

BLUE VISTA TECHNOLOGIES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

Date and Time: June 14, 2013
at 4:00 p.m. (Toronto time)

Place: Suite 1010
130 Adelaide Street West
Toronto, ON M5H 3P5

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the proposed change of business described in this management information circular.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of shareholders of Blue Vista Technologies Inc. (the “**Company**”) will be held at Suite 1010, 130 Adelaide Street West, Toronto, Ontario, on June 14, 2013 at 4:00 p.m. (Toronto time) (the “**Meeting**”) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial years ended December 31, 2012 and 2011, together with the report of the auditors thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint Collins Barrow Toronto LLP, Chartered Accountants as the auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year;
4. to consider and, if deemed advisable, to pass, with or without variation, a resolution approving a change of business of the Company from a “waste treatment and disposal company” to a “junior mining issuer”, as more particularly described in the accompanying management information circular of the Company (the “**Circular**”);
5. to consider and, if deemed advisable, pass, with or without variation, a resolution authorizing the Company to issue common shares of the Company to arm’s length and non-arm’s length creditors in settlement of indebtedness of the Company, as more particularly described in the Circular;
6. to consider and, if deemed advisable, pass, with or without variation, a resolution authorizing the Company to enter into private placement agreements with certain arm’s length and non arm’s-length subscribers, as more particularly described in the Circular;
7. to consider and, if deemed advisable, to pass, with or without variation, a resolution confirming the current Stock Option Plan of the Company for the ensuing year; and
8. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of annual and special meeting is the Circular and a form of proxy which should be read in conjunction with this notice of meeting.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the Circular accompanying this notice of annual and special meeting. A proxy will not be valid unless it is deposited at the office of Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, not later than 4:00 p.m. (Toronto time) on June 12, 2013, or if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays

and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairperson of the Meeting has the discretion to accept proxies received after that time. Registered shareholders may also vote their proxies via telephone or the internet in accordance with the instructions set forth on the proxy.

The board of directors of the Company unanimously recommends that shareholders vote IN FAVOUR of the matters set forth in this notice of annual and special meeting. In the absence of any instructions to the contrary, the common shares of the Company represented by proxies appointing the management designee(s) named in the accompanying form of proxy will be voted IN FAVOUR of the matters set forth in this notice of annual and special meeting.

DATED at Toronto, Ontario, this 16th day of May, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS
OF BLUE VISTA TECHNOLOGIES INC.**

“Judy Baker” (Signed)

Judy Baker, President & Chief Executive Officer

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

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GLOSSARY OF DEFINED TERMS

Unless otherwise indicated, or the context otherwise requires, when used in this Circular, the following terms shall have the meanings set forth below:

- (a) “**2060014**” means 2060014 Ontario Inc.;
- (b) “**Acquisition**” means the acquisition of the Hurdman Property by the Company pursuant to the Acquisition Agreement;
- (c) “**Acquisition Agreement**” means the purchase agreement dated August 22, 2011, between Eloro and the Company pursuant to which the Company agreed to purchase the Hurdman Property;
- (d) “**Affiliate**” shall have the meaning ascribed to that term in the policies of the Exchange;
- (e) “**ALS Minerals**” means ALS Chimitec;
- (f) “**Associate**” shall have the meaning ascribed to that term in the policies of the Exchange;
- (g) “**Baltic**” means Baltic Resources Inc.;
- (h) “**Blue Vista**” or the “**Company**” means Blue Vista Technologies Inc.;
- (i) “**Board**” means the board of directors of the Company;
- (j) “**Bourlamaque**” means Laboratoire D’Analyse Bourlamaque Ltée
- (k) “**Change of Business**” or “**COB**” means a transaction or series of transactions which will redirect an issuer’s resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the issuer’s market value, assets or operations, or which becomes the principal enterprise of the issuer;
- (l) “**Circular**” means this management information circular of the Company dated May 16, 2013;
- (m) “**Common Share**” means a common share in the capital of the Company;
- (n) “**Debt Settlement**” means the settlement of an aggregate of up to \$900,000 owing by the Company to arm’s length and non-arm’s length creditors through the issuance of up to 18,000,000 Common Shares;
- (o) “**Eloro**” means Eloro Resources Limited;
- (p) “**EM**” means electromagnetic survey;

- (q) “**Exchange**” means the TSX Venture Exchange Inc.;
- (r) “**Expert**” means Laboratoire Expert Inc.;
- (s) “**Final Exchange Bulletin**” means the bulletin issued by the Exchange following closing of the Proposed COB and the submission of all Post-Approval Documents which evidences the final Exchange acceptance of the Proposed COB;
- (t) “**Flow-Through Share**” means a Common Shares issued on a “flow-through” basis pursuant to Section 66(15) of the *Income Tax Act* (Canada);
- (u) “**Galico**” means Galico Resources Inc.;
- (v) “**HLEM**” means horizontal-loop electromagnetic survey;
- (w) “**HSZ**” means the Hurdman Sulfide Zone;
- (x) “**Hurdman Property**” means the property consisting of 13 contiguous mining claims, comprising 184 individual claim units and covering 2944 hectares in Hurdman Township (NTS 42 H/12);
- (y) “**Hurdman Report**” means the NI 43-101 compliant technical report dated October 7, 2011, prepared by McCutcheon Geo-Consulting and entitled “43-101 Technical Report on the Hurdman Zinc-Silver Deposit, Hurdman Township, Ontario (NTS 42 H/12)”;
- (z) “**IFRS**” means International Financial Reporting Standards;
- (aa) “**INCO**” means International Nickel Company of Canada;
- (bb) “**IP**” means induced polarization;
- (cc) “**Listing**” means the application for listing by the Company of its Common Shares on the Exchange;
- (dd) “**MAG**” means ground magnetic survey;
- (ee) “**Mattagami**” means Mattagami Lake Exploration Inc.;
- (ff) “**Meeting**” means the annual and special meeting of the shareholders of the Company to be held on June 14, 2013 at 4:00 p.m. (Toronto time);
- (gg) “**Meeting Materials**” means the Notice of Meeting, this Circular and the Proxy;
- (hh) “**Mining Act**” means the *Mining Act* (Ontario), R.S.O. 1990, Chapter M. 14;

- (ii) “**MNDM**” means the Ministry of Northern Development and Mining;
- (jj) “**MRB**” means MRB and Associates;
- (kk) “**NI 43-101**” means National Instrument 43-101;
- (ll) “**Non-Registered Holder**” means holders of beneficial interests in Common Shares whose names do not appear in the Company’s register of shareholders;
- (mm) “**Noront**” means Noront Resources Ltd.;
- (nn) “**Notice of Meeting**” means the notice of meeting accompanying this Circular;
- (oo) “**OBCA**” means the *Business Corporations Act* (Ontario), R.S.O. 1990, Chapter B. 16;
- (pp) “**Person**” means a company or an individual;
- (qq) “**Post-Approval Documents**” means the documents prescribed as such in Policy 5.2 – Changes of Business and Reverse Takeovers of the Exchange;
- (rr) “**Private Placement**” means the proposed sale and issuance by the Company of an aggregate of 10,000,000 units at a price of \$0.10 per Unit, for total gross proceeds of \$1,000,000, each Unit comprised of one Common Share, one “Flow-Through” share and one Common Share purchase warrant, each Common Share purchase warrant entitling the holder to acquire a Common Share for a period of 12 months from the date of issuance at an exercise price of \$0.10 per Common Share;
- (ss) “**Proposed COB**” means the proposed Change of Business of the Company from a “waste treatment and disposal company” to a “junior mining issuer”, as more particularly described in this Circular;
- (tt) “**Proxy**” means the form of proxy accompanying this Circular;
- (uu) “**Record Date**” means May 13, 2013, being the date set for determining which shareholders of the Company are entitled to receive notice of and vote at the Meeting;
- (vv) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;
- (ww) “**Shareholder**” means holders of Common Shares;
- (xx) “**Swastika**” means Swastika Laboratories Ltd.;
- (yy) “**Stock Option Plan**” means the stock option plan of the Company dated March 19, 2010;
- (zz) “**TSX**” means the Toronto Stock Exchange;

- (aaa) “**Unit**” means a Unit to be issued pursuant to the Private Placement, each Unit comprised of one Common Share, one Flow-Through Share and one Warrant;
- (bbb) “**VTEM**” means versatile time domain electromagnetic; and
- (ccc) “**Warrant**” means a Warrant comprising as part of the Units to be issued pursuant to the Private Placement, each Warrant entitling the holder to acquire a Common Shares for a period of 12 months from the date of issuance at an exercise price of \$0.10 per Common Share.

FORWARD-LOOKING INFORMATION

This Circular contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “believes”, “anticipates” or “does not anticipate”, or variations of such words and phrases or states that certain actions, events, or results “may”, “could”, “would”, “might”, “will be taken”, “occur”, or “be achieved”. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Examples of such forward-looking information within this Circular include statements relating to the Company’s business strategy, the Company’s results of operations and performance and the Company’s business prospects and opportunities. In addition, this Circular contains forward-looking information concerning the anticipated completion of the proposed COB and the Listing of the Common Shares for trading on the Exchange. Such events could be delayed if the Company is unable to obtain the necessary Exchange, Shareholder or any other approvals required for completion of the proposed COB or the Listing. The proposed COB and the Listing will not be completed if these approvals are not obtained or if other Exchange or regulatory authority requirements are not met. Accordingly, there is a risk that the proposed COB and the Listing will not be completed within the anticipated time or at all.

Forward-looking statements reflect the current views of the Company with respect to expectations, beliefs, assumptions, estimates and forecasts about its business and the industry and markets in which it operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying the Company’s expectations regarding forward-looking statements or information contained in this Circular include, among others: the general stability of the economic and political environments within which the Company conducts and will conduct operations; the timely receipt of any required Exchange and regulatory approvals; the ability of the Company to obtain financing on acceptable terms; and that interest and foreign exchange rates will not vary materially from current levels. The foregoing list of assumptions is not exhaustive.

Persons reading this Circular are cautioned that forward-looking statements or information are only predictions, and that the Company’s actual future results or performance are subject to certain risks and uncertainties including, but not limited to: the inability of the Company to obtain the necessary Exchange, shareholder or any other approvals required for completion of the proposed COB within the anticipated time or at all; general economic, market and business conditions in Canada and the jurisdictions where the Company may operate; the Company’s

ability to raise capital on acceptable terms; incorrect assessments of the value of acquisitions; fluctuations in foreign exchange or interest rates and stock market volatility; damage to the Company's reputation; the ability of the Company to implement its business plan; competition for, among other things, capital and skilled personnel; protection of intellectual property; the dependence on key personnel; the Company's competitive position in the industries in which it does and anticipates to do business; actions taken by governmental authorities; the ability to efficiently and effectively manage growth; and other factors referenced under the heading "Risk Factors" herein.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this Circular or, in the case of any documents incorporated by reference herein, as of the date of such documents, and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as may be required by applicable law. The Company does not provide any assurances that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

SUMMARY

The following is a summary of information relating to the Company, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.

This Circular also deals with the election of directors, and the confirmation of the Stock Option Plan, which matters are not summarized in this summary. Certain capitalized words and terms used in this summary are defined in the Glossary above. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Circular and the schedules attached hereto.

The Meeting:

The Meeting will be held at Suite 1010, 130 Adelaide Street West, Toronto, Ontario, on June 14, 2013, at 4:00 p.m. (Toronto time).

The Record Date for determining the Company's shareholders eligible to receive notice of and to vote at the Meeting is 5:00 p.m. (Toronto time) on May 13, 2013.

Purpose of Meeting:

At the Meeting, Shareholders will be asked, in addition to voting on the election of directors, the appointment and remuneration of an auditor and the confirmation of the Stock Option Plan, to consider and, if thought fit, to pass, with or without variation, a resolution, approving the proposed COB of the Company from a "waste treatment and disposal company" to a "junior mining issuer".

The Common Shares are listed on the NEX board on the Exchange in the "Industrial/(General)" category as a "waste treatment and disposal company". In November 2009, a halt-trade order was issued against the Company for failure to complete a contemplated reverse-takeover transaction under Exchange Listings Policy 5.2. The halt-trade order remains in effect while the Company is in the process of becoming a junior mining issuer.

After considering various options, the Board determined after a thorough evaluation and a review of strategic options for the Company, the Company determined to refocus its business operations from a "waste treatment and disposal company" to a "junior mining issuer". The Board believes that the proposed COB will allow the Company to leverage its principal assets, being its available cash and interest in the Hurdman Property. Upon completion of the proposed COB, the Company will cease active pursuit of the waste treatment and disposal

business, and the Company's primary focus will be to explore and develop its interest in the Hurdman Property, as more particularly described herein.

Information Concerning the Company after the Proposed COB:

Following completion of the proposed COB, the Company's primary focus will be to continue to raise funds explore the Hurdman Property for zinc-silver deposits.

Shareholder Approval:

The resolution approving the proposed COB must be approved by the affirmative vote of a majority of the votes cast at the Meeting in respect thereof.

Recommendation of the Board of Directors:

The Board, after considering all factors it considered relevant, has unanimously determined that the proposed COB is in the best interests of the Company and its Shareholders and authorized the submission of the proposed COB to Shareholders for approval at the Meeting. **The Board unanimously recommends that the Company's Shareholders vote IN FAVOUR of the proposed COB.**

Regulatory Approvals:

The proposed COB will constitute a Change of Business under the policies of the Exchange and will be conditional upon, among other things, the Company obtaining Exchange approval.

Private Placement:

In connection with the proposed COB, the Company is proposing to complete a private placement (the "**Private Placement**") for gross proceeds of \$1,000,000, through the issuance of 10,000,000 Units, each Unit comprised of one Common Share, one Flow-Through Share and one Common Share purchase warrant, each Common Share purchase warrant entitling the holder to acquire a Common Share for a period of 12 months from the date of issuance at an exercise price of \$0.10 per Common Share.

Debt Settlement:

In connection with the proposed COB, the Company is proposing to complete a debt settlement (the "**Debt Settlement**") of up to \$900,000 of indebtedness of the Company owing to arm's length and non-arm's length creditors through the issuance of an aggregate of up to 18,000,000 Common Shares.

Available Funds:

As at April 30, 2013, the Company had a working capital deficit of \$884,572.

In order to eliminate the working capital deficit the Company is proposing to complete the Debt Settlement and the Private Placement.

The total funds available to the Company as at April 30, 2013 (assuming completion of the Private Placement and the Debt Settlement) are \$1,015,428. The Company intends to spend the available funds as follows over the twelve (12) months from April 30, 2013:

Principal Purpose	Amount
Phase I Hurdman Property Exploration Program	\$452,583
General and Administrative Expenses for 12 months	\$240,000
Estimated costs related to completing the Private Placement, Debt Settlement and COB	\$100,000
Payment pursuant to the Acquisition Agreement	\$40,000
Unallocated Working Capital	<u>\$182,845</u>
Total	<u>\$1,015,428</u>

Summary of Financial Information:

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and notes thereto, and should be read in conjunction with the financial statement and related notes.

Statement of Operations Data	Year ended December 31, 2011 (\$ (audited))	Year ended December 31, 2012 (\$ (audited))
Interest Income	10	3
Total Expenses	378,010	287,191
Net Income / (Loss)	(450,750)	(214,438)
Net Income / (Loss) per Share – Basic	(0.019)	(0.009)
Balance Sheet Data		
Total Assets	558,147	258,429
Total Liabilities	1,175,906	1,090,626
Shareholders' Equity	(617,759)	(832,197)

Risk Factors:

The risk factors associated with the Company are discussed in detail below under “Risk Factors”. These include, among others:

- Exchange may not approve the Proposed COB;
- Fluctuating Gold Prices;
- Financial Capability and Additional Financing;
- Limited Operating History;
- Mining Exploration and Development;
- Resource Estimates;
- No History of Earnings or Dividends;
- Limited Property Portfolio;
- Aboriginal Title and Rights Claims;
- Third Party Claims on the Hurdman Property;
- Infrastructure;
- Insurance and Uninsurable Risks;
- Environmental and Safety Regulations and Risks;
- Competitive Conditions;
- Management;
- Conflict of Interest;
- Tax Issues;
- Permits and Government Regulation;
- Absence of Public Trading Market for the Common Shares;
- Lack of Dividends;
- Dependence on Key Employees;
- Potential Dilution; and
- Environmental Liabilities.

MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation of the Company of proxies to be used at the Meeting to be held at Suite 1010, 130 Adelaide Street West, Toronto, Ontario, on June 14, 2013, at 4:00 p.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the enclosed Notice of Meeting. Except where otherwise indicated, the information contained herein is stated as of May 16, 2013.

The cost of solicitation will be borne by the Company and will be made primarily by mail. Directors and officers of the Company may without special compensation solicit proxies by telephone, fax and e-mail or in person.

RECORD DATE

The Board has set the close of business on May 13, 2013 as the Record Date for determining which Shareholders shall be entitled to receive notice of and to vote at the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of and to vote at the Meeting. Holders of the Common Shares who acquire such Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting or any adjournment(s) or postponement(s) thereof.

APPOINTMENT OF PROXYHOLDERS

Any Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the enclosed form of proxy to attend and to vote and act for and on behalf of such person at the Meeting. In order to do so the Shareholder may insert the name of such person in the blank space provided in the form of proxy, or may use another appropriate form of proxy. All proxies must be deposited with the Company's registrar and transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, not later than 4:00 p.m. (Toronto time) on June 12, 2013, or if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof. The Company may refuse to recognize any instrument of proxy received after such time.

VOTING OF PROXIES

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before

the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Company.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered shareholders” because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Common Shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) (an “**Intermediary**”); or (b) in the name of a depository (such as The Canadian Depository for Securities Limited) of which an Intermediary is a participant. In accordance with the requirements of applicable securities laws, the Company has distributed copies of the Meeting Materials to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the offices of the Company; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the name of the management proxyholder and insert the Non-Registered Holder’s name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully

follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing and deposited either at the registered office of the Company or at the offices of Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof

VOTING SHARES AND PRINCIPAL SHAREHOLDERS OF THE COMPANY

The Record Date for determining Shareholders entitled to attend and vote at the Meeting is May 13, 2013. As at the date of this Circular, 23,615,576 Common Shares are issued and outstanding. Each Common Share entitles the holder thereof to vote on all matters to be acted upon at the Meeting.

To the knowledge of the directors and officers of the Company, there is no person or Company beneficially owning, directly or indirectly, or exercising control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Company.

INTEREST OF MANAGEMENT IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no person who has been director or an executive officer of the Company at any time since the beginning of the Company's last fiscal year, or any proposed nominee for election as a director of the Company, or any associate or affiliate of such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director has any material interest, direct or indirect, in any transaction since the beginning of the most recently completed financial year of the Company or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Audited Financial Statements

The audited financial statements of the Company for the fiscal years ended December 31, 2012 and 2011 and the reports of the auditors thereon which accompany this Circular, will be submitted to the Meeting. Receipt at the Meeting of the auditor's report and the Company's audited financial statement for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

Election of Directors

The Company's articles of amalgamation provide that the Board consist of a minimum of one (1) and a maximum of fifteen (15) directors. The Board consists of five (5) directors to be elected annually. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof. The term of office of each director will be from the date of the meeting at which he is elected until the next annual meeting, or until his successor is elected or appointed.

Name and Municipality of Residence	Principal Occupation	Director Since	Position with the Company	Number of Common Shares Beneficially Owned ⁽¹⁾
Judy Baker ⁽²⁾⁽³⁾ Toronto, Ontario	Business Executive	Proposed	Director and President	1,080,000
Alex Falconer ⁽²⁾⁽³⁾ Burlington, Ontario	Business Executive	May 5, 1996	Director and Chief Financial Officer	1,529,177 ⁽⁴⁾
Christopher Irwin ⁽²⁾⁽³⁾ Toronto, Ontario	Partner, Irwin Lowy LLP, a Limited Liability partnership providing legal services	January 27, 2002	Director and Secretary	139,334
Fredrick William (Bill) Nielsen	Geologist	Proposed	Nominee	Nil
George Langdon	President and Chief Executive Officer of Shoal Point Energy Ltd. since October 2010; Director of Gulf Shores Resources Ltd. since June 2003; Director of Monarch Energy Ltd. since May 2007.	Proposed	Nominee	Nil

Notes:

- (1) *The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- (2) *Member of the Audit Committee.*
- (3) *Member of the Compensation Committee.*
- (4) *1,254,836 Common Shares are held directly, 2,400 Common Shares are held by the Falconer Family Trust, and 271,941 Common Shares are held by Falyne Investments Inc.*

Biographical information for the proposed directors and officers of the Company is summarized below.

