders. To the best of our knowledge, there exist no arrangements that could cause a change in voting control of our company. Unless otherwise indicated, the persons named below have sole voting and investment power with respect to all shares beneficially owned by them, subject to community property laws where applicable.

Title of Class	Name and Address Of Owner	Relationship to Company	Number of Shares	Percent Owned [(1)]
Common Stock	**Hugh Aird** 148A Balmoral Avenue Toronto, Ontario, Canada	Director and Chairman	200,000	0%
Common Stock	**Chris Hobbs** 129 Yorkville Avenue, Suite 400	Director and CFO	0	0%

	Toronto, Ontario, Canada			
Common Stock	**William S. Deluce** One Chestnut Park Road Terrace Suite Toronto, Ontario, Canada	Director	0	0%
Common Stock	**Matthew Markin** 1914 Cordova Road, Suite 116 Fort Lauderdale, FL 33316	5% Shareholder	4,000,000	7.4%
Common Stock	All directors and executive officers as a group (one individual)		0	0%

(1)

The percent ownership of class is based on 53,390,740 shares of common stock issued and outstanding as of the date of this report.

Under the rules of the Commission, a person (or group of persons) is deemed to be a "*beneficial owner*" of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security. A person is also deemed to be a beneficial owner of any security, which that person has the right to acquire within 60 days, such as options or warrants to purchase our common stock.

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Item 13.

Certain Relationships and Related Transactions, and Director Independence.

Transactions with related persons

Except as disclosed below, none of the following parties has, since our inception, 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:

any of our directors or executive officers;

any person proposed as a nominee for election as a director;

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;

any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of any of the foregoing persons; or

any person sharing the household of any director, executive officer, nominee for director or 5% shareholder of our company.

During the year September 30, 2010:

(a)

a total of $8,123 was advanced to a company owned by a senior officer for rent, office, and administrative expenses;

(b)

advances totalling $69,877 is payable to a director. The amount is unsecured, non interest bearing and is due on demand;

(c)

management fees of $6,000 and $12,000, respectively, were payable to a director; and

(d)

consulting and management fees totalling $404,748 and $186,000 have been paid to senior officers.

We also advanced $25,000 to a senior officer, which amount is repayable upon demand. This advance is in contravention of SOX 402 and we have since implemented strict internal controls to avoid a future occurrence. We expect the amount to be repaid by February 28, 2011.

As of September 30, 2010 and September 30, 2009, total due to related party is $69,877 and $63,877, respectively.

Item 14.

Principal Accounting Fees and Services.

Our principal accountants, De Joya Griffith & Company, LLC, rendered invoices to us during the fiscal periods indicated for the following fees and services:

	Fiscal year ended September 30, 2010	**Fiscal year ended September 30, 2009**
Audit Fees	$ 21,500	$ 9,500
Audit Related Fees	-	-
Tax Fees	-	-

All Other Fees	-	-

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Audit fees consist of fees related to professional services rendered in connection with the audit of our annual financial statements and the review of the financial statements included in each of our quarterly reports on Form 10-Q.

Our policy is to pre-approve all audit and permissible non-audit services performed by the independent accountants. These services may include audit services, audit-related services, tax services and other services. Under our audit committee s policy, pre-approval is generally provided for particular services or categories of services, including planned services, project based services and routine consultations. In addition, we may also pre-approve particular services on a case-by-case basis. We approved all services that our independent accountants provided to us in the past three fiscal years.

PART IV

Item 15.

Exhibits, Financial Statement Schedules.

(a)

Financial Statements

The following documents are filed under *Item 8. Financial Statements and Supplementary Data,* pages F-1 through F-22, and are included as part of this report:

Financial Statements for the fiscal year ended September 30, 2010

Report of Independent Registered Public Accounting Firm

Balance Sheets

Statements of Operations

Statement of Stockholders Equity (Deficit)

Statements of Cash Flows

Notes to Financial Statements

(b)

Exhibits

The exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 20 of this report, and are incorporated herein by this reference.

(c)

Financial Statement Schedules

We are not filing any financial statement schedules as part of this report as such schedules are either not applicable or the required information is included in the financial statements or notes thereto.

INDEX TO EXHIBITS

Number

Exhibit Description

3.1

Articles of Incorporation [1]

3.2

Bylaws [1]

31.1

Certificate of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002*

31.2

Certificate of principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002*

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32.1

Certificate of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*

32.2

Certificate of principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*

(1)

Filed as an exhibit to our registration statement on Form SB-2 dated March 22, 2006

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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.

AMERICAN LITHIUM MINERALS INC.

/s/ Hugh Aird
Hugh Aird
Chairman and CEO

January 7, 2011

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.

/s/ Hugh Aird
Hugh Aird

Chairman and CEO

/s/ Chris Hobbs
Chris Hobbs
CFO

January 7, 2011