Judy Baker, President and Director, Age 45. Ms. Baker is the President and a director of the Company and will devote approximately 50% of her time towards the Company. Ms. Baker also sits on the Company's Audit Committee.

Judy Baker is the President and CEO of Superior Copper Corporation and Blue Vista Technologies Inc. Ms. Baker was instrumental in restructuring Superior Copper to be a copper exploration company by raising capital of \$2.7 M for exploration at the Batchawana Copper Project (includes the past-producing Coppercorp Mine) in Ontario and the Rivière Doré Project in Quebec. Recently, Ms. Baker was a consultant for American Lithium Minerals and was responsible for acquiring the large Borate Hills boron lithium project in Nevada and having Japan Oil (JOGMEC) invest \$4 M to advance the project through the pre-feasibility stage. From September 2007 to June 2009, Ms. Baker was the President, CEO, a director and the founder of Canada Lithium Corp., formerly Black Pearl Minerals Consolidated. Ms. Baker was instrumental in restructuring the company debt and strategically positioning the company in lithium business; including acquiring the Quebec Lithium project and initiating lithium exploration in the Great Basin of the United States. Ms. Baker has 20 years of experience in the mining and mineral exploration sector including equity analysis, fund management, and exploration and mining company activity. Ms. Baker also serves on the board of directors of Nemaska Lithium and Superior Copper. Ms. Baker holds an Honours B.Sc. Geological Engineering in Mineral Resources Exploration from Queen's University (1990) and an M.B.A. from the University of Western Ontario Business School (1995).

Ms. Baker has not entered into a non-disclosure or a non-competition agreement with the Corporation.

Alex Falconer, Director, Age 52. Mr. Falconer is a director of the Company and will devote approximately 10% of his time towards the Company. Mr. Falconer also sits on the Company's Audit Committee and Compensation Committee.

Mr. Falconer obtained his Bachelor of Commerce (Hons.) from Laurentian University in 1982. After graduation, Mr. Falconer worked in Toronto for Smith, Nixon & Co., Ernst & Young, and Hyde Houghton and obtained his Chartered Accountant designation in 1990, prior to starting his own business providing consulting services for public and private corporations. Mr. Falconer is President in Falconer & Associates Inc., a Canadian company providing accounting and financial outsourcing services. Mr. Falconer also acts as Chief Financial Officer to VG Gold Corp., a junior Canadian exploration company which is listed and trades on the TSE under the symbol "VG", Mustang Minerals Corp., a junior Canadian exploration company which is listed and trades on the TSX Venture under the symbol "MUM" and Mr. Falconer also serves as a director

of Seagreen Capital Corp., a junior Canadian exploration company which is listed and trades on the TSX Venture Exchange under the symbol “SGS”, since November 30, 2004.

Mr. Falconer has not entered into a non-disclosure or a non-competition agreement with the Corporation.

Chris Irwin, Director, Age 44. Mr. Irwin is a director of the Company and will devote approximately 10% of his time towards the Company. Mr. Irwin also sits on the Company’s Audit Committee and Compensation Committee.

Mr. Irwin is a partner with Irwin Lowy LLP, a law firm, and has held this position since January 2010. Prior to such time, he was President of Irwin Professional Corporation, a law firm, and held this position since 2006. Mr. Irwin has provided legal services primarily to natural resource issuers since his call to the bar in 1996, and he serves as a director and/or officer of several public companies. He holds a Masters of Laws (Osgoode), a Bachelor of Laws (University of New Brunswick) and a Bachelor of Arts (Bishop’s University).

Mr. Irwin has not entered into a non-disclosure or a non-competition agreement with the Corporation.

Frederick William (Bill) Nielsen, Director, Age 62. Mr. Nielsen is an accredited geologist with over 30 years of worldwide mineral exploration and development experience. Since 2008, Mr. Nielsen has been working as a senior industry consultant to mining exploration companies working with a variety of commodities in various countries and geological environments. From 2003 to 2008, Mr. Nielsen was the V.P. Exploration of Nevsun Resources Ltd. Mr. Nielsen received a BAsC in 1973 from the University of Western Ontario and is a member of the Association of Professional Engineers and Geoscientists, Manitoba, Canadian Institute of Mining, Geological Association of Canada and Association of Applied Geochemists.

Mr. Nielsen has not entered into a non-disclosure or a non-competition agreement with the Corporation.

George Langdon, Director, Age 55. Dr. Langdon is President and Chief Executive Officer of Shoal Point Energy Ltd. Dr. Langdon joined the petroleum industry as a geologist in 1980, and worked domestically and internationally until 1987 with Hudson's Bay Oil and Gas, Saudi Aramco, and Mobil Oil Canada Ltd. In the 1990's he consulted for and joined management teams of several junior oil and gas companies, and presently is a Director of Gulf Shores Resources Ltd., and is President and a Director of Monarch Energy Ltd. He is also a former Director of Contact Exploration Inc. He has been involved in west Newfoundland petroleum prospect geology since his early education at Memorial University of Newfoundland, where in 1996 he took a doctorate in seismic-based basin analysis of the western Newfoundland and adjacent Maritimes Basin areas. He is President of the Corporation and was President of Shoal Point since co-founding the company in December 2006.

Dr. Langdon has not entered into a non-disclosure or a non-competition agreement with the Corporation.

Proxies received in favour of management will be voted for the election of the above-named nominees, unless the shareholder has specified in the proxy that his or her Common Shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect of the election of directors.

As at the date of this Circular, the current directors and senior officers of the Company as a group, directly or indirectly, beneficially own or exercise control or director over 2,748,511 Common Shares, representing approximately 11.6% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than set out below, to the knowledge of the Company, no proposed management nominee for election as a director of the Company is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company (including the Company) that: (a) was the subject of an order (as defined in Form 51-102F5 under National Instrument 51-102 – “Continuous Disclosure Obligations”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Mr. Irwin was formerly a Director and Secretary of Straight Forward Marketing Corporation, which was subject to: (i) a management cease trade order resulting from a failure to file financial statements (the cease trade was ordered on October 2004 and remained in effect until February 2005); (ii) a management cease trade order resulting from a failure to file financial statements. The cease trade was ordered on November 2, 2005 and has not been rescinded as of the date hereof. In addition, Mr. Irwin is a director, President and Secretary of Brighter Minds Media Inc., which is subject to a cease trade order dated May 8, 2009 as extended on May 20, 2009, resulting from a failure to file financial statements.

To the knowledge of the Company, no proposed director of the Company: (a) is, or within 10 years before the date hereof has been a director or executive officer of a corporation that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the 10 years before the date hereof, become bankrupt, made a proposal under any

legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Falconer was a (director/officer) of Shoal Point Energy Ltd., a private Company, when, on September 30, 2009, the Company filed a notice to make a proposal for the benefit of its creditors under the Bankruptcy and Insolvency Act (Canada), for which proposal more than 90% of the creditors of the company voted in favor. On or about November 17, 2009, the Company's proposal was approved by the Court of Queen's Bench of Alberta, in the Judicial District of Calgary, and was subsequently effected by the company.

To the knowledge of the Company, No proposed director of the Company has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for the proposed director.

Conflicts of Interest

There are no known existing or potential conflicts of interest among the Company and the directors and officers of the Company as a result of their outside business interests except that certain of the directors and officers serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director and officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company have been advised of the existence of laws governing accountability of directors and officers regarding corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the OBCA, and they are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Other Reporting Issuer Experience

The following table sets out the proposed directors and officers of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Judy Baker	Superior Copper Corporation	TSXV	President, CEO and Director	June 2011	Present
	Nemaska Exploration Inc.	TSXV	Director	November 2009	Present
	Abcourt Mines Inc.	TSXV	Director	December 2009	December 2011
	God's Lake Resources	TSXV	President, CEO & Director	March 2010	November 2010
	Canada Lithium Corp.	TSX	Director	September 2007	June 2009
	Absolut Resources Corp.	TSXV	Director	June 2006	April 2008
	Nevsun Resources Ltd.	TSXV	VP Business Development & Investor Relations	May 2005	May 2007
Alex Falconer	Sea Green Capital Corp.	TSXV	Director	November 2004	Present
	Rainbow Resources Inc.	TSXV	Officer	December 2010	Present
	Lakeland Resources Inc.	TSXV	Director/Officer	September 2011	Present
	Hywy.com Inc.	TSXV	CFO	February 2001	March 2002
	Hy Lake Gold Inc.	CNSX	CFO	January 2006	January 2006
	Mines D'or et De Cuivre Newbaska Ltee.	CUB	Director/CFO	January 2007	October 2008
	Petroworth Resources Inc.	CNSX	Director	February 2006	April 2007
	Mustang Minerals Corp.	TSXV	CFO	March 2007	July 2011
	VG Gold Corp.	TSE	CFO	January 2006	December 2010
	McLaren Resources Inc.	CNSX	CFO	March 2009	March 2010
Chris Irwin	Airesurf Networks Holdings Inc.	CUB	Director	June 2011	Present
	Auriga Gold Corp.	TSXV	Director	January 2009	Present
	Canada Lithium Corp.	TSX	Secretary	November 1999	Present
	Hornby Bay Minerals Exploration Ltd.	TSXV	Director	February 2010	Present
	Laramide Resources Ltd.	TSX	Secretary	June 2007	Present
	Roscan Minerals Corporation	TSXV	President, Secretary & Director	April 2007	Present
	Seafield Resources Ltd.	TSXV	Director	June 2002	June 2011
	Trelawney Mining and Exploration Inc.	Ceased Reporting	Director	September 2005	June 2012

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Ursa Major Minerals Incorporated	TSX	Secretary	July 2004	July 2012
	Mag Copper Limited	CNSX	Director	September 2011	Present
			President & CEO	October 2012	Present
	Kinbauri Gold Corp.	Ceased Reporting	Secretary	April 2004	August 2009
	Lithium One Inc.	TSXV	Director	April 2007	July 2009
	Lydian International Limited	TSX	Director	May 2009	May 2009
	Brighter Minds Media Inc.	CUB	President & Director	March 2009	Present
	Pancontinental Uranium Corporation	TSXV	Secretary	December 2008	Present
	Candax Energy Inc.	TSX	Director	March 2009	June 2012
	Treasury Metals Inc.	TSX	Secretary	October 2010	June 2011
	Evrin Resources Corp.	TSXV	Secretary & Director	September 2008	April 2009
Frederick Nielsen	Crocodile Gold Corp.	TSX	VP Exploration	March 2011	Present
	Red Pine Exploration Inc.	TSX	Director	April 2004	December 2009
	Energizer Resources Inc.	NASDAQ	Director	January 2004	December 2009
	Nevsun Resources Ltd.	TSX	VP Exploration	March 2003	December 2008
	Golden Goose Resources Inc.	TSX	Director	January 1998	January 2005
	Honey Badger Exploration Inc.	TSX	Director	January 2006	May 2005
George Langdon	Shoal Point Energy Ltd.	CNSX	President & CEO	October 2010	Present
	Gulf Shores Resources Ltd.	TSXV	Director	July 2000	Present
	Monarch Energy Ltd.	TSXV	Director	April 2007	Present
	Contact Exploration Inc.	TSXV	Director	July 2001	May 2010

Appointment and Remuneration of Auditors

Management of the Company will recommend at the Meeting that Shareholders appoint Collins Barrow Toronto LLP, Chartered Accountants as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. A simple majority of votes cast at the Meeting is required to appoint Collins Barrow Toronto LLP, Chartered Accountants as auditors of the Company.

Unless the Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the confirmation appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Collins Barrow Toronto LLP, Chartered Accountants as the auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

Rich Rotstein, LLP were appointed auditors of the Company on December 30, 2010. Rich Rotstein, LLP merged its practice with Collins Barrow Toronto LLP, Chartered Accountants on December 19, 2012.

Proposed Change of Business

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, a resolution approving the Proposed COB of the Company from a “waste treatment and disposal company” to a “junior mining issuer”. Pursuant to Exchange Policy 5.2 - Changes of Business and Reverse Takeovers, the Proposed COB must be approved by a majority of the votes cast by the Shareholders at the Meeting and must receive the approval of the Exchange. The following discussion considers the current business of the Company and outlines the proposed business of the Company assuming completion of the Proposed COB.

Current Business of the Company

The Company is a corporation formed by the amalgamation of Midrim Mining Company Limited and Plasma Environmental Technologies Inc., a private Ontario corporation, pursuant to the OBCA effective as of May 31, 1996. By articles of amendment effective August 1, 1997. The Common Shares were consolidated on a 1 for 5 basis. By articles of amendment certified effective May 29, 2000, the authorized and issued Common Shares were consolidated on a 1 for 10 basis.

The principal business of the Company is waste treatment and disposal. From its formation in 1996 until 2010, the Company’s focus was the development of two plasma-based technologies for destroying waste: the plasma-assisted gasifier; and the plasma arc conversion.

Background to the Proposed Change of Business

In February 2010, the Company decided to cease the development of its technologies and entered into an agreement with Ska International Ltd., a corporation involved in a call-centre joint

venture. The proposed transaction was terminated in December 2010 and the Company announced its intention to complete a financing and complete a restructuring.

At the Company's annual and special meeting of Shareholders held on December 31, 2010, the Shareholders approved the restructuring authorizing the Company to: (i) to change the name of the Company to such other name as the directors of the Company may determine and may be acceptable to applicable regulatory authorities; (ii) increase the authorized capital of the Company by creating an unlimited number of special shares, issuable in series; (iii) converting each 100 issued and outstanding Class A preference shares and each 100 issued outstanding Class B preference shares (collectively referred to herein as the ("**Preference Shares**") into one Common Share; (iv) cancelling the unissued Preference Shares and deleting the rights, privileges and restrictions attached to such shares; (v) providing that a holder of shares of a class or series of the Company are not entitled to vote separately as a class or series and shall not be entitled to dissent in respect of certain proposals to amend the articles of the Company; (vi) consolidating each of the issued and outstanding Common Shares by changing four (4) Common Shares, or such lesser amount as the directors of the Company may determine, into one (1) Common Share (1:4); and (v) complete the Debt Settlement.

On December 31, 2010, the Company completed the first tranche of a private placement of 7,000,000 flow-through units at a price of \$0.10 per unit, and 3,800,000 units at a price of \$0.05 per unit, for gross proceeds of \$890,000.

On January 5, 2011, the Company completed the second tranche of the private placement, issuing 200,000 units at a price of \$0.05 per unit for proceeds of \$10,000. Total gross proceeds for the private placement were \$900,000.

In August 2011, McCutcheon Geo-Consulting was retained by MRB & Associates, a Val-d'Or (Quebec) based mineral consulting group, to review technical data on the Hurdman Property for the Company as part of the Company's due diligence investigation of the Hurdman Property.

On September 8, 2011, the Company entered into an arm's length Acquisition Agreement with Eloro providing for the purchase by the Company of the Hurdman Property for consideration of 5,000,000 Common Shares and a cash payment of \$40,000.

In October 2011, McCutcheon Geo-Consulting at the request of the Company, prepared the Hurdman Report in compliance with disclosure and reporting requirements for mineral projects set forth in NI 43-101.

Proposed Business of the Company

Upon completion of the Proposed COB, which remains subject to approval by the Shareholders and the Exchange, the Company intends to change its business from a "waste treatment and disposal company" to a "junior mining issuer". The Company intends to cease active pursuit of its waste treatment and disposal business and instead principally focus on exploring and developing the Hurdman Property.

Trends

Upon completion of the Proposed COB, the Company's main focus is on the exploration and development of the Hurdman Property, as described under the heading "Hurdman Property". The Company may continue to negotiate and acquire additional mineral properties which may be located in Canada or elsewhere. Also, depending upon the Company's ability to continue to obtain necessary funding to conduct exploration and development activities on its mineral properties and upon the results from its exploration activities, it may consider "optioning", disposing or abandoning any or a portion of these properties. The financing, exploration and development of any properties the Company proposes to acquire will be subject to a number of factors including the price of gold or other minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. See "Risk Factors" for risk factors affecting the Company.

Business Objectives

Upon completion of the Proposed COB, the Company's principal business is the acquisition, exploration and development of mineral properties. The Company intends to use its Available Funds to carry out planned exploration on the Hurdman Property and for working capital purposes. See "Available Funds".

Milestones

Upon the completion of the Proposed COB, the Company plans to carry out exploration work on the Hurdman Property, as recommended in the Hurdman Report. See "Hurdman Property – Current and Contemplated Exploration" for details of the next phase of exploration work. On an ongoing basis, the Company will review and evaluate new opportunities to acquire other mineral properties.

Recommendation and Approval

THE BOARD, AFTER CAREFUL CONSIDERATION OF A NUMBER OF FACTORS, HAS DETERMINED UNANIMOUSLY THAT THE PROPOSED COB IS IN THE BEST INTEREST OF THE COMPANY AND ITS SHAREHOLDERS. THE BOARD HAS UNANIMOUSLY DETERMINED TO RECOMMEND TO SHAREHOLDERS THAT THEY VOTE IN FAVOUR OF THE PROPOSED COB.

The policies of the Exchange require the Company to obtain Shareholder approval of the Proposed COB by way of a resolution passed by the majority of the votes cast at the Meeting as a condition of Exchange acceptance of the Proposed COB.

HURDMAN PROPERTY

The Hurdman Report was prepared for the Corporation by McCutcheon Geo – Consulting by S.R. McCutcheon, PhD, PGeo. Mr. McCutcheon is an independent qualified person as defined in NI 43-101. The following summary has been prepared with the consent of Mr. McCutcheon and, where applicable, consists of direct extracts of the disclosure contained in the Hurdman Report. Explanations for some of the technical terms used in the following description of the Hurdman Property can be found in the “Glossary”.

The Hurdman Report has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on SEDAR.

Property Description and Location

The Hurdman Property is located on Crown land in the central part of Hurdman Township (NTS 42H/12), approximately 120 km north of the city of Timmins, in the Porcupine Mining District, Northeastern Ontario (**Figure 2.1**). It consists of 13 contiguous mining claims covering 2944 hectares, or 29.44 km² with a roughly rectangular outline (**Figure 4.1**). The claims comprising Hurdman Property are listed in the following table along with their current disposition.

Property Description and Location

The Hurdman Property is located on Crown land in the central part of Hurdman Township (NTS 42H/12), approximately 120 km north of the city of Timmins, in the Porcupine Mining District, Northeastern Ontario (**Figure 2.1**). It consists of 13 contiguous mining claims covering 2944 hectares, or 29.44 km² with a roughly rectangular outline (**Figure 4.1**). The claims comprising Hurdman Property are listed in the following table along with their current disposition.

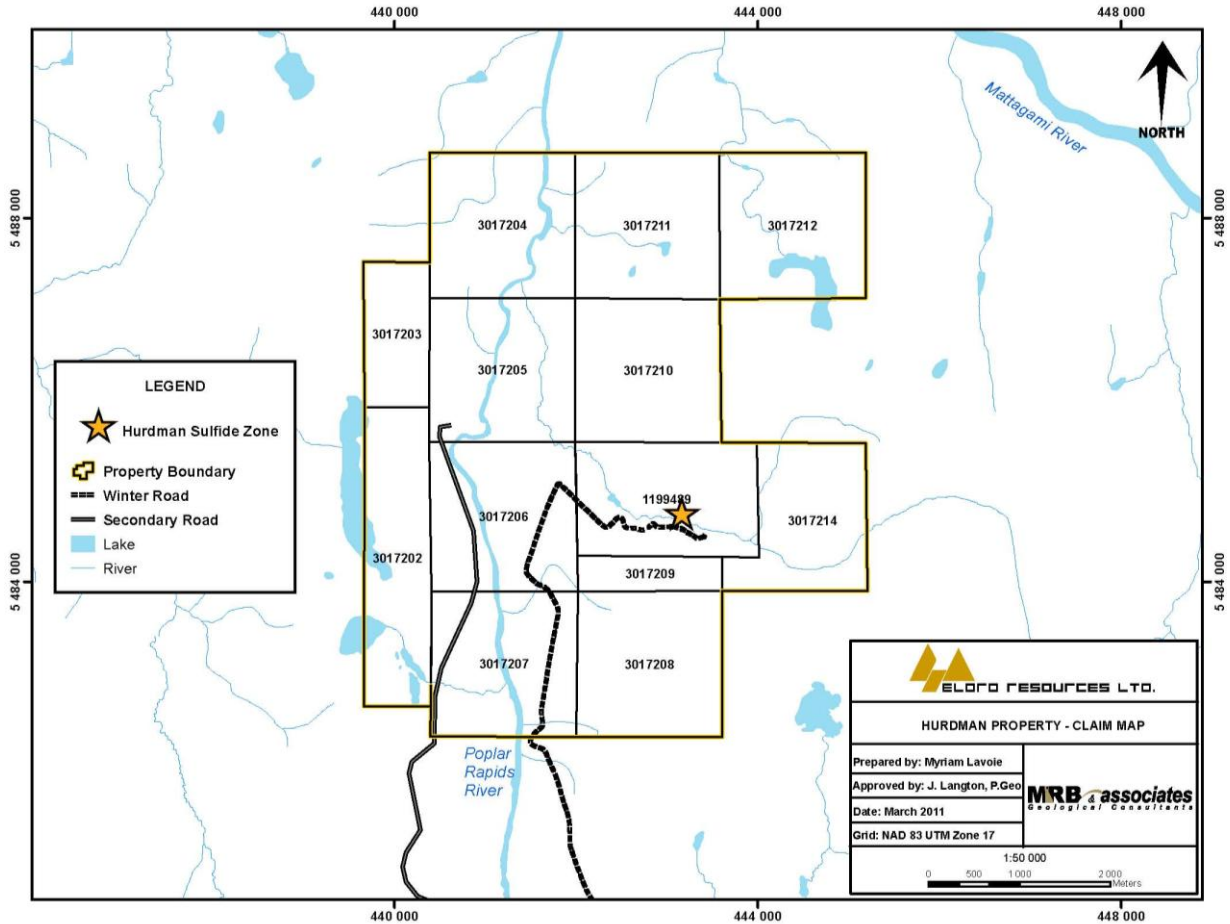


Figure 4.1 Map showing the location of the 13 claims comprising the Hurdman Property.

Table 4.1 List of 13 claims comprising the Hurdman Property

Claim Number	Recording Date	Claim Due Date	Status	% of Option	Work Required	Total Applied	Total Reserve
1199489	2002-Nov-07	2011-Nov-07	Active	100%	\$ 6,000	\$ 42,000	\$ 706,647
3017202	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017203	2004-Nov-05	2011-Nov-05	Active	100%	\$ 3,200	\$ 16,000	\$ 0,00
3017204	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017205	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017206	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017207	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017208	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017209	2004-Nov-05	2011-Nov-05	Active	100%	\$ 1,600	\$ 8,000	\$ 0,00
3017210	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017211	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017212	2004-Nov-05	2011-Nov-05	Active	100%	\$ 6,400	\$ 32,000	\$ 0,00
3017214	2004-Nov-05	2011-Nov-05	Active	100%	\$ 5,200	\$ 26,000	\$ 287,608

The Hurdman Property boundaries have not been legally surveyed; they are defined by UTM coordinates obtained from the claims map of the MNDM of Ontario.

According to section 65 of the Mining Act, the claim holder is not required to complete any assessment work in the first year of recording a mining claim. In the second and all subsequent years, a minimum of \$400 of assessment work per 16 ha claim-unit per year is to be reported until a lease is applied for. Hurdman Property’s assessment work requirements amount to \$77,200, due on November 5, 2011 (November 7, 2011 for claim 1199489) and have been satisfied by the Company. Total work-reserve credits are \$706,647 on claim 1199489, and \$278,608 on claim 3017214.

Known Mineralized Zones

There are three known mineralized areas on Hurdman Property which are associated with ground EM anomalies, labeled “Anomaly C”, “Anomaly GH” and “Anomaly I”. The most significant one, known as the HSZ is associated with Anomaly GH, which is within claim 1199489. The second best area is associated with Anomaly I, referred to as the East HSZ, and is within claim 3017214. The third area is associated with Anomaly C and is within claim 3017211 (**Figure 4.2**).

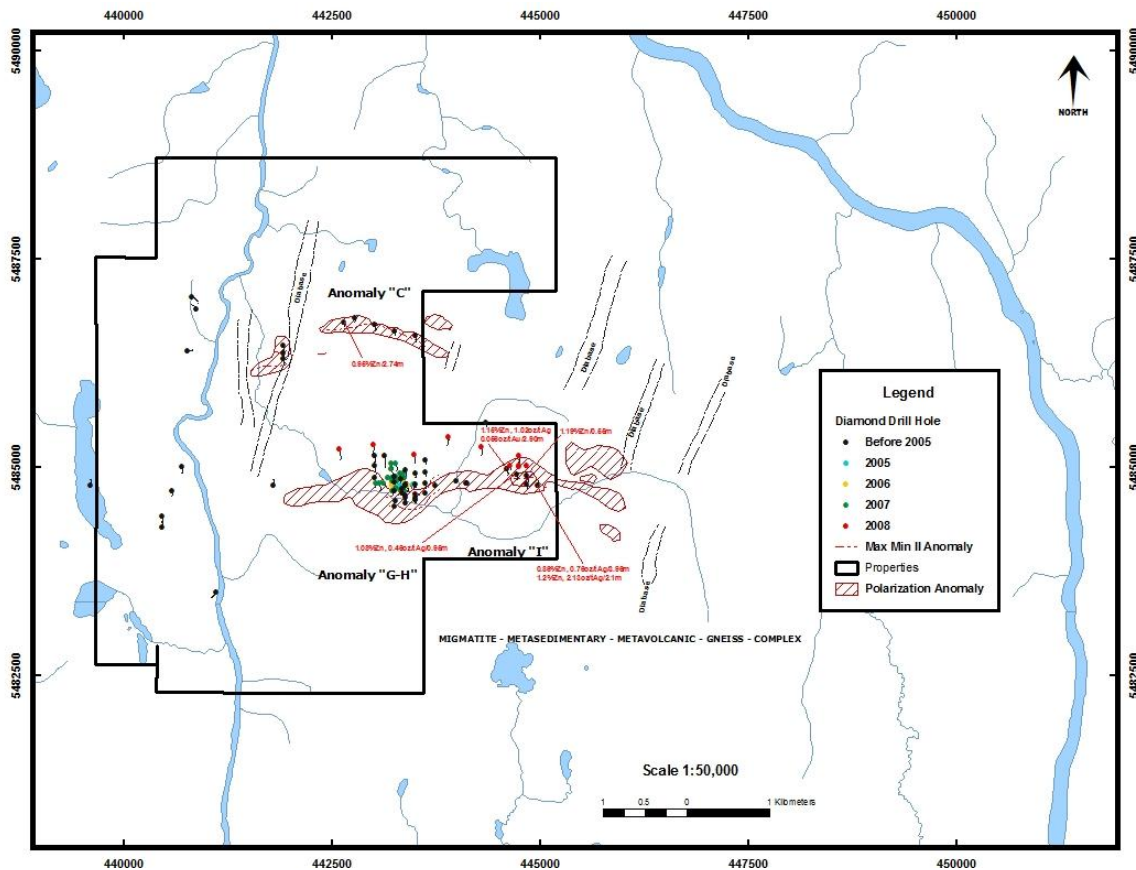


Figure 4.2 Map showing the locations of ground HLEM geophysical anomalies with respect to the claim block boundaries. Known mineralization is associated with Anomaly C, Anomaly G-H and Anomaly I.

Hurdman Property boundaries have not been legally surveyed; they are defined by UTM coordinates obtained from the claims map of the MNDM of Ontario.

According to section 65 of the Mining Act of Ontario: Mining Act, R.S.O. 1990, Chapter 14, the claim holder is not required to complete any assessment work in the first year of recording a mining claim. In the second and all subsequent years, a minimum of \$400 of assessment work per 16 ha claim-unit per year is to be reported until a lease is applied for. Hurdman Property's assessment work requirements amount to \$77,200, due on November 5, 2011 (November 7, 2011 for claim 1199489). Total work-reserve credits are \$706,647 on claim 1199489, and \$278,608 on claim 3017214.

Known Mineralized Zones

There are three known mineralized areas on Hurdman Property which are associated with ground EM anomalies, labeled "Anomaly C", "Anomaly GH" and "Anomaly I". The most significant one, known as the HSZ is associated with Anomaly GH, which is within claim 1199489. The second best area is associated with Anomaly I, referred to as the East HSZ, and is within claim 3017214. The third area is associated with Anomaly C and is within claim 3017211 (**Figure 4.2**).

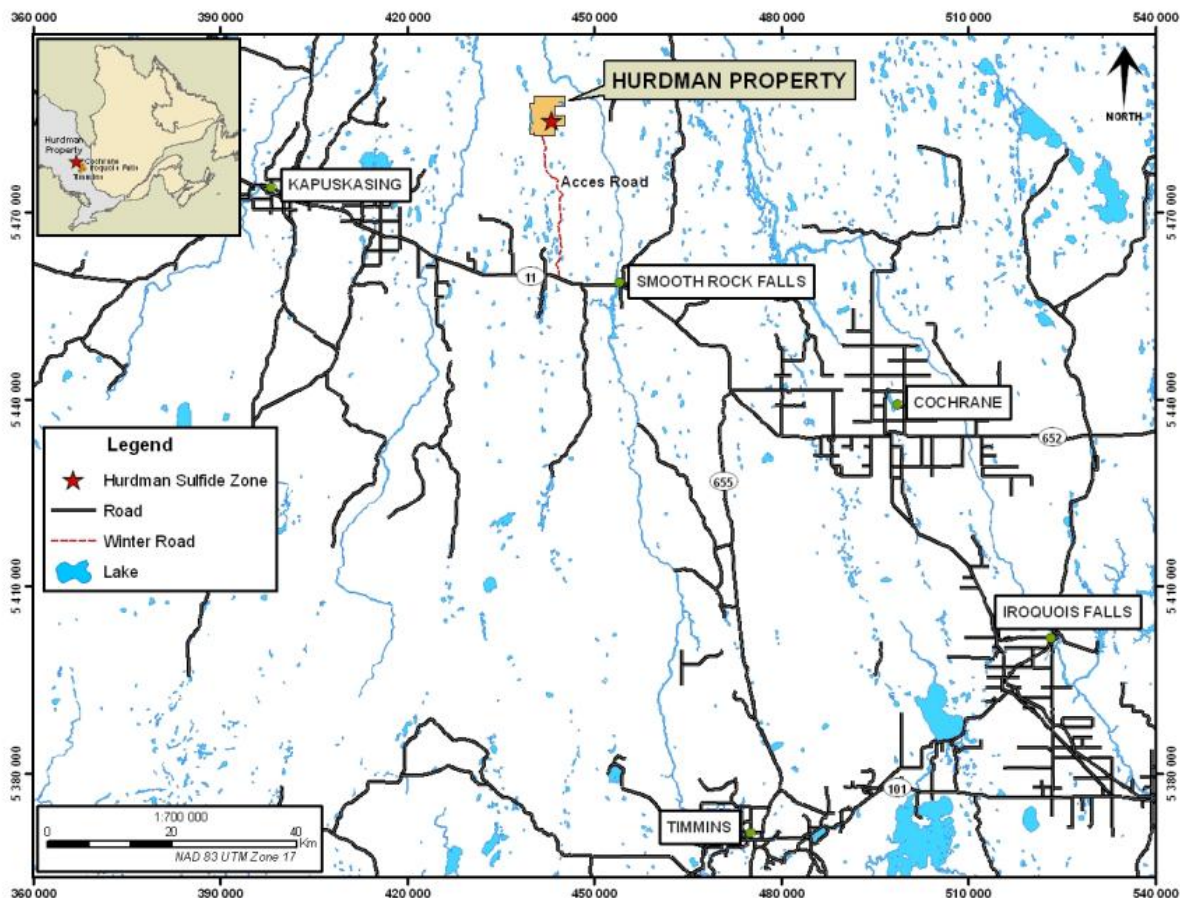


Figure 2.1 Map showing the location of the Hurdman Property with respect to road network and major towns in northeastern Ontario

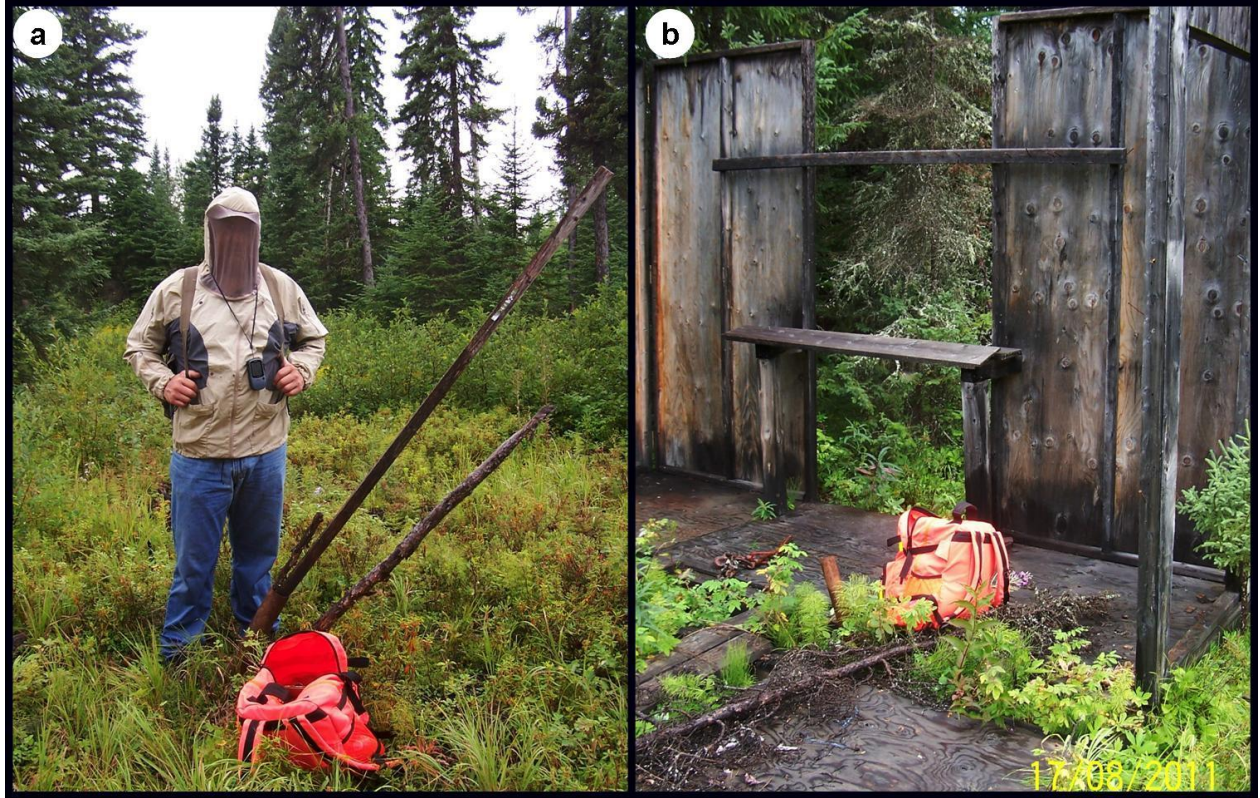


Figure 2.2 Drill sites on the Hurdman Property: a) Drill collar at Eloro’s hole ELO-07-15; b) Drill collar with remnants of drill shack at Eloro’s hole ELO-05-02. Both inclined holes were drilled to the south.

Table 2.1 Reported versus observed UTM coordinates (Zone 17U, NAD’83) of Eloro drill collars that were visited. The reported values of the 2005 holes (yellow highlight) are less accurate than for the 2006 and 2007 holes.

DDH N°	Reported		Observed (+/- 3m)	
	EASTING	NORTHING	EASTING	NORTHING
ELO-91-1-B	443381	5484793	443380	5484790
ELO-91-1-C	443381	5484793	443380	5484790
ELO-05-01	443267	5484806	443272	5484805
ELO-05-02	443237	5484819	443213	5484817
ELO-06-02	443362	5484858	443363	5484859
ELO-06-03	443362	5484859	443363	5484859
ELO-06-06	443259	5484792	443258	5484790
ELO-06-07	443259	5484792	443258	5484790
ELO-07-13	443275	5484762	443275	5484761
ELO-07-14	443327	5484736	443327	5484731
ELO-07-15	443374	5484880	443367	5484878
ELO-07-16	443375	5484728	443376	5484727

Property Agreements

Eloro acquired a 100% interest in the Hurdman Property under the terms of an agreement with Don Mc Holdings Ltd and 2060014 on November 30th 2004. 2060014 retained a 1% NPR from any production or product sales from the project. On August 22, 2011, Eloro entered into the Acquisition Agreement with Blue Vista. Pursuant to the terms of the Acquisition Agreement, Eloro will assign, transfer and sell to Blue Vista all of its rights, titles and interests in the Hurdman Property. Subject to approval of the Shareholders and applicable regulatory authorities, Blue Vista shall issue to Eloro a certified cheque in the amount of \$40,000, and a share certificate representing 5,000,000 Common Shares.

Environmental Liabilities

There are no known environmental or land claim issues pending with the Hurdman Property. Prior to Blue Vista's involvement, Hurdman Property was explored by Eloro (2005-2009) using airborne-geophysical surveys and diamond-drilling. There are few vestiges of this previous work, apart from some abandoned water line and a few tools at two drill sites, and no environmental issues related to said exploration programs. The author of the Technical Report is not aware of any encumbrances or environmental liabilities to which Hurdman Property could be subject. Should any future application be made for a mining lease on this Property, it should be permissible to obtain all necessary surface rights and permits from the Ministry of Northern Development and Mines of Ontario.

Work Permits

During its tenure of ownership, Eloro applied for, and was granted all permits required to proceed with the work performed from 2005-2009. In order to carry out the recommended exploration program outlined in the Technical Report, Blue Vista, as Operator, may have to obtain work Permits for:

- notification of diamond-drilling activity,
- installation of any water crossings, pipes and culverts,
- fire permit for burning of brush if specific conditions are not met, or for any fire in a restricted fire zone,
- taking of local water, if >50,000 litres/day,
- certificate of approval to discharge water, and
- explosives purchase and possession.

In addition Blue Vista will follow government guideline regarding on-shore diamond-drilling, and Occupational Health & Safety.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The topography of the Hurdman Property is flat (elevation 220±20 m) and drainage is rather poor, resulting in an abundance of swampy terrain (**Figure 5.1**). The Mattagami and Poplar Rapids rivers, which are near the east and west boundaries of the claim block (**Figure 4.1**), respectively, drain the area northwards to James Bay. The vegetation consists of black spruce and lesser balsam. Poplar and birch trees are restricted to the edges of creeks and rivers. Outcrop is very limited as the bedrock is overlain by 3 to 39 m of glacio-lacustrine and glacio-fluvial sediments.

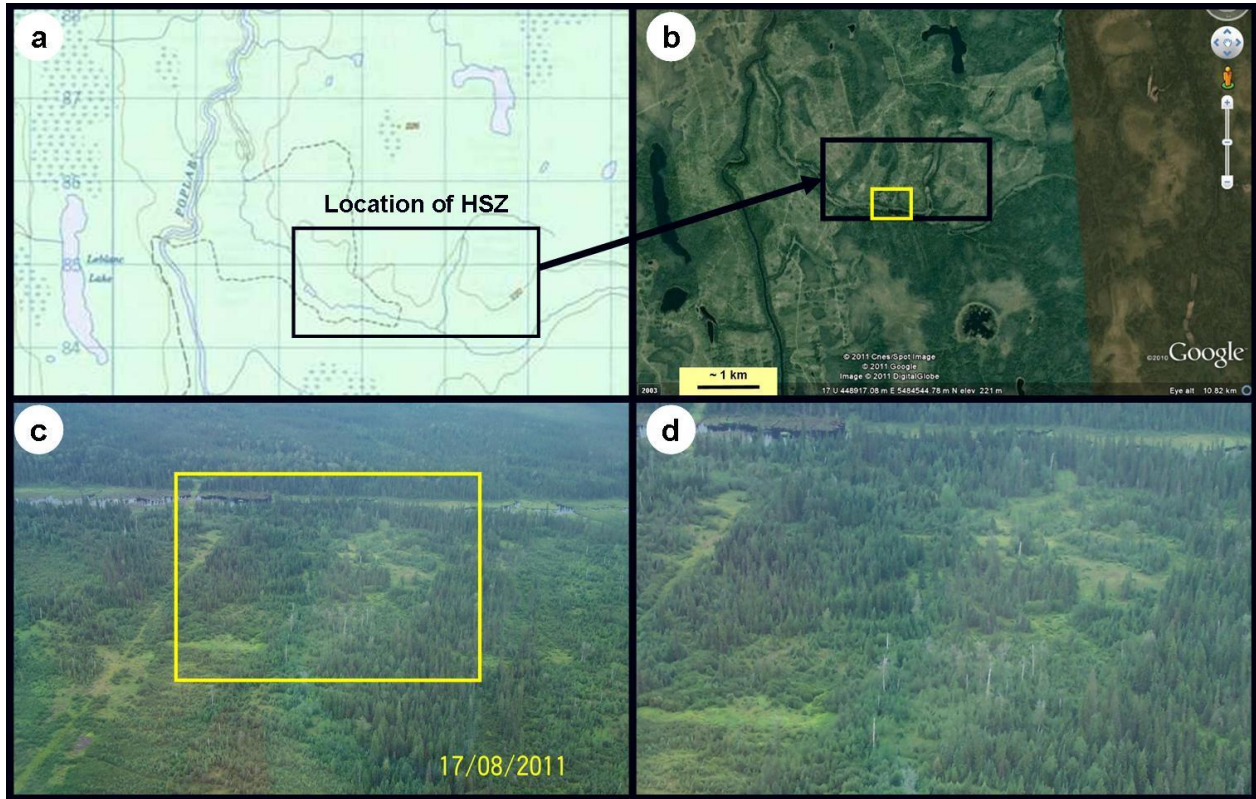


Figure 5.1 Physiography of the Hurdman Property: a) Part of topographic map 21 H/12 showing location of Hurdman Sulfide Zone (HSZ); b) 2003 Google Earth image showing location of HSZ (black rectangle) and area covered by photograph in 5.1c (yellow rectangle); c) View looking south over part of HSZ with unnamed tributary of Poplar Rapids River in distance and yellow rectangle showing location of 5.1d; d) Enlarged area outlined by yellow rectangle in 5.1c.

Hurdman Property is accessible by travelling westward along Trans Canada Highway no. 11 from Smooth Rock Falls for a distance of 12 km then northward along a winter logging road for an additional 28 km. The first 20 km of the logging road are useable year round by ATV or Argo but the last eight kilometres are strictly winter road, although skidder access should be possible for summer programs.

During the winter, minimum temperatures of -15 to -25°C are common and snowfalls range from 45 to 60 cm monthly. During the summer, the daily maximum temperatures range from 16°C to

a peak of 24°C in July. Mineral exploration programs can be carried out year round, but drilling operations are best done during the winter months when the ground and wetland areas are frozen.

Smooth Rock Falls is capable of providing personnel, contractors, equipment and supplies to a number of operations in the area. Hurdman Property is 13 km west of an all weather highway that extends north to the Abitibi Canyon hydroelectric power station. Power is readily accessible from hydro lines along this route and along the Trans Canada Highway. No potential encumbrances for future mining operations are expected based on the sufficiency of surface rights for potential waste disposal areas, heap leach pad areas and potential processing plant sites in addition to the near-by availability and sources of power and water.

Hurdman Property is located 75 km north of Xstrata's Kidd Creek mining operations located in Timmins, Ontario (**Figure 2.1**). The Timmins area is well known for its mining heritage, and current gold and base-metal operations and infrastructure. An experienced mining work force, along with mining/exploration services and equipment, are readily available from this mining centre.

History

Most of the work history on Hurdman Property is contained in Assessment Reports filed with the MNDM. Assessment Reports of pre-Eloro work performed on Hurdman Property are available on-line by going to [<http://www.geologyontario.mndm.gov.on.ca/>] and clicking on "Search Assessment File Research Imaging (AFRI)". In total, there are 20 reports that touch upon Hurdman Property. All of Eloro's Assessment Reports (six in total) have been filed with MNDM; they have an AFRO-ID, or two dot ("2.xxxxx") number, but no AFRI file designation and thus are not in the on-line search system. Also, there are three internal "T" files that were submitted to the Resident Geologist's Office in Timmins ("RGOT") prior to 1998 for assessment purposes.

Other work on Hurdman Property is limited. Only one report (Parker 1999) and map plate (Parker and Laporte 1996) by the MNDM are specific to the HSZ. This report summarizes exploration work done on the HSZ up to 1992 and gives a good description of the geology, including 20 whole rock geochemical analyses. Some other MNDM geological maps (M2161, M2543, P0372, P1524, P3363, and P3599) and geophysical maps (M02303G, M02304G, and P0420) encompass Hurdman Township but are not specific to it. All these publications are available on-line from the MNDM website by going to [<http://www.geologyontario.mndm.gov.on.ca/>] and clicking on "Search OGS Publications (OGS PUB)". Apparently, no other work, i.e. university theses, has been done on Hurdman Property.

No mineral resource or mineral reserve estimates have been calculated for, nor has there been any production from Hurdman Property. In fact, the relationship between intersection lengths and true thickness is not known; all mineralized intervals that have been reported are intersection widths, not true widths. What follows is a synopsis, in chronological order, of the exploration work that has been conducted on Hurdman Property.

In 1965 INCO conducted an airborne EM Input survey that included Hurdman Township, which detected anomalies east of Poplar Rapids River (Parker 1999). INCO staked claims, conducted ground Mag and EM geophysical surveys, and drilled the best geophysical anomalies. Between 1965 and 1966, INCO drilled 16 diamond drill holes on Hurdman Property, totalling 1809 meters. Thirteen of them encountered disseminated to massive, pyrrhotite-pyrite mineralization, with associated sphalerite ± chalcopyrite and magnetite, hosted by biotite-quartz-feldspar-garnet gneiss and associated pegmatite. No assay results were reported in the drill logs (AFRI files: 42H12SW0005, 42H12SW0006, 42H12SW0007, 42H12SW0008, 42H12SW0009, 42H12SE0307, and RGOT file T.1006).

In 1966 Silverplace Mines Limited conducted ground Mag and EM geophysical surveys on a six-claim block, part of which touches upon the western edge of Hurdman Property. EM conductors were delineated and drilling was recommended but apparently not done (AFRI file 42H12SW0004).

In 1975 Mattagami conducted airborne Mag and EM geophysical surveys over Hurdman Township (Parker 1999) and followed up with ground Mag, HLEM and IP geophysical surveys on selected areas. A subsequent two-year, diamond-drilling program, in **1980-1981**, was focused mostly in the vicinity of ground HLEM anomalies C, G-H and I, which were in the south central portion of their property. In all, 45 holes were drilled but only 40, totalling 4293 meters, were within the limits of the current Property. Some of the holes intersected sub-economic zinc-silver and minor amounts of copper and lead mineralization associated with semi-massive to massive pyrite-pyrrhotite (see **Table 11.1** for best intersections). Mattagami filed drill logs for all holes except the first three that were drilled in 1980; however, it did not file a summary report with an interpretation of the drilling results (AFRI files: 42H12SE0004, 42H12SE0010, 42H12SE0306, 42H12SW0001, 42H12SW0002, 42H12SW0309, 42H05NW0002, and RGOT file T.1972).

In 1988, McKinnon Prospecting conducted a fixed-wing airborne EM and Mag survey over a large area north of Kapuskasing, which included Hurdman Township (Parker 1999). Subsequently, a large group of claims was staked between the Mattagami and Poplar Rapids rivers, over which a helicopter-borne geophysical survey (combined Mag, EM and VLF-EM) was flown by Aerodat Limited in 1991. Approximately 560 line-kilometers were flown on north-south lines that were 125 m apart. The survey area was arbitrarily divided into A and B blocks of claims, with the latter 71-claim block encompassing much of the current Property. The best geophysical targets were detected around the Mattagami "G-H" and "I" ground HLEM anomalies, what are now known as the main and east parts, respectively, of the HSZ. The interpretation made by Aerodat for these two groups of anomalies was that they represented multiple parallel conductors with shallow, northerly dips (AFRI file 42H12SE8056 and RGOT file T.3178).

In 1991, shortly after the Aerodat survey was completed, Noront acquired the 71 claim property from McKinnon Prospecting. Durham Geological Services Inc. of Timmins reviewed all available data for Noront and recommended an abbreviated exploration program over the known zinc-silver occurrences. A ground Max-Min II geophysical survey, approximately 3.2 line-kilometres, was conducted over Mattagami's "G-H" and "I" anomalies, (main and east HSZ, respectively) and four holes, totalling 455 meters, were drilled (see **Table 11.1** for best

intersections). Sillimanite, tremolite, muscovite, cordierite, anthophyllite and gahnite were identified in close association with pyrrhotite-pyrite-sphalerite-silver mineralization (AFRI files: 42H12SE0006, 42H12SW0015, and RGOT file T.3178).

In early 1992, Galico entered into an option agreement with Noront and Don McKinnon, allowing Galico the right to earn a 55% interest in the property. Galico drilled five holes, approximately 738 meters, in the vicinity of the “G-H” anomaly (see **Table 11.1** for best intersections). Two holes encountered zones of semi-massive pyrrhotite-pyrite, with associated zinc values, were encountered in the projected down-dip extension of the main HSZ. The other three holes were drilled close to Mattagami’s hole H13-81-32, located 175 m northwest of the main zinc occurrence. Two of them intersected disseminated pyrite-sphalerite and gahnite mineralization in sillimanite-biotite rich gneiss (AFRI file 42H12SW0014 and RGOT file T.3178).

In 1997, Baltic acquired a 40% interest in the property through an agreement reached with Noront and Don McKinnon. Baltic then agreed to fund the initial \$75,000 to earn a further ten percent interest in the property which would then make it a 50/50 joint venture operated by Baltic. BCLX Consulting Ltd. was retained in 1998 to review the project and propose further work. Four drill holes totalling 560 meters were completed in the northeastern extension of the HSZ. All holes cored 6 to 15 meters of sulfide-bearing gneiss but no assaying was reported (AFRI file 41H12SW2001).

In 2004, Eloro acquired a 100% interest in a 28-claim group in Hurdman Township under the terms of an agreement with Don Mc Holdings Ltd. and 2060014. Eloro delivered to 2060014 at closing \$250,000 payable by the issuance of 2,500,000 Eloro common shares. 2060014 also retained a 1% PPR from any production or product sales from the project. Eloro subsequently retained MRB of Val-d’Or, Quebec to review the project, compile and import all diamond drill-hole data into a Gemcom database, and prepare a technical report (AFRO-ID file 2.30835). This report (Bérubé 2005) was submitted to SEDAR on April 15th, 2005.

In 2005, Eloro established a grid (26.2 line km), conducted ground Mag, and carried out a seven hole, diamond-drilling program. The program, which totaled 635 m, was aimed at twinning some of Noront’s best intersections in the “G-H” anomaly (main HSZ). Core samples (190) were assayed for copper, gold, silver, and zinc and 16 whole-rock analyses were done (AFRO-ID files: 2.33433 and 2.36504).

In 2006, Eloro carried out a 12 hole, 1404 m diamond-drilling program to delineate the main HSZ to a depth of 80 m, within a 300 m long by 200 m wide area. Core samples (616) were assayed for copper, gold, silver, and zinc. Erratic, high gold (> 1 g/t up to 48.69 g/t Au) and silver (> 15 g/t up to 199 g/t Ag) values were obtained for the first time. Drill holes ELO-06-12, -04 and -05 extended the known higher-grade zinc (> 2%) and silver (> 15 g/t) corridor by 25 m both to the west and to the east (AFRO-ID file 2.36504). The same year, Eloro mandated GPR Geophysics of Longueil, Quebec to complete a 610 line-km, high resolution, airborne Mag/EM survey. The survey was flown over the entire 28-claim property and completed in October 2006. This airborne survey detected the HSZ as well as other clusters of airborne anomalies on the

property. Seven groups of anomalies were recommended for ground follow-up (AFRO-ID file 2.34216).

In 2007, Eloro carried out a two-phase, 25-hole-diamond-drilling program, totaling 3464 m. Phase one was designed to further delineate the lateral extensions of the HSZ. Phase two was designed to test the down plunge extension of the higher-grade mineralization encountered during the 2006 drilling program. Core samples (687) were assayed for copper, gold, silver, and zinc. The east-west lateral extent of the HSZ was not extended significantly but the north-south extent was nearly doubled (AFRO-ID file 2.36504)

In 2008, Eloro contracted Abitibi Geophysics of Val-d'Or, Quebec to conduct a VTEM (helicopter-borne Time-Domain Electromagnetic) survey over the entire 28-claim property. Between April 21st and May 1st, 2008, 743 line km of VTEM helicopter-borne survey was carried out by GEOTECH Ltd. Eight EM anomalous zones and 14 EM trends were identified. Several anomalies were reported as being of possibly metallic origin. In addition, some isolated anomalies were denoted as "promising" and were recommended as exploration targets by Abitibi Geophysics (AFRO-ID file 2.38234).

The 2008 VTEM survey outlined domains and lineaments (**Figure 6.1**) as well as magnetic trends. EM lineaments range from 200 m to 1300 m long; most of them are oriented East-West and some are oriented Northwest-Southeast. According to Abitibi Geophysics, their signal amplitude varies from moderate to very low, indicating moderate to very deep sources, respectively. The response is mostly constant along the length of the lineaments and they may represent rock units; in general, dips towards the north are indicated. EM domains are regions where several EM single anomalies and lineaments are found together with varying characteristics, such as length, width, signal amplitude, type of response (thin or thick bodies) and dip. Five (5) EM domains (D01 to D05) are within the current Property boundary and one, the D-04 anomaly, encompasses the main and east parts of the HSZ. A broad horseshoe-shaped pattern in the central part of Hurdman Property incorporates VTEM Domains D-02, D-03, D-04 and D-05. The northern "limb" of the horseshoe includes anomaly "C" that was defined and drilled by Mattagami in 1980-81.

Between November 2008 and January 2009, Eloro carried out 1941 m of diamond-drilling to test some of the coincident Mag/EM geophysical anomalies outlined by the 2008 VTEM survey. The 10 hole program was designed to look for lateral extensions of the HSZ to the east and north. Five holes intersected a mineralized zone in the vicinity of Mattagami's "I" anomaly, which was dubbed the East HSZ (AFRO-ID file 2.41277). Core samples (225) were assayed for copper, gold, lead, silver, and zinc and an additional 248 samples were assayed for gold only. Another 88 samples were analysed for whole rock geochemistry in 2009 and an additional 29 samples were analysed in 2010.

Since 2010, no additional work has been done on Hurdman Property but 15 claims have been dropped, bringing the total number of contiguous claims to 13.

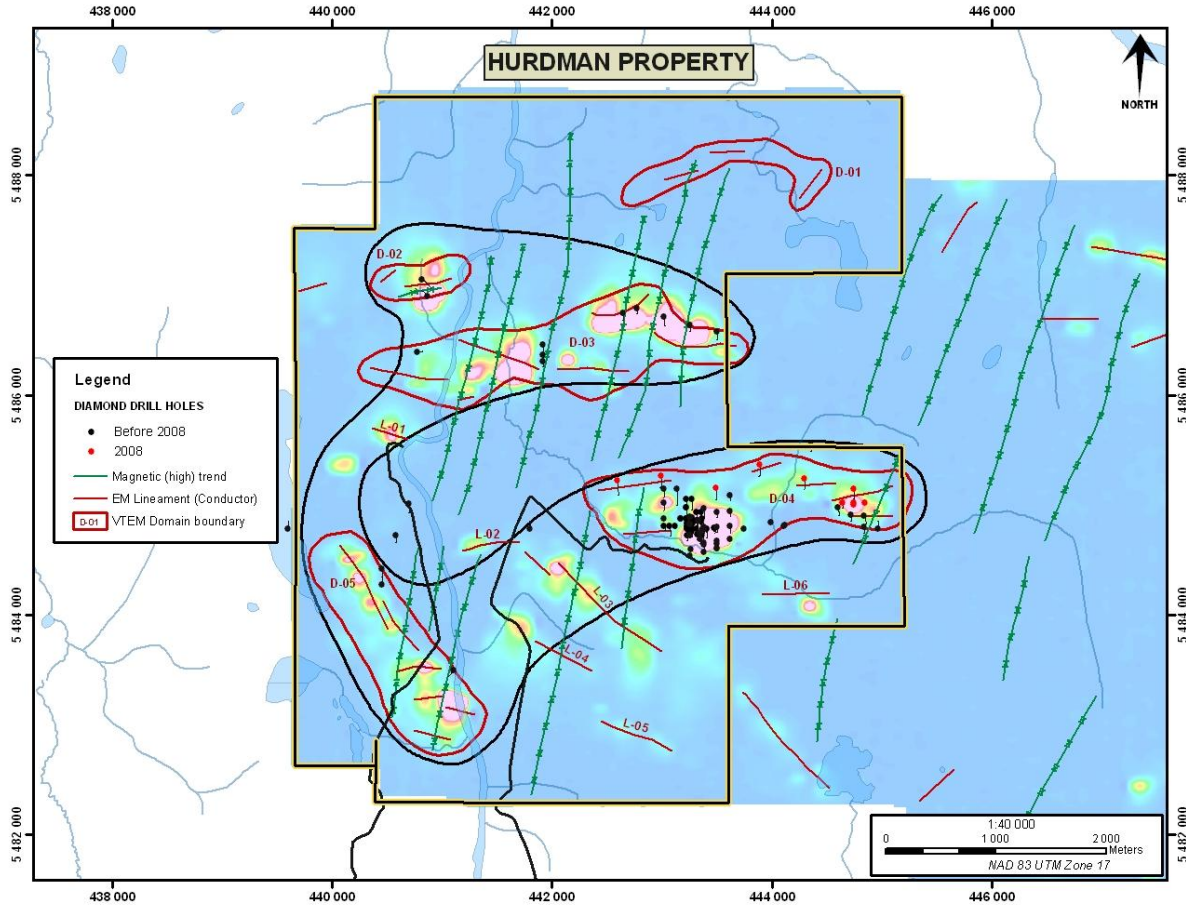


Figure 6.1 Geophysical compilation map of the Hurdman Property with the “Late-Time Z-Component” displayed as coloured background.

Geological Setting and Mineralization

Regional Geology

The regional bedrock geology of northeastern Ontario is summarized in Percival and Easton (2007, p. 13-14) and is also shown on the geology map of east-central Ontario (**Figure 7.1**). On this map, Hurdman Township lies within paragneiss and migmatite (unit 7a) of the Quetico Terrane but lies very close to the boundary of gneissic tonalite (unit 11) of the Wawa Terrane in the west. It is also transected by a major NNE trending fault that bounds the Kapuskasing Uplift to the east, and it is cut by northerly trending mafic dikes (unit 17a). Depositional ages of Quetico metasedimentary rocks range from 2.698 to 2.692 Ga, whereas peak metamorphism (up to granulite facies) occurred between 2.67 and 2.65 Ga, which was coeval with emplacement of crust-derived granitic plutons and pegmatites (Percival and Easton 2007).

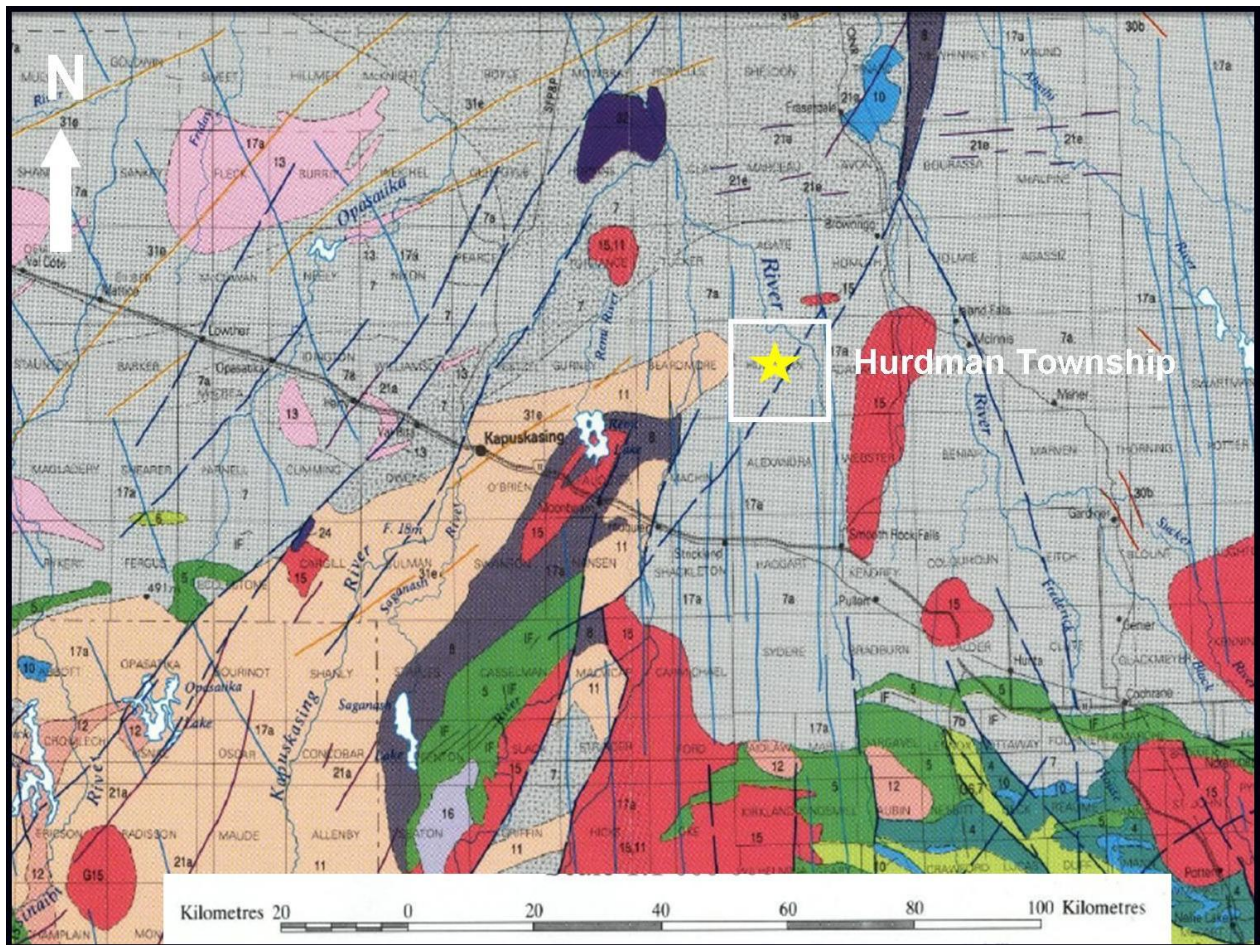


Figure 7.1 Part of the geology map of east-central Ontario (MNDM Map M2543) showing the location of Hurdman Township (white rectangle) and approximate location of Hurdman Property (yellow star). See text for details.

The Geco massive-sulfide deposit in the Manitouwadge area also lies near the Quetico–Wawa boundary, albeit nearly 300 km to the west and on the opposite side of it (**Figure 7.2**). This boundary from metasedimentary to metavolcanic rocks is transitional in the Manitouwadge area based on structural and lithological criteria but zircon provenance ages tell a different story (Zaleski et al. 1995). The maximum depositional age of metasedimentary rocks at Manitouwadge is 2.693 Ga, at least 25 Ma younger than the 2.72 Ga felsic metavolcanic rocks in the area, but similar to depositional ages of rocks in the Quetico Terrane. Therefore, the original Wawa-Quetico boundary was probably an unconformity.

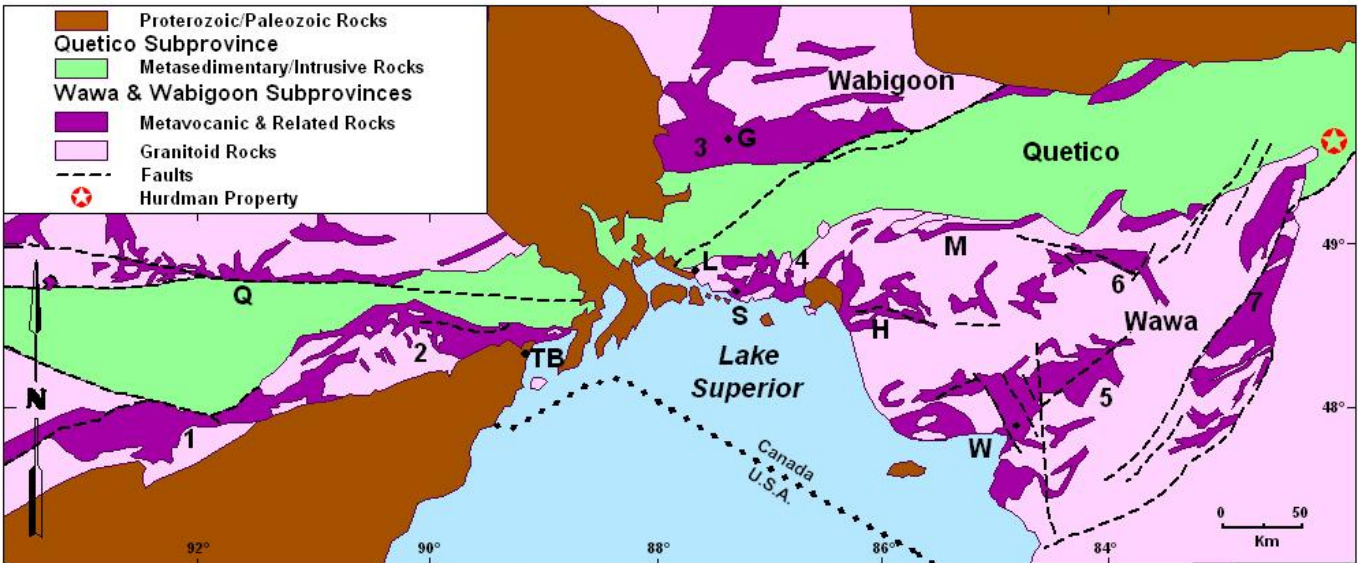


Figure 7.2 Regional geology map (after Peterson and Zaleski, 1999) showing the location of the Hurdman Property (star) with respect to the Wawa, Quetico and Wabigoon subprovinces (terranes). **Lettered features:** G-Geraldton, H-Hemlo, L-Winston Lake, M-Manitouwadge, Q-Quetico fault, S-Schreiber, TB-Thunder Bay, and W-Wawa; **numbered features:** 1. Vermilion district, Minnesota, 2. Shebandowan greenstone belt, 3. Geraldton-Beardmore greenstone belt, 4. Hemlo-Schreiber greenstone belt, 5. Michipicoeton greenstone belt, 6. Kabinakagami greenstone belt, and 7. Kapuskasing structural zone.

Local Geology

The geology of Hurdman Township is not well known because a thick glacial cover conceals the bedrock in most places. Bennett et al. (1966) show a handful of outcrops on their one inch equals two mile map, mostly along Mattagami and Poplar Rapids rivers. Their rock types include biotite-quartz-feldspar gneiss, amphibolite, various types of granite, pegmatite and diabase. In total, they show three gneissosity measurements in the township – one striking north and dipping 60 degrees east, another striking east and dipping shallowly south, and the third striking NNW and dipping steeply north. They also report overburden thicknesses ranging from 5 to 135 feet (1.5 – 41.1 m), mostly from drill holes, presumably INCO's.

Property Geology

The first proper description, based upon previous drilling of the HSZ and geophysics, was done by Durham (1992) in an assessment report for Noront; subsequently, Parker (1999) made a more comprehensive description that included petrographic work and some whole-rock geochemistry. The following description is largely based upon these two reports, supplemented by the author's observations on drill cores.

Parker (1999) described three types of gneisses plus pegmatite and granitoid rocks. He reported that feldspar-quartz-biotite (\pm amphibole \pm garnet) gneiss is the most abundant rock type, which he interpreted to be metamorphosed sedimentary rock. Amphibole-feldspar-quartz (\pm biotite \pm garnet) gneiss was interpreted as metamorphosed mafic sedimentary (or igneous?) rock, and feldspar-quartz-biotite-sillimanite (\pm garnet \pm muscovite \pm gahnite) gneiss was interpreted as hydrothermally altered sedimentary rock that was subsequently metamorphosed. The first and

second rock types are equivalent to the quartz-feldspar-biotite gneiss and hornblende-biotite-quartz-feldspar gneiss of Durham (1992), who also reported garnet-quartz-biotite-feldspar gneiss, quartz-feldspar gneiss, lit-par-lit gneiss, granodiorite, pegmatite, and diabase dikes.

According to Parker (1999), feldspar-quartz-biotite gneiss is dark gray, fine to medium grained, equigranular and weakly to strongly porphyroblastic. In places, the gneiss displays well-developed, 1 to 6 cm thick, compositional layering, manifested by light coloured and dark coloured layers with gradational contacts. However, thick sections of feldspar-quartz-biotite gneiss are massive with little layering. Biotite content is variable (10 to 75%) throughout the gneiss; red to pink garnet porphyroblasts are less than 1 cm in size and vary in abundance from 1 to 50%; and dark greenish black amphibole occurs in amounts generally less than 20%. The gneiss is commonly weakly magnetic because it hosts up to 5% disseminated magnetite and/or pyrrhotite. Garnet-amphibole-rich sections are commonly magnetic and may represent layers of metamorphosed silicate iron formation or iron-rich pelite (probably pyritic black shale originally).

Feldspar-quartz-biotite gneiss also contains granitoid or pegmatoid layers (leucosome) that are sub-parallel to foliation planes and have gradational contacts with the gneiss. These layers, which range in apparent thickness from a few centimeters to over a meter, are interpreted to have formed by partial or differential melting of the host rocks in situ (“abyssal pegmatites” of London, 2008). The granitoid layers are medium to coarse grained and consist of pink potassic feldspar + quartz, or potassic feldspar + quartz + biotite. The pegmatite layers consist of grayish white quartz, variably colored potassic feldspar; and rare books of coarse grained biotite. Notably, these layers lack the tectonic foliation that is present in the gneiss.

Amphibole-feldspar-quartz (mafic) gneiss consists of fine to medium grained, dark grayish green to black rock that is composed of variable amounts of hornblende, plagioclase feldspar, quartz, biotite, and garnet. This gneiss commonly contains calcite, chlorite and/or epidote as alteration minerals.

Feldspar-quartz-biotite-sillimanite gneiss is light gray and similar in appearance to the feldspar-quartz-biotite gneiss but it contains small (<1 cm), fine, fibrous, white aggregates and “streaks” of sillimanite. Sillimanite appears to have formed at the expense of feldspar and ranges from 2 to 25% in abundance. Some sillimanite-bearing gneiss is dominantly composed of quartz-sillimanite-biotite with very little feldspar. This gneiss generally occurs in proximity to, but up-hole from, sulfide mineralization and pegmatite sills. It locally contains small gahnite crystals (< 5 mm), which look like small dark emerald green, euhedral garnets. Gahnite is a common but minor mineral associated with the Geco copper-zinc massive-sulfide deposit at Manitouwadge. Parker (1999) postulated that the sillimanite gneiss may have originally been a hydrothermally altered rock prior to metamorphism.

In addition to the in situ leucosome layers, there are some granitoids that cross-cut gneissic foliation, have sharp contacts with their host rocks, and clearly are younger than the leucosome layers. These granitoid rocks also lack the tectonic foliation (gneissosity) that Parker (1999) interpreted to be east-striking and steeply north dipping in the area. The northerly trending mafic

dikes, which are manifested by their magnetic expression, also lack a foliation and are the youngest rock unit on Hurdman Property.

Mineralization

Mineralization is known to occur in two areas, approximately 1.5 km apart, at the Hurdman Sulfide Zone (HSZ). The west or Main zone is associated with the “G-H Anomaly” and the East zone, with the “I Anomaly”, both of which are ground HLEM anomalies that were originally delineated by Mattagami. The Main HSZ strikes east northeast and dips to the north at 15° to 20° (**Figure 7.3**). It has been traced along strike for 350 m and down dip for 250 m; intersections of altered and/or mineralized rock range from 2 to 50 m in apparent thickness but generally exceed 5 m. The strike of the East HSZ is less well constrained but appears to be northwesterly with a dip of 15° to 25° towards the northeast.

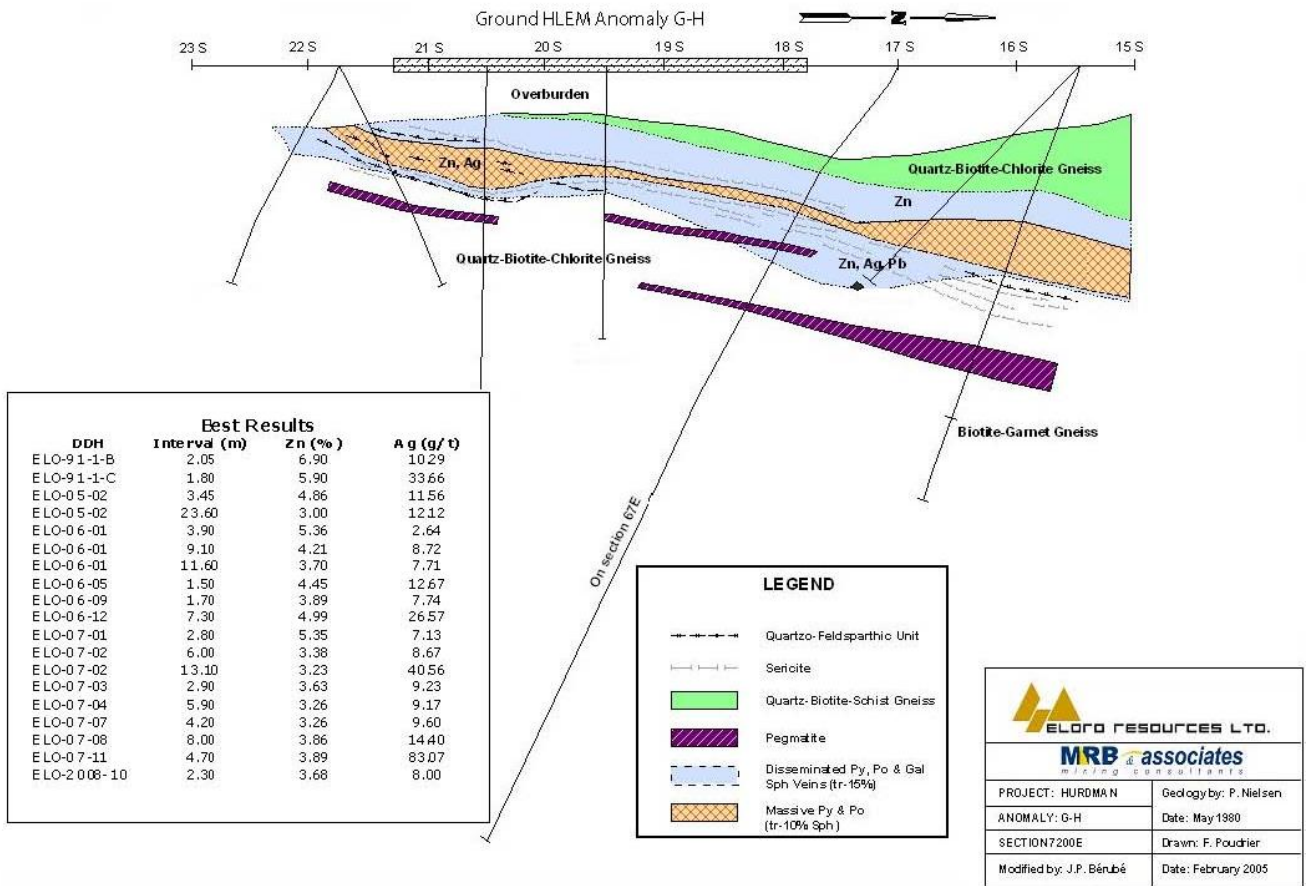


Figure 7.3 Section 7200E through the main Hurdman Sulfide Zone (HSZ).

Mineralization in the Main HSZ consists dominantly of pyrrhotite and pyrite with associated sphalerite, and very minor galena and chalcopyrite. The sulfide minerals occur within a light grey coloured alteration halo that is associated with pegmatite sills and pyrrhotite-pyrite lodes. Sphalerite is typically brown, rather than the black that is indicative of high-iron, and it occurs as intergranular disseminations and patches intermingled with pyrite and pyrrhotite (and/or

magnetite), mainly in rocks of the alteration halo but locally in the pegmatite. It overprints the deformation fabric (gneissosity) in the host rocks, just as the pegmatite and pyrrhotite-pyrite lodes do. Galena is rarely observed, consistent with low the lead values from assays but silver is anomalous (commonly > 10 g/t), especially where zinc values exceed a percent. High silver in sphalerite has been reported elsewhere (Taylor and Radtke 1969) but from a different geological setting.

The pyrrhotite-pyrite lodes, referred to as layers or beds in previous descriptions, vary in apparent thickness from tens of centimeters to a few meters and they are spatially associated with leucocratic pegmatite. Where the two rock types are in contact, they are intermingled with one another indicating that they are coeval, and probably represent immiscible melt fractions. The pyrrhotite in the lodes is much coarser grained than that in the host rocks but it is just as magnetic. Surprisingly, the copper content of the pyrrhotite-pyrite lodes is insignificant, as it is in the host rocks as well (< 2500 ppm).

Parker (1999) noted “ball-textured sulfide minerals” at the interface between the lower contact of the mineralized zone and pegmatite. “The ball-texture consists of rounded fragments, up to 1 cm in size, of quartz, feldspar and pyrite embedded in a groundmass of massive pyrrhotite”, which he interpreted as the product of milling during deformation. However, the absence of tectonic foliation indicates that this ball texture is primary rather than deformation related. He also observed that gahnite is disseminated in narrow quartz-rich, pegmatitic sections of the mineralized zone.

Mineralization in the East HSZ is similar to that of the Main zone. Five Eloro holes intersected this zone and intersections of altered and/or mineralized rock range from 1 to 10 m in apparent thickness. The mineralization is predominantly sphalerite, with elevated silver, in altered host rocks that are associated with pegmatite sills and pyrrhotite-pyrite lodes.

Deposit Types

The HSZ sits in metasedimentary rocks and in this respect, it is similar to the giant Broken Hill massive sulfide deposit of southeastern Australia (cf. Spry et al. 2007). However, it also has features comparable to the Geco massive sulfide deposit (cf. Zaleski and Peterson 1995), which is approximately 300 km to the west of the HSZ.

Broken Hill is interpreted as a syngenetic, sediment-hosted exhalative (Sedex) type of massive sulfide deposit (Groves et al. 2008). At Broken Hill, strongly deformed, metamorphosed and stacked sulfide lenses, including “pyrrhotite lodes”, occur in sillimanite-bearing host rocks. The upper part of the deposit, including lenses 2 and 3, is zinc, lead and silver rich (Table 1 of Groves et al. 2008). Individual lenses can range up to tens of meters in thickness. The mineralization can extend hundreds of meters, commonly grading laterally into disseminated pyrite and pyrrhotite units that measure tens of kilometers.

Geco is interpreted as a syngenetic, volcanic-hosted massive sulfide (VMS) type of deposit (Zaleski and Peterson 1995), which was originally postulated by Stanton and Russell (1959). At Geco, stacked sulfide lenses occur in sillimanite-bearing rocks that are interpreted to reflect the

original hydrothermal alteration zone, which was associated with deposition of the deposit. The upper part, including the “8/2 Zn” and “ZnIF” orebodies, contains zinc and silver but little else (Table 2 of Zaleski and Peterson 1995).

What Broken Hill and Geco have in common is that they both are hosted by high-grade (up to granulite facies) metamorphic rocks and there is evidence that some of the sulfides actually melted and were remobilized (Frost et al. 2011; Tomkins et al. 2006; Mookherjee and Dutta 1970). Gahnite (zinc spinel) is also present in both deposits.

Exploration Work

To date, no exploration work has been conducted on Hurdman Property by or on behalf of Blue Vista. In fact, no exploration has been conducted since Eoro completed its 2008 program.

Drilling

The relationship between sample/intersection lengths and true thickness is not known. All reported intervals in the following section are intersection widths, not true widths.

Historic Drilling

In 1965-66, INCO drilled 20 holes in Hurdman Township; 16 of them, totalling 1,609 m, were on Hurdman Property and 13 of them encountered disseminated to massive, pyrrhotite- pyrite mineralization, with associated sphalerite ± chalcopyrite and magnetite. Most of the holes were drilled southward, others were oriented to the southeast and a few, to the east and the west, (probably to test geophysical anomalies associated with diabase dikes). No public record exists of assay results obtained from mineralized intersections.

In 1979-81, Mattagami drilled 45 holes in Hurdman Township; 40 of them, totalling 4293 m, were on Hurdman Property. Most of these holes were vertical because the geophysical interpretation indicated that the so called “G” and “H” ground-HLEM anomalies were flat lying, superimposed conductors, gently dipping to the north. Most of the boreholes encountered pyrite-pyrrhotite associated with sub-economic zinc and silver values over apparent widths of 0.5 to 20 m. The intersections are almost true thickness, as the mineralized zones are now known to be dipping at 15° to 20°.

In 1991, Noront carried out a short BQ-diameter diamond-drilling program on Mattagami’s zinc occurrence. The four holes totalling 455 m were drilled southward and intersected the mineralized zone over variable widths. Along with the identification of some alteration minerals, large quantities of gahnite, a spinel variety already mentioned by Inco in their logs, was noted to be associated with the zinc-bearing zones.

In 1992, the Galico/Noront Joint Venture carried out a short diamond-drilling program totalling 737.3 m that targeted the northeast dipping extension of the Hurdman occurrence. The BQ core recovery was good. Boreholes 92-1 and 92-2 intersected the zinc-bearing zone over widths varying from 1.9 to 3.8 m carrying 1.4% and 0.82% zinc respectively. Boreholes 92-3, 4 and 5

were drilled north of Mattagami's hole 82-32 that intersected 1.17% Zn over 1.5 m. The most significant values were encountered by hole 92-3.

The 1998 drilling program carried out by Baltic was aimed at testing the down dip extension of the eastern end of the Hurdman Zone. The lithological descriptions of the four BQ-diameter holes, totalling 560 m, indicate that three of them passed through the zinc-bearing zone. Hole 98-1 intersected a pyrrhotite-pyrite rich zone with sphalerite and magnetite. This zone corresponds to one described in a press release that reported 1% Zn over 12.5 m. This drilling showed that the HSZ could be 10 to 15 m in thickness and extend 150 m down dip. Notably, the author (Pierce, 1998) of the report on this work suggested that the HSZ is similar to the 8/2 Zn zone at the Geco massive sulphide deposit, which is where he worked for several years.

A summary of the best historic drill-core assay results are shown in **Table 10.1**.

Table 10.1 Best historic assay results from the Hurdman Sulfide Zone (HSZ)

Company	Hole #	From (metres)	To (metres)	Length (metres)	Zinc (%)	Silver (oz/t)	Remarks
Mattagami	80-9	12.2	32.0	19.8	0.64	1.10	Anomaly G-H
	80-13	67.9	74.7	6.8	1.84	0.74	Anomaly I
							0.056 oz/t Au
	80-14	15.5	31.7	16.2	0.80		Anomaly G-H
	80-15	18.3	29.0	10.7	1.39		Anomaly GH
	81-25	55.1	57.2	2.1	1.20	2.13	Anomaly I
		62.2	66.2	4.0	0.86	0.76	Anomaly I
	81-29	35.2	41.6	6.4	1.01	1.01	Anomaly G-H
		43.6	51.4	7.8	0.70	1.13	
	81-30	62.1	73.6	11.5	2.41		Anomaly G-H
	81-35	33.0	35.7	2.7	0.95	0.63	Anomaly C
	81-40	85.8	93.9	8.1	1.27		Anomaly G-H
	Noront	91-1	64.8	78.3	13.5	2.41	
91-3		59.5	66.4	6.9	4.64		Anomaly G-H
		68.9	77.3	8.4	2.72	0.32	
	95.0	98.2	3.2	4.82	0.71		
Galico	92-3	62.9	65.7	2.7	1.20	0.13	NW of Anomaly G-H
		68.3	74.5	6.2	1.82	0.30	
		77.7	79.6	1.9	3.05	0.52	

Drilling by Eloro

In January 2005, Eloro carried out a 7-hole, diamond-drilling program, totalling 635 m (AFRO-ID file 2.30835). The main purpose of this drilling was to verify metal concentrations reported from holes 91-1 and 98-1, which were drilled by Noront and Baltic, respectively. Details concerning the sampling procedure and assay results are described in Section 12 (Sampling Method and Approach). All holes were logged by Jean-Sébastien Lavallé of ConsulTeck Ltd.

Drill-hole metadata and the best assay results from this drilling program are displayed in **Table 10.2** and **Table 10.3**, respectively.

Holes ELO-98-1B and ELO-98-1C, respectively drilled to twin and overcut Noront's hole H-98-1, successfully intersected the HSZ at the expected depth. Zinc values in the two holes were 0.55% over 11.1 m and 0.42% over 10.6 m, respectively. These results are lower than the 1% Zn over 12.5 m reported by Noront and Galico in their news release dated May 20, 1998. Holes ELO-91-1B and ELO-91-1-C, respectively drilled to twin and undercut hole H-91-1, intersected the HSZ at the expected depth and returned 1.53% Zn over 21.0 m and 1.85% Zn over 8.55m. These values are comparable to the 2.41% Zn over 13.5 m encountered in Noront's hole H-91-1 (AFRI file 42H12SW0015). The three other holes (ELO-05-01, ELO-05-02 and ELO-05-03) were drilled between 25 m and 70 m west of holes ELO-91-1B and ELO-91-1C. All cut the HSZ but the best intersection was in ELO-05-01, which graded 3.0% Zn over a true thickness of 23.6 m.

Table 10.2 Metadata for the 2005 AQ-sized diamond-drill holes

DDH N°	EASTING NAD83- Z17	NORTHING NAD83-Z17	Azimuth	Dip	Length (m)	Casing (m)	Claim N°
ELO-98-1-B	443500	5484795	180°	-70	93	12	119489
ELO-98-1-C	443500	5484795	180°	-45	77	15	119489
ELO-91-1-B	443381	5484793	180°	-55	90	13	119489
ELO-91-1-C	443381	5484793	-	-90	102	12	119489
ELO-05-01	443267	5484806	180°	-70	93	16	119489
ELO-05-02	443237	5484819	180°	-70	98	23	119489
ELO-05-03	443321	5484790	180°	-70	83	13	119489
TOTAL: 5 diamond drill holes					635	meters	

Table 10.3 Summary of best results from the 2005 drilling

Hole #	From (m)	To (ms)	Length (m)	Zinc (%)	Silver (g/t)	Remarks
ELO-98-1B	45.70	56.80	11.10	0.55	18.71	Twin of H-98-1
ELO-98-1-C	45.00	55.60	10.60	0.42	13.14	Overcut of H-98-1
ELO-91-1-B	46.50	67.50	21.00	1.53	10.18	Twin of H-91-1
(including)	64.50	66.55	2.05	6.90	10.29	
ELO-91-1-C	54.45	63.00	8.55	1.85	15.16	Undercut of H-91-1
(including)	55.70	56.25	1.80	5.90	33.66	
ELO-05-01	58.20	81.95	23.75	1.17	11.26	New hole
(including)	69.00	75.20	6.20	2.14	7.79	
ELO-05-02	64.90	88.50	23.60	3.00	12.12	New hole
(including)	83.55	87.00	3.45	4.86	11.56	
ELO-05-03	53.60	69.50	15.90	1.09	22.22	New hole
(including)	56.60	61.45	4.85	1.82	26.39	

In 2006, Eloro carried out a 12 hole (ELO-06-01 to ELO-06-12 inclusive), 1404 m diamond-drilling program (AFRO-ID file 2.36504). The objective was to delineate the mineralization to a depth of 80 m within a 300 m long by 200 m wide segment of the HSZ. Holes ELO-06-01, -06, -07 and -10 were in-fill holes, whereas ELO-06-02, -03, -04, -05, -08, -09, -11 and -12 were drilled to test for extensions of the known zone. All holes were logged by MRB and Associates. Drill-hole metadata and best assay results from this drilling program are displayed in **Table 10.4** and **Table 10.5**, respectively.

Table 10.4 Metadata for the 2006 BQ-sized diamond-drill holes

DDH N°	EASTING NAD83-Z17	NORTHING NAD83-Z17	Azimuth	Dip	Length (m)	Casing (m)	Claim N°
ELO-06-01	443261	5484839	180°	-70	137	14	119489
ELO-06-02	443362	5484858	180°	-50	124	6	119489
ELO-06-03	443362	5484859	180°	-70	107	3	119489
ELO-06-04	443413	5484789	180°	-50	131	13	119489
ELO-06-05	443413	5484789	180°	-70	99	11	119489
ELO-06-06	443259	5484792	180°	-50	134	24	119489
ELO-06-07	443259	5484792	180°	-70	92	21	119489
ELO-06-08	443232	5484809	180°	-50	130	21	119489
ELO-06-09	443232	5484810	180°	-70	105	18	119489
ELO-06-10	443257	5484749	180°	-70	122	30	119489
ELO-06-11	443236	5484785	180°	-50	122	33	119489
ELO-06-12	443236	5484785	180°	-70	101	28	119489
TOTAL: 12 diamond drill holes					1404	meters	

Table 10.5 Summary of best results from the 2006 drilling

DDH NO.		FROM (m)	TO (m)	INTERVAL (m)	Zn %	Ag (g/t)	Au (g/t)
ELO-06-01		85.8	97.4	11.6	3.70	7.71	trace
	Incl.	88.3	97.4	9.1	4.21	8.72	trace
	Incl.	93.5	97.4	3.9	5.36	2.64	trace
ELO-06-02		80.4	82.2	1.8	3.15	2.55	trace
		89.6	91.0	1.4	3.57	13.41	trace
ELO-06-03		81.8	84.2	2.4	2.51	9.20	trace
	Incl.	82.4	83.0	0.6	5.54	14.0	trace
		83.0	83.4	0.4	0.02	3.00	5.10
ELO-06-04		60.1	71.4	11.3	2.09	39.56	trace
	Incl.	65.6	68.3	2.7	3.43	101.8	trace
	Incl.	68.3	68.8	0.5	0.09	76.00	1.32
ELO-06-05		58.4	59.9	1.5	4.45	12.67	trace
		64.2	64.8	0.6	3.49	13.00	trace
		66.0	66.6	0.6	3.92	27.00	trace
ELO-06-06		38.8	59.5	20.7	2.08	9.51	trace
	Incl.	51.8	54.5	2.7	4.82	5.64	trace
	Incl.	57.0	59.5	2.5	4.13	17.47	trace

DDH NO.		FROM (m)	TO (m)	INTERVAL (m)	Zn %	Ag (g/t)	Au (g/t)
		60.9	61.4	0.5	0.50	18.00	1.31
		79.8	80.1	0.3	0.31	39.00	1.99
ELO-06-07		62.5	70.4	7.9	2.48	10.43	trace
	Incl.	67.1	70.4	3.3	3.58	18.25	trace
		74.9	75.4	0.5	0.19	13.2	1.95
		75.4	76.2	0.8	0.43	13.60	1.18
		78.9	79.4	0.5	0.58	21.00	1.15
ELO-06-08		52.3	80.5	28.2	2.79	20.00	trace
	Incl.	69.5	79.2	9.7	4.45	24.95	trace
	Incl.	71.3	79.2	7.9	5.22	28.02	trace
	Incl.	71.3	73.3	2.0	7.60	45.00	trace
	Incl.	72.0	76.4	4.4	4.00	34.02	1.97
ELO-06-09		58.9	60.6	1.7	3.89	7.74	trace
		62.1	64.3	2.3	3.56	10.12	trace
ELO-06-10		52.7	53.5	0.8	0.62	14.50	1.28
ELO-06-11		43.7	45.1	1.4	0.34	19.46	2.40
		60.5	61.0	0.5	0.14	52.4	3.39
		64.3	65.8	1.5	0.57	24.00	1.17
ELO-06-12		39.2	46.5	7.3	4.99	26.57	trace
	Incl.	39.2	41.4	2.2	10.37	57.68	1.37
	Incl.	40.5	41.4	0.9	13.87	8.12	2.00
		52.4	58.5	6.1	3.48	15.46	trace
		58.5	59.0	0.5	0.41	166.00	48.69

All 12 holes intersected the HSZ, in some areas where it was not previously known. Ten of the holes contain intersections ranging from 1.5 to 28.2 m with zinc values ranging from 2 to 10% Zn, and silver values ranging from 2.6 to 101.8 g/t Ag. Holes ELO-06-10 and ELO-06-11 intersected pyrrhotite-pyrite lodes and pegmatite sills containing elevated silver values (up to 120 g/t and 55 g/t Ag, respectively) but little zinc. Erratic, scattered, high gold values (up to 48.69 g/t Au) were also obtained for the first time. Elevated gold values are generally associated with pegmatite sills or pyrrhotite-pyrite lodes. Drill holes ELO-06-12, ELO-06-04 and ELO-06-05 extended the high-grade zinc (greater than 3% Zn) and silver (greater than 15 g/t Ag) corridor by 25 metres to the west and east.

In 2007, Eloro completed a diamond-drilling campaign of 25 holes totaling 3,464 m (AFRO-ID file 2.36504). Holes ELO-07-09, -10, -19, -21 and -25 were drilled to test for the westward continuation of the HSZ; whereas holes ELO-07-05 to -08, -12, -15, -17, -18, -20, and -22 to -23 tested the down-plunge (northern) extent of the high-grade mineralization encountered during the company's 2006 drilling program. Drill core from the first four holes was logged by Jean-Sébastien Lavallé and core from the rest of holes was logged by Brian Polk, both of ConsulTeck Ltd. Drill-hole metadata and best assay results from this drilling program are displayed in **Table 10.6** and **Table 10.7**, respectively.

Altered/mineralized rocks were intersected in all holes except ELO-07-09 and ELO-07-10 but zinc grades are insignificant to the west (holes ELO-07-19, -21, and -25). Fifteen holes had intersections ranging from 1.1 to 19.9 m with zinc values ranging from 1.06 to 6.09% Zn and silver values ranging from 5.27 to 83.07 g/t Ag. Four other holes (ELO-07-05, -14, -22 and -24) had intersections ranging from 1.0 to 3.0 m with zinc values ranging from 1.1 to 2.71% Zn and silver values ranging from 3.06 to 6.26 g/t Ag. The 2007 drilling extended the limits of the HSZ to the north by over 200 m but not to the west by any significant distance.

Table 10.6 Metadata for the 2007 Bq-Sized Diamond-Drill Holes

DDH N°	EASTING NAD83-Z17	NORTHING NAD83-Z17	Azimuth	Dip	Length (m)	Casing (m)	Claim N°
ELO-07-01	443236	5484841	180°	-69	128	18	119489
ELO-07-02	443236	5484840	180°	-50	146	30	119489
ELO-07-03	443285	5484843	180°	-68	117	8	119489
ELO-07-04	443285	5484842	180°	-50	143	9	119489
ELO-07-05	443226	5484880	180°	-60	128	15	119489
ELO-07-06	443226	5484881	180°	-83	167	12	119489
ELO-07-07	443275	5484890	180°	-82	142	16	119489
ELO-07-08	443275	5484890	180°	-60	167	14	119489
ELO-07-09	443175	5484880	180°	-60	19	19	119489
ELO-07-10	443175	5484881	180°	-83	167	15	119489
ELO-07-11	443235	5484725	177°	-60	92	32	119489
ELO-07-12	443322	5484867	177°	-60	119	2	119489
ELO-07-13	443275	5484762	180°	-60	92	27	119489
ELO-07-14	443327	5484736	177°	-60	92	17	119489
ELO-07-15	443374	5484880	177°	-60	131	6	119489
ELO-07-16	443375	5484728	177°	-60	90	20	119489
ELO-07-17	443275	5485056	177°	-60	201	14	119489
ELO-07-18	443224	5485056	177°	-60	200	16	119489
ELO-07-19	443129	5484813	177°	-80	130	37	119489
ELO-07-20	443321	5484939	177°	-45	185	14	119489
ELO-07-21	443076	5484812	177°	-45	130	39	119489
ELO-07-22	443361	5484940	177°	-80	185	9	119489
ELO-07-23	443224	5484984	177°	-60	182	16	119489
ELO-07-24	443224	5484985	177°	-84	181	15	119489
ELO-07-25	443027	5484814	177°	-70	131	34	119489
TOTAL: 25 diamond drill holes					3464	meters	

Table 10.1 Summary of best results obtained from 2007 drilling

DDH No	From (m)	To (m)	Interval (m)	Zinc %	Silver g/t
ELO-07-01	95.8	98.6	2.8	5.35	7.13
ELO-07-02	89.1	102.2	13.1	3.23	40.56
ELO-07-03	71.6	91.55	19.95	1.45	5.92
ELO-07-04	85.25	91.15	5.9	3.26	9.17
ELO-07-06	87.0	93.0	6.0	2.64	5.27
ELO-07-07	96.0	109.0	13.0	1.90	5.35
ELO-07-08	109.0	117.0	8.0	3.86	14.40
ELO-07-11	33.3	38.0	4.7	3.89	83.07
ELO-07-12	80.0	84.0	4.0	6.09	14.80
ELO-07-13	59.8	61.7	1.9	2.36	6.98
ELO-07-15	88.0	89.5	1.5	2.56	8.15
ELO-07-16	49.0	53.0	4.0	1.06	31.92
ELO-07-17	154.0	155.1	1.1	1.79	16.20
ELO-07-18	150.0	151.4	1.4	2.10	11.63
ELO-07-23	132.0	139.0	7.5	2.13	10.86

From November 2008 to January 2009, Eloro drilled 10 holes, totaling 1,941 m (AFRO-ID file 2.41277), 1) to test coincident Mag/EM geophysical anomalies in the vicinity of the HSZ, which were outlined by the 2008 airborne VTEM survey, and 2) to delineate the limits of the HSZ to the east and north. Drill-hole metadata and best assay results from this drilling program are displayed in **Table 10.8** and **Table 10.9**, respectively.

Table 10.8 Metadata for the 2008-09 NQ-sized diamond-drill holes

DDH N°	EASTING NAD83-Z17	NORTHING NAD83-Z17	Azimuth	Dip	Length (m)	Casing (m)	Claim N°
ELO-H-08-01	442600	5485225	180°	-65	348	42	1199489
ELO-H-08-02	443000	5485275	180°	-65	285	36	1199489
ELO-H-08-03	443500	5485150	180°	-65	201	15	1199489
ELO-H-08-04	443900	5485375	180°	-65	252	21	1199489
ELO-H-08-05	444300	5485250	180°	-65	231	18	3017214
ELO-H-08-06	444750	5485150	180°	-65	219	36	3017214
ELO-H-08-07	444750	5485010	360°	-65	120	27	3017214
ELO-H-08-08	444850	5485025	180°	-65	126	24	3017214
ELO-H-08-09	444650	5485025	180°	-65	66	30	3017214
ELO-H-08-10	444750	5485025	180°	-65	93	24	3017214
TOTAL:10 diamond drill holes					1941	meters	

The first four holes did not intersect any pyrrhotite-pyrite lodes but one, ELO-H-08-01, intersected a possible exhalite horizon that contained disseminated sphalerite and minor gahnite over a 0.65 m interval at 139.5 m down-hole. Significantly, this interval is strongly enriched in silver (154 g/t Ag) and contains the highest gold assay of the 2008 program (2.87 g/t Au).

Holes ELO-H-08-05, -06, -07, -08, -09 and -10 encountered pyrrhotite-pyrite lodes. The mineralized zone in hole ELO-H-08-05 is narrow; one 0.81 m interval adjacent to a pyrrhotite-pyrite lode has zinc (1.82% Zn) and another 1.08 m interval within the lode has gold (1.43 g/t Au). The other holes are in the area of Mattagami's "I" anomaly, the east HSZ, where historic drilling had previously intersected some interesting zinc grades. In these holes, the mineralized/altered interval is thicker than in hole ELO-H-08-05 but it generally does not exceed 8 m in apparent thickness. Intersections ranging from 0.5 to 9.8 m have zinc values ranging from 1.02 to 1.45% Zn with silver values ranging from 9 to 67 g/t Ag.

Table 10.9 Summary of best assay results from 2008 drilling

DDH NO.	from (m)	to (m)	interval (m)	Zn %	Pb (ppm)	Ag (g/t)	Au (g/t)
ELO-H-08-01	139.5	140.2	0.7	1.60	1905	154	2.87
	146.6	147.4	0.8	1.20	4220	22	.30
ELO-H-08-05	107.92	108.73	0.81	1.82	590	8	.19
	108.73	109.81	1.08	.06	245	3.5	1.43
ELO-H-08-06	122.8	127.1	4.3	1.03	105	35	.21
	122.8	125.0	2.2	1.27	107	10	.22
ELO-H-08-07	73.8	80.8	2.4	0.86	2573	164	.37
	73.8	75.5	1.7	1.16	117	69	.09
	77.6	78.4	0.8	.07	1460	6	.74
	78.4	80.4	2.0	1.02	186	67	.34
	80.4	80.8	0.4	.08	11800	266	.49
ELO-H-08-08	97.3	104.1	6.8	0.47	21	60	.18
	103.6	104.1	0.5	1.26	67	220	.34
ELO-H-08-09	41.0	45.8	4.8	0.62	172	18	.19
	41.0	42.0	1.0	0.94	50	14	.17
	45.1	45.8	0.7	1.45	50	19	.09
ELO-H-08-10	107	107.6	0.6	.03	9900	20	.25
	109.5	119.3	9.8	1.45	508	9	.11
	109.5	114.2	4.7	0.97	494	9	.11
	109.5	112.0	2.5	1.12	565	6	.07
	117	118.5	1.5	4.94	188	6	.16
	117	119.3	2.3	3.68	191	8	.14

Notably, Mattagami's Hole H-13-80-13, which was collared 100 m south of ELO-H-08-07 intersected (historic) values of 7.8% Zn, 21g/t Ag over 1.8 ft (0.55 m) and 2.85% Zn, 30g/t Ag over 3.7 ft (1.13 m), at 68 m and 72 m down hole respectively; hole H-13-81-31, collared 125 m south of ELO-H-08-08 intersected (historic) values of 1.19% Zn over 1.8 ft (0.55 m) at 80 m down hole, whereas hole H-13-81-21, collared 65 m southwest of ELO-H-08-09 intersected only minor concentrations of Zn. This latter hole is separated from the other holes by a NNE trending

diabase dyke. Hole H-13-81-25, which was collared 275 m south of ELO-H-08-08, intersected two distinct mineralized horizons between 55 m and 66 m down hole, with (historic) values of 2.12% Zn over 1.0 ft (0.30 m), and 1.13% Zn combined with 185 g/t Ag over 3.7 ft (1.13 m) in the upper zone and 0.85% Zn together with 26 g/t Ag over 13 ft (3.96 m). These historic intersections are consistent with a southerly, shallowing-upward, continuation of the east HSZ.

Holes ELO-H-08-09, ELO-H-08-07 and ELO-H-08-08, collared from west to east on UTM Lines 444650 East, 444750 East and 444850 East respectively, intersected the mineralized zone at 41 m, 70 m and 97 m down hole respectively, indicating an apparent eastward dip of 15°. Holes ELO-H-08-06, ELO-H-08-10 and ELO-H-08-07 on UTM Line 444750 East, intersected the mineralized zone at 122 m, 107 m and 70 m down-hole respectively, indicating an apparent north dip of 25°. The true orientation of the mineralized zone in this area is therefore approximately 12° towards the NE (52°).

Sample Preparation, analyses, and security

The following section applies to drilling that was done on Hurdman Property by Eloro between 2005 and 2008. Notable assay results from this drilling are summarized in the previous section. No person involved with any aspect of the sample preparation is an employee, officer, director or associate of Blue Vista.

Of the 53 holes drilled (ELO-07-09 not completed) by Eloro during this period, 51 of the cores attained were sampled for analysis. Core from the 2005 program was sampled by Jean-Sébastien Lavallé of ConsulTeck Ltd., Val-d'Or, QC; core from the 2006 program was sampled by Martin Bourgoin of MRB & Associates, Val-d'Or, QC; core from the first four holes of the 2007 program was sampled by Jean-Sébastien Lavallé, whereas core from the rest of the holes was sampled by Brian Polk, both of ConsulTeck Ltd.; and core from the 2008-09 drilling was sampled by Chris Wagg for MRB & Associates. A total of 1967 mineralized samples were collected for assay from 51 drill cores, distributed as follows: 2005 = 191 samples from 7 holes; 2006 = 626 samples from 12 holes; 2007 = 660 samples from 23 holes; and 2008 = 478 samples from 9 holes. Another 130 samples were collected for whole rock analysis, 16 from 2005 cores and 114 from 2008 cores. Also 189 sample pulps from 2006 and 2007 cores were re-assayed for lead (Pb) in 2008.

In general, only visibly mineralized core intervals were sampled and thus the sampling was more-or-less confined to light grey altered rocks, i.e. the feldspar-quartz-biotite-sillimanite gneiss of Parker (1999). Holes ELO-07-10 and ELO-08-02 were not sampled because they only intersected unmineralized diabase/gabbro. Core intervals that required sampling were marked off and tagged, mostly in 1.0 or 1.5 meter sample intervals. The maximum length of sample interval was 1.9 m and the shortest interval was 0.20 m; shorter intervals were taken where higher grade sections occurred within lower grade intervals. Core to be sampled was split using a diamond saw (except for some of the 2008 core, where a hydraulic splitter was used) and the entire split was placed in a plastic bag with the sample tag; the tag number was written on the bag with indelible marker, and the bag was sealed using a plastic zip lock. The remaining half of the core was put back in the box with the duplicate sample tag for future reference purposes. Individual bagged samples were placed in rice shipping bags, secured with zip locks and delivered to the

laboratory, either directly by the sampler or by bonded courier. No blank, duplicate or standard samples were inserted into the sample stream by Eloro Project Geologists, except for the 2008 program; otherwise, the core-sampling procedures were conducted in a satisfactory manner according to accepted industry standards. All cores and reject samples have been stored in a secure compound in Val-d'Or (**Figure 11.1**).

The author is not aware of any drilling, sampling or recovery factors that would have impacted the reliability of results reported from assayed or re-assayed drill core. Holes with dips less than 60° may have longer intersection widths than those with steeper dips because the mineralized zone has a shallow dip to the north. One hole, ELO-08-07, in the East HSZ was inadvertently drilled to the north at -65° and could have been down dip. However, the apparent thickness of the mineralized zone in this hole is about the same as ELO-08-10 that was drilled to the south at -65° in the same area. This indicates that the dip of the East HSZ is relatively flat, i.e. comparable to that of the Main HSZ to the west.

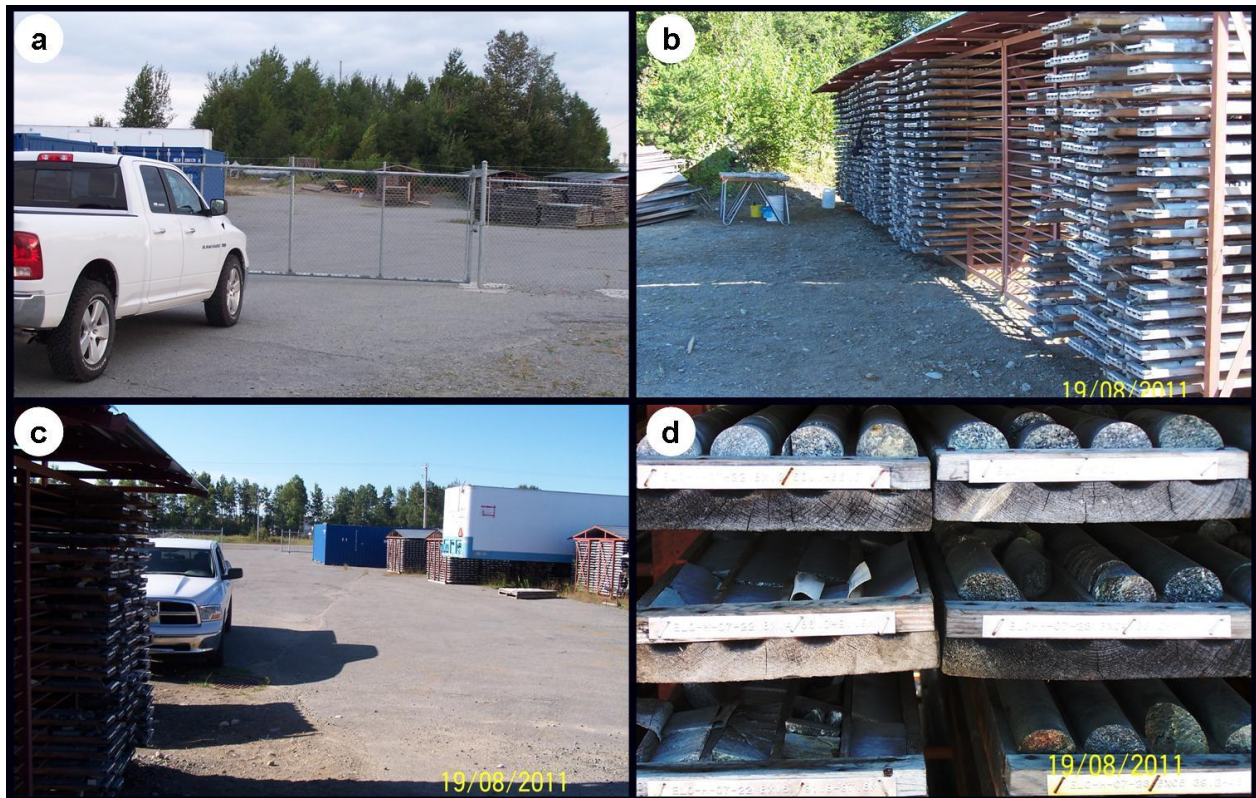


Figure 11.1 Photographs of the fenced and locked compound in Val-d'Or, where Eloro's drill core is stored. a) View looking north at the locked front gate of the core-storage compound at 390 Des Distributeurs; b) Core rack containing Eloro's drill core from its 2005 to 2008 drilling campaigns; c) View looking south towards the gate; d) Labeled boxes of core from the 2007 drilling campaign.

Samples from the 2005 drilling campaign were submitted to ALS Minerals in Val-d'Or, Quebec and assayed for gold (Au), silver (Ag), copper (Cu), and zinc (Zn). Each sample was logged in the ALS tracking system, weighed, dried and finely crushed to better than 70% passing a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of up to 250 g was taken and pulverized to better

than 85% passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen (sample preparation package PREP-31). A 30 g cut of pulverized sample was fused, then cupelled to make a bead that was acid-digested and analysed by atomic absorption (AA) spectroscopy for Au (Fire Assay Procedure Au-AA23), and for Ag, Cu and Zn (Method AA-45). Samples with Au or Ag > 10 ppm were reanalyzed by gravimetric analysis (Fire Assay Procedure Au-GRA21) using another 30 g cut of pulverized sample. Similarly, samples with Cu or Zn > 10,000 ppm were reanalyzed by AA (Method AA-46) using a sample that was digested in 75% aqua regia for 120 minutes. One (1) blank, one (1) duplicate, and two (2) standards were inserted into each batch of ten (10) samples to ensure the precision and accuracy of the analytical results. ALS Minerals of Val d'Or was certified to ISO 9001:2000 standards at the time this work was done.

Samples from the 2006 drilling campaign were submitted to two laboratories and assayed for the same four metals as the 2005 program. Samples from the first six holes, and part of the seventh, were submitted to Bourlamaque of Val-d-Or, Quebec. Samples from the remaining six holes were submitted to Swastika in Swastika, Ontario.

The sample protocol at Bourlamaque was to log samples into an in-house tracking system, record the weight of each one, then crush at least 70% to pass minus 10 mesh, split the sample using a riffle splitter to obtain approximately 250 g of material, and pulverize at least 85% of the split to finer than minus 200 mesh. A 30 gram cut of pulverized sample was assayed for Au and Ag using fire-assay (FA) with an AA finish. Copper and zinc were analyzed using an aqua-regia digestion and atomic emission spectroscopy (AES). For quality control purposes Bourlamaque inserted one (1) blank and one (1) duplicate in every batch of 20 samples. Bourlamaque was certified to ISO 9001:2000 standards at the time this work was done.

The sample protocol at Swastika is to contact the Customer if: 1) samples, sample labels, or assay instructions are missing; 2) sample integrity is compromised due to packaging damage; or 3) the customer's order instructions are insufficient or ambiguous. The entire sample is crushed, split and pulverized (> 80% to minus 100 mesh). A 30 gram cut of pulverized sample was assayed for Au and Ag using FA with an AA finish. Copper and zinc were analyzed using an aqua-regia digestion and AES. Samples with Cu or Zn values > 10,000 ppm were reanalyzed by fire assay. One (1) blank, one (1) standard were inserted into each batch of sixty (60) samples to ensure the precision and accuracy of the analytical results. Swastika was certified to ISO 9001:2000 standards at the time this work was done.

Samples from the 2007 drilling program were submitted to Expert of Rouyn-Noranda, Quebec and assayed for the same four metals as previously. Blanks and standards were inserted into the sample stream by ConsulTeck, starting at hole ELO-07-05. The sample protocol was to log samples into an in-house tracking system, record the weight of each one, then crush at least 90% to pass minus 10 mesh, split the sample using a riffle splitter to obtain approximately 300 g of material, and pulverize at least 90% of the split to finer than minus 200 mesh. Once the sample was pulverized, Au was analysed by FA with an AA finish. Assays greater than 1 g/t Au were automatically re-assayed using FA with a gravimetric finish. For quality control purposes Expert inserted one (1) blank and one (1) standard in every batch of 28 samples. Duplicates were done on every 12th sample and on samples in excess of 1 g/t Au. Expert was certified to ISO 9001:2000 standards at the time this work was done.

Samples from the 2008 drilling campaign were submitted to ALS Minerals in Val-d'Or, Quebec and assayed for gold (Au), silver (Ag), copper (Cu), zinc (Zn) and lead (Pb). Blanks, duplicates and standards were inserted into the sample stream by MRB. The sample protocol at ALS was the same as for the 2005 work, which is described above. ALS Minerals of Val d'Or was certified to ISO 9001:2008 standards and had received accreditation to ISO/IEC 17025:2005 from the Standards Council of Canada (SCC) for "Fire Assay Au by Atomic Absorption (AA) and Au by gravimetric finish".

In 2008, Eloro contracted Expert to re-assay 189 sample pulps from the 2006 and 2007 drilling programs for lead by AA (code AAT-8) using a multi-acid, near total digestion.

In the author's opinion, the sample preparation, security and analytical procedures used conform to accepted industry standards. The only caveat is that Eloro used three different analytical laboratories between 2005 and 2009 and there could be subtle variations (inconsistencies) in metal values that are related to the different labs. However, all four laboratories are independent of both Eloro and Blue Vista.

Data Verification

Data verification of the pre-2005 work was limited to comparing information reported by Eloro with that contained in original assessment reports filed with the MNDM. However, none of these reports has UTM coordinates for drill collars so collar locations, as portrayed on Eloro's maps, cannot be confirmed on the ground. The author believes that they are as accurate as the historical data permits. Furthermore, these assessment reports do not describe sampling and analysis methods, or quality control methods and security procedures. This lack of information is believed to be related to the limited assessment requirements of the time, as opposed to the lack of completeness by the companies.

The author visited Hurdman Property, accompanied by Mr. Daniel Brown on August 17, 2011 to examine the area of the HSZ, confirm evidence of Eloro's diamond drilling and view the general landscape and surface features recorded on geological maps and figures prepared by Eloro. He located and photographed 12 of Eloro's 54 drill collars; he ascertained their UTM coordinates (to within ± 3 m) and found that the reported locations of the 2005 drill collars are not as accurate as those for the 2006 and 2007 collars. He did not locate or photograph any of the 2008 collars because of a lack of suitable landing areas for the helicopter; however, the coordinates of these holes were determined using a newer GPS model than the author's, according to Mr. Brown who spotted the 2008 holes, so the author is confident that the reported locations are accurate.

The author inspected a few drill cores from historical holes, which are stored at secure MNDM facility in Timmins, and some cores from Eloro's 2005-08 drilling, which are stored at a secure facility in Val-d'Or, to confirm that reported assay intervals in drill logs are consistent with tagged intervals in the core boxes. The only inconsistencies found were with holes ELO-08-07 and ELO-08-10, where the numbers on the boxes and in the logs of these two holes are transposed. However, the reported assay intervals and tag numbers in the boxes are correct for both holes.

Independent verification of results of the 2005-08 core-sampling was achieved by comparing results reported by Eloro with copies of original, signed Assay Certificates that were obtained directly from the four laboratories used. Random checks of individual samples showed that numbers in the Assay Certificates were identical to those reported by Eloro. The author did not collect independent samples of drill core for verification as it was not deemed necessary since Hurdman Property is in the early, grass-roots phase of exploration. No resource has been outlined, and no resource estimate is included in this Report.

Mineral Processing and Metallurgical Testing

Neither processing nor metallurgical testing has been conducted on Hurdman Property.

Mineral Resource Estimates

Hurdman Property does not have any mineral reserve estimate, as the work done to date has been of an “early exploratory” nature.

Adjacent Properties

At the time of writing, the author was not aware of any other active exploration activities in the immediate area of Hurdman Property.

Other relevant data

Magmatic sulfides are relatively common in mafic and ultramafic intrusive bodies (see Naldrett 2004 and references therein) but they are not very well known or recognized in migmatite terranes. However, Stevens et al. (2005) demonstrated experimentally that sulfide melting should occur in rocks metamorphosed to upper amphibolite and granulite facies conditions, and that the presence of a sulfur-rich fluid phase may promote melting during such high-grade metamorphism. In their melting experiments, they noted that two density-stratified crystal-rich zones (one sphalerite-rich and the other pyrrhotite-rich) were produced, which floated on a melt-rich zone. In addition, Wykes and Mavrogenes (2005) showed in their experiments that the addition of H₂O resulted in a 35°C drop in the melting temperature of sulfides, and they deduced that anatectic sulfide melts should contain more H₂O than magmatic sulfide melts. Furthermore, they inferred that fluids expelled from anatectic melts could be responsible for retrograde hydrothermal alteration associated with the Broken Hill massive sulfide deposit in southeastern Australia. However, even at that deposit “sulfide melts” did not move far from their original massive sulfide deposit (Groves et al. 2008)

Closer to home, there is evidence that sulfide melting occurred at the Geco deposit (Mookherjee and Dutta 1970; Tomkins et al. 2006), which has a zinc-silver-rich zone (8/2 Zn) that is comparable to the one at Hurdman (Pierce, 1998). The 8/2 Zn zone sits in sillimanite-muscovite-quartz schist and is interpreted to cap the deposit (**Figure 24.1**). As noted previously, Geco is situated close to the depositional boundary between the Wawa and Quetico terranes, but the relative position of the HSZ to this boundary at depth is unknown, i.e. beneath the deposit. However, the position of this boundary in the subsurface may be relatively shallow if the HSZ is

the uppermost of a series of stacked sulfide zones comparable to Geco. Possible felsic volcanic rocks in Hole ELO-06-11 (Figure 7.6c) could mean that the boundary with Wawa Terrane is near the HSZ.

Interpretation and conclusions

In Eloro's 43-101 technical report (Bérubé 2005), the HSZ was described as "a zinc-silver occurrence associated with pyrrhotite and pyrite clusters and disseminated sulfides inserted in gneiss and pegmatite units." The zone was known to strike ENE, dip shallowly to the north, and have a lens shape that is up to 30 m in thickness. The average zinc content was considered to be < 1%, with enriched zones containing up to 4% Zn over widths of up to 3 m and with silver values of up to one ounce per ton. Copper and lead are also present but in very low quantities.

Bérubé (2005) reported that the Zn-Ag±Cu±Pb assemblage was more typical of Sedex style mineralization than a typical volcanogenic massive sulfide deposit but he noted that Sedex-type deposits are lead enriched and generally not present in Archean rocks. He postulated that the host rocks could have been made up of sedimentary units and felsic tuffs. He qualified this by observing that pegmatites on both sides of the HSZ could be controlling the geometry of the mineralization and alteration patterns and recommended that these observations be checked by a geochemical study of the mineralized zone and its boundaries.

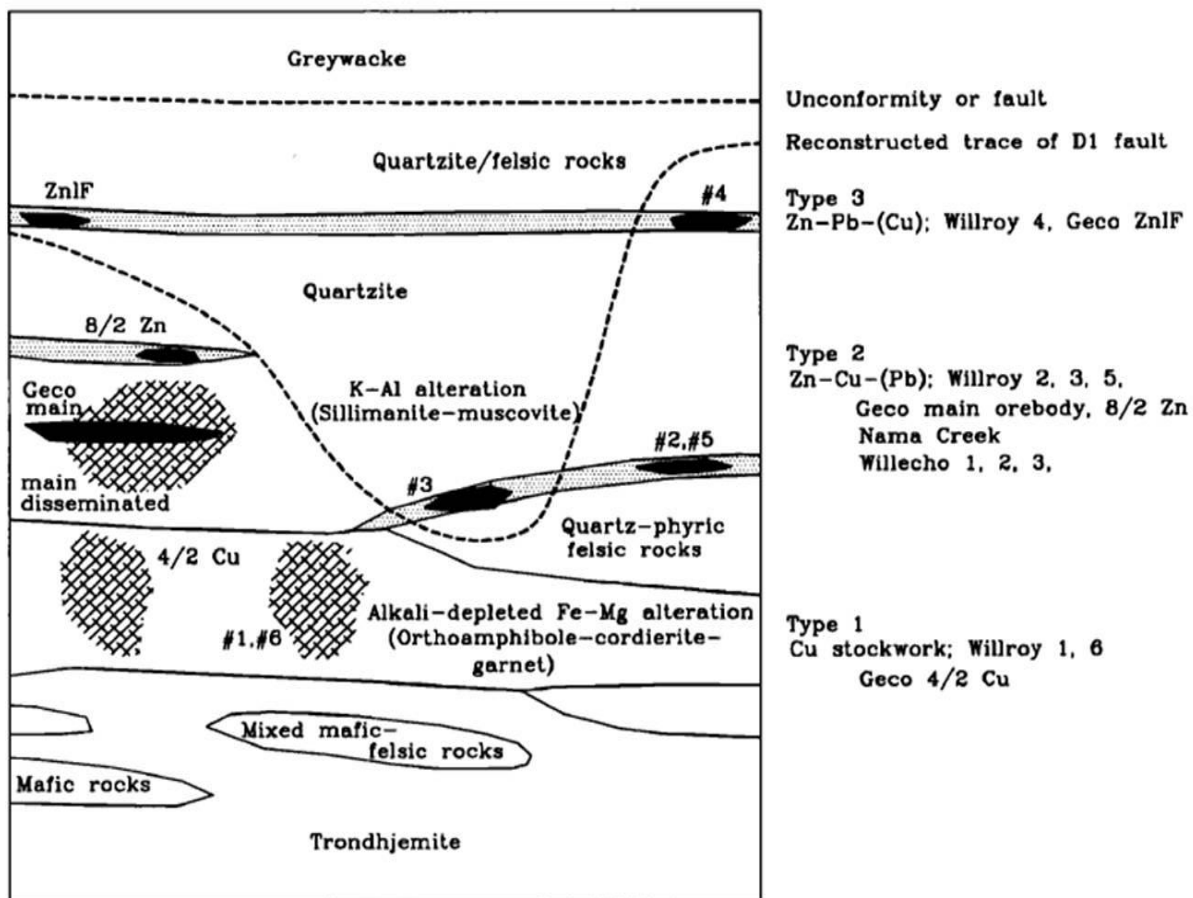


Figure 24.1 Schematic reconstructed section showing the inferred stratigraphic positions of the various orebodies at Geco (after Zaleski and Peterson 1995).

Mr. Bérubé also proposed that “an aggressive two phase exploration program” be conducted, with the following recommendations:

- Establish a grid (25.4 km) with 50 m line spacing in NAD’83, Zone 17 UTM coordinates (coordinates stipulated for base line, line 0+00, northern tie line and southern tie line) to help tie in previous drill hole locations;
- Carry out an airborne magnetic survey to help identify the folds, faults and lineaments, which control the attitude of the deposit;
- Do a systematic geochemical study on mineralized, altered and unaltered sections of the stratigraphic units to get better tracking techniques;
- Do further assaying and petrographic studies on gahnite to clarify its relative importance to zinc values;
- Conduct 1,350 m of shallow diamond drilling (to verify previously reported drill intersections)
- Carry out an airborne EM survey (Geotem) to initiate the second phase of exploration; and
- Conduct 1,500 m of shallow diamond drilling to test EM anomalies.

Most of this recommended exploration program has been completed by Eloro. In 2005-06, the company established a grid (26.2 km), conducted a ground magnetic survey, flew 610 line km of helicopter-borne Mag/EM, and completed 2035 m of diamond drilling. Sixteen samples were analysed for whole rock geochemistry. In 2007, Eloro completed 3464 m of diamond drilling. In 2008, the company contracted a helicopter borne (743 line km) VTEM survey of the entire 28-claim property and followed up with 1941 m of diamond drilling. Subsequently, 117 samples were analysed for whole rock geochemistry. However, the whole rock geochemical data have not been interpreted and no petrographic studies have been done. Nevertheless, the program objectives were largely met.

As a result of Eloro’s work, it has been confirmed that:

- The zinc-silver mineralization of the Main Hurdman Sulfide Zone (HSZ) is spatially associated with and mostly peripheral to pyrrhotite-pyrite lodes and pegmatite sills, which are within an alteration envelope of pale grey, sillimanite-bearing rocks that contain disseminated and “blebby” sphalerite;
- The east-west extent of the Main HSZ is at least 350 m and its north-south extent is at least 300 m; the top of the altered/mineralized envelop is close to surface (beneath glacial

deposits) in the most southern holes but it is below 100 m vertical depth in the most northern holes, indicating a shallow dip to the north;

- The thickness of the altered/mineralized envelope is variable; drill intersections range from 2 to 50 m but generally exceed 5 m;
- Zinc and silver grades in the Main HSZ range from 1.45% to 13.8% Zn and from 2.55 g/t to 166 g/t Ag over widths ranging from 0.5 to 28.2 m; elevated gold values (> 1 g/t Au) are erratic but range from 1.15 to 48.69 m over drill widths ranging from 0.4 to 7.9 m;
- Within the altered/mineralized envelope, there is a corridor that varies between 1.9 m and 19.95 m in apparent thickness, which contains zinc values > 2 % and silver values > 15 g/t.
- A new zone, the East HSZ, occurs approximately 1.5 km east of the main zone and it dips gently to the northeast; its extent is unknown but drill intersections of the altered/mineralized envelope are not as thick (< 10 m) as those in the Main HSZ;
- Zinc and silver grades in the east zone range from 0.5% to 4.94% Zn and from 6 g/t to 266 g/t Ag over widths ranging from 0.4 to 9.8 m; gold values are all < 1 g/t Au;
- The Main and East zones are encompassed by a “geophysical domain” that consists of clusters of point and linear VTEM anomalies;
- There are 5 geophysical domains (D-01 to D-05) and 6 separate VTEM linears (L-01 to L-06) on Hurdman Property; the 3 km by 1 km D-04 domain is associated with the HSZ;
- These domains form a horseshoe-shaped pattern that may reflect a large-scale fold in the central part of Hurdman Property; the HSZ is at the southeastern end of this horseshoe; and
- Northerly trending magnetic anomalies (at least seven) reflect late-stage dike rocks that cut across this horseshoe.

What is not clear from Eloro’s work is the genetic relationship between the host rocks and the mineralization. The working hypothesis (Bérubé 2005) has been that the alteration and mineralization are essentially contemporaneous with the sedimentary host rocks, i.e. a Sedex-type deposit that was subsequently modified by high-grade metamorphic processes, such as at Broken Hill (Groves et al. 2008). However, the low lead content of the HSZ and the Archean age of the host rocks are not compatible with this deposit type. Conversely, Pierce (1998) suggested that the HSZ was analogous to the 8/2 Zn Zone at Geco, which is generally considered to be a volcanic-hosted massive sulphide (VMS) deposit (Zaleski and Peterson 1995). Geco and the HSZ are similar in that both contain zinc and silver but virtually no other metals. However, the Geco deposit sits in the Wawa Terrane and the HSZ is in Quetico Terrane. In both the Sedex and VMS models, light grey, sillimanite-bearing rocks up-hole from mineralization at the HSZ

represent footwall alteration that formed at the same time sulfides were deposited on the sea floor, i.e. the deposit is overturned.

Mr. McCutcheon believes that another working hypothesis should be considered. That is, the pyrrhotite-pyrite lodes and pegmatite sills represent a melting front (anatexis) in high-grade metamorphic (migmatitic) rocks (cf. Tomkins and Mavrogenes 2003). In this scenario, sillimanite-bearing rocks of the HSZ are genetically related to fluids that formed by the breakdown of hydrous minerals (micas and amphiboles) during anatexis; these fluids rose and altered the rocks ahead of the melting front. Such fluids reduced the melting temperature of sulfides (Wykes and Mavrogenes 2005) and allowed pyrrhotite-pyrite-sphalerite melts to form, which co-mingled with pegmatite melts at their mutual contacts, forming “ball texture” (analogous to oil droplets in a vinaigrette salad dressing). The partitioning of “blebby” sphalerite into altered host rocks, rather than the pyrrhotite-pyrite lodes, can be explained by gravity-driven differentiation (Stevens et al. 2005), i.e. sphalerite has a lower specific gravity than either pyrrhotite or pyrite and “floats” in such a melt.

The source(s) of the metals that make up the sulfides of the HSZ is (are) less certain. The metals had to be in the rocks before melting occurred. Whether they were regionally distributed in the sedimentary rocks of the Quetico Terrane or concentrated in a nearby massive sulphide deposit, of either Sedex or VMS type, is the burning question. In the former case, original stratigraphy is not very important because sulfides will be present at the melting front anywhere in the paragneiss (sedimentary) pile. In the latter case, original stratigraphy is critical because sulfides will be present only where the melting front intersected pre-existing massive sulphide deposits. Mr. McCutcheon favours the latter interpretation because of the similarity of the HSZ to the Geco 8/2 Zn zone (Pierce 1998) and because regional metamorphism does not remobilize metals significantly (Stanton, 2006).

An anatectic model explains the shallow dips at both the Main and East HSZ. The anatectic front at the Main HSZ dips gently to the north and comes to (or near) surface in the south, in proximity to the unnamed tributary of Poplar Rapids River, but in the East HSZ, this front dips shallowly to the northwest. It must be continuous between the two localities, which are approximately 1.5 km apart, so the change in strike suggests that the anatectic front is an undulating surface rather than a flat plane.

An anatectic model also explains why the metal association of the HSZ is atypical for a massive sulfide deposit, i.e. the virtual absence of copper and/or lead. Gravity-driven differentiation within the melting zone pushed low density (relative to other sulfide minerals) sphalerite upward. By corollary, high density lead should have settled downward, similar to the “droppers” at the Broken Hill deposit in Australia (cf. Sparks and Mavrogenes 2005).

Recommendations

Based on the results of the 2005-2009 exploration work by Eloro, in Mr. McCutcheon’s opinion, further work is recommended on Hurdman Property. The HSZ is within a shallow-dipping, melt (anatectic) front that should occur throughout Hurdman Property. The low-density (relative to other sulfides) sphalerite mineralization represents the top of a gravity differentiated sulfide

system that has depth potential. The East HSZ and Main HSZ are within one domain (D-04) of a horseshoe-shaped string of strong Mag/EM geophysical anomalies that probably represent more than one mineralized system. Many of these anomalies have not been drill tested.

The following two-phase work program is recommended in the Hurdman Property:

Phase I

1. Process/interpret whole-rock geochemical data to determine if volcanic rocks are present at Hurdman (collect 2006-2007 drill-core samples as required);
2. Search for and compile information on the so-called “8/2 Zn zone” at Geco to facilitate detailed comparison with the HSZ;
3. Carry out ground geophysics using InfiniTEM to help define drill target(s) between the Main and East HSZ;
4. Conduct an in-fill drilling program (8 holes) in the eastern part of the VTEM anomaly over the Main HSZ to determine if the known “higher grade corridor” continues east and has enough continuity and grade to warrant a resource estimate (details below);

Phase II

5. Based on the results of recommendations 2 and 3, determine if a drill hole beneath the Main HSZ is warranted to test for a VMS-type massive sulphide deposit at depth;
6. Drill-test the best ground geophysical anomalies resulting from recommendation 5;
7. Drill-test the best airborne VTEM anomalies within domains D-03 and D-05; specifically, the “stream” and large “eastern” anomalies in D-03 (4 holes) and the southernmost anomaly in D-05 (2 holes).

The expenditures related to the recommended exploration program are summarized in Table 26.1

Table 26.1 Summary of expenditures for recommended exploration.

Description	Units	Cost / unit	Total Cost
Phase I			
Litho geochemistry:			
2006 & 2007 holes	100 samples	\$150/smple	\$15,000
Senior Geologist	10 days	\$900/day	\$9,000
Compile Geco data:			
Senior Geologist	12 days	\$900/day	\$10,800
GIS Tech Services	10 days	\$550/day	\$5,500
Ground geophysics	10 days	\$5,000	\$50,000
Drilling (8 holes)	1200 m	\$150/m	\$180,000
Air support	20 hours	\$1500/hr	\$30,000

Description	Units	Cost / unit	Total Cost
Camp logistics	1	\$50,000	\$50,000
Assays	350	\$35/sample	\$12,250
Geologists	15 days	\$700/day	\$10,500
Technical staff (2)	15 days	\$350/day	\$10,500
Report writing	1	\$15,000	\$10,000
Sub-total:			\$393,550
15% Contingency:			\$59,033
Total Phase I:			\$452,583
Phase II			
Drilling (1 deep + 6 others)	1600 m	\$150/m	\$240,000
Air support	80 hours (min)	\$1500/hr	\$120,000
Camp logistics	1	\$50,000	\$50,000
Assays	350	\$35/sample	\$12,250
Geologists	15 days	\$700/day	\$10,500
Technical staff (2)	15 days	\$350/day	\$10,500
GIS / Report writing	1	\$15,000	\$25,000
Sub-total:			\$468,250
15% Contingency:			\$920,833
Grand Total:			\$1,373,415

The approximate UTN coordinates (NAD'83 Zone 17U) for holes of the Phase I drilling program are listed in order of priority below:

Hole Number	Easting	Northing
BV-12-01	443500E	5484850N
BV-12-02	443600E	5484850N
BV-12-03	443600E	5485000N
BV-12-04	443600E	5485000N
BV-12-05	443600E	5484800N
BV-98-02	443700E	5485000N
BV-98-03	443550E	5485000N
BV-98-04	443700E	5485100N

Available Funds

As at April 30, 2013, the Company had a working capital deficit of \$884,572. The total funds available to the Company as at April 30, 2013 (assuming completion of the Private Placement and Debt Settlement) are \$1,015,428. The Company intends to spend the available funds as follows, over the proceeding twelve (12) months from April 30, 2013:

Principal Purpose	Amount
Phase I – Hurdman Property Exploration Program	\$452,583
General and administrative expenses for 12 months	\$240,000
Estimated costs related to completing the Private Placement, Debt Settlement and COB	\$100,000
Payment pursuant to the Acquisition Agreement	\$40,000
Unallocated Working Capital	<u>\$182,845</u>
Total	<u>\$1,015,428</u>

Dividends

No dividends on the Common Shares have been paid to date. The Company anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Description of Securities

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders and each Common Share confers the right to one vote in person or by proxy at all meetings of the Shareholders. Holders of Common Shares are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, holders of Common Shares are entitled to receive the remaining property and assets of the Company subject to rights of holders of any special shares.

Consolidated Capitalization

The following table summarizes the Company's consolidated capitalization as at the dates indicated based on the pro forma financial statements included in this Circular as Schedule "A", and after giving effect to the Acquisition, Debt Settlement and Private Placement:

Authorized Capital	Number Authorized	Outstanding as at December 31, 2011 (audited)	Outstanding as at December 31, 2012 (audited)	Outstanding after giving effect to Acquisition and Restructuring
Common Shares	Unlimited	23,615,575	23,615,576	16,677,894 ⁽¹⁾
Special Shares, issuable in series	Unlimited	Nil	Nil	Nil
Class A preference shares	8,000,000	8,000,000	8,000,000	Nil ⁽²⁾
Class B preference shares	1,600,000	1,600,000	1,600,000	Nil ⁽³⁾
Stock Options	2,361,558	Nil	Nil	Nil ⁽⁴⁾
Warrants – Private Placement	20,000,000	Nil	Nil	2,500,000 ⁽⁵⁾

Notes:

- (1) After giving effect to:
 - (a) issuance of 5,000,000 Common Shares to Eloro pursuant to Hurdman Acquisition Agreement;
 - (b) issuance of 80,000 Common Shares upon conversion of the Class A preference shares;
 - (c) issuance of 16,000 Common Shares upon conversion of the Class B preference shares;
 - (d) issuance of 18,000,000 Common Shares to settle an aggregate of \$900,000 of indebtedness in connection with the Debt Settlement;
 - (e) issuance of 10,000,000 Common Shares and 10,000,000 Flow-Through Shares comprising a part of the units issued in connection with the Private Placement; and
 - (f) consolidation of the Common Shares on a 1 for 4 basis.
- (2) At the annual and special meeting of the Shareholders held on December 30, 2010, Shareholders approved the conversion of the 8,000,000 issued and outstanding Class A preference shares into 80,000 Common Shares and the cancellation of all unissued Class A preference shares.

- (3) At the annual and special meeting of the Shareholders held on December 30, 2010, Shareholders approved the conversion of 1,600,000 issued and outstanding Class B preference shares into 16,000 Common Shares and the cancellation of all unissued Class B preference shares.
- (4) The Stock Option Plan is a “rolling” plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued and outstanding Common Shares. As at the date hereof there are no options issued and outstanding under the Stock Option Plan. See “Stock Option Plan”
- (5) 10,000,000 warrants comprising a part of the units issued in connection with the Private Placement. Each warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issuance at an exercise price of \$0.10 per Common Share. Upon completion of the consolidation of the Common Shares on a 1 for 4 basis, there will be 2,500,000 warrants outstanding with an exercise price of \$0.40 per Common Share.

Prior Sales

The Company has not issued any Common Shares within the twelve (12) month period before the date hereof.

Fully Diluted Share Capital

The following table summarizes the total number and percentage of Common Shares outstanding after giving effect to the Proposed COB and the consolidation of the Common Shares on a 1:4 basis.

	Number of Common Shares	Percentage
Current issued and outstanding Common Shares	23,615,576	30.8%
Issuable upon conversion of Class A preference shares	80,000	0.1%
Issuable upon conversion of Class B preference shares	16,000	0.02%
Common Shares Issued under the Private Placement	10,000,000	13%
Flow-Through Shares Issued under the Private Placement	10,000,000	13%
Common Shares Issuable upon exercise of the Warrants issued under the Private Placement	10,000,000	13%
Issuable upon conversion of \$900,000 of indebtedness	18,000,000	23.5%
Issuable under Hurdman Acquisition Agreement	5,000,000	6.58%
Total	<u>76,711,576</u>	100%
After giving effect to the consolidation of the Common Shares on a 1:4 basis	19,177,894	100%

Principal Securityholders

As at the date of this Circular, to the knowledge of the directors and officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all outstanding Common Shares.

Escrow Securities

Pursuant to the escrow agreement (the “**Escrow Agreement**”) to be entered into between the principals, the Company and Equity Financial Trust Company, a total of 4,572,702 Common Shares, after giving effect to the 1 for 4 consolidation will be deposited into escrow with Equity Financial Trust Company as escrow agent. In addition, the 24,000 post-consolidation Common

Shares issuable upon a conversion of the Class A and Class B preference shares will also be subject to TSXV Tier 2 resale restrictions and legended appropriately.

The following table sets out, as of the date hereof and to the knowledge of the Company, the name and municipality of residence of the securityholders whose Common Shares at the closing of the Acquisition will be placed in escrow pursuant to the terms of the Escrow Agreement:

Name and place of residence of shareholder	Designation of class	Number of Securities held in Escrow ⁽¹⁾	Percentage of Class
Judy Baker Ontario, Canada	Common Shares	1,240,000 ⁽²⁾	6.5%
Alex Falconer, Ontario, Canada	Common Shares	2,055,814 ⁽³⁾	10.7%
Chris Irwin Ontario, Canada	Common Shares	1,276,888 ⁽⁴⁾	6.7%

Notes:

- (1) Assumes completion of Debt Settlement, Private Placement, Acquisition, the conversion of the preference shares to Common Shares and the consolidation of the Common Shares on a 1 for 4 basis.
- (2) Assumes the settlement of \$194,000 of debt for 970,000 post-consolidated Common Shares;
- (3) Assumes the settlement of \$334,704 of debt for 1,673,520 post-consolidated Common Shares;
- (4) Assumes the purchase of 550,000 units (on a post-consolidation basis) in the Private Placement and the settlement of \$28,411 of debt for 142,055 post-consolidated Common Shares.

Private Placement

As at April 30, 2013, the Company had a working capital deficit of \$884,572. In order to complete the Proposed COB the Company must meet the initial listing requirements of the TSXV, which includes having adequate working capital and financial resources to carry out the Phase I work program set out in the Hurdman Report (see “Proposed Change of Business – Hurdman Property – Recommendations”) and at least \$100,000 in unallocated funds. Accordingly, the Company is recommending the Company complete the Private Placement of an aggregate of 10,000,000 Units at a price of \$0.10 per Unit for gross proceeds of \$1,000,000. Each Unit will be comprised of one Common Share, one Flow-Through Share and one Warrant, each Warrant entitling the holder to acquire a Common Share for a period of 12 months from the date of issuance at an exercise price of \$0.10 per Common Share.

It is expected that certain insiders of the Company, including its directors and officers will participate in the Private Placement on the same terms as the other investors. Currently it is anticipated that directors of the Company will subscribe for 2,200,000 units pursuant to the Private Placement.

Pursuant to the terms of Multilateral Instrument 61-101 (“**MI 61-101**”), in the event that an issuer such as the Company enters into a transaction with a “related party” (as such term is defined in MI 61-101), and that transaction falls within the definition of “related party transaction” (as such term is defined in MI 61-101) in MI 61-101, the issuer must, among other things, (i) obtain a formal valuation of the Related Party Transaction; and (ii) obtain “minority approval” (as such term is defined in MI 61-101) from the non-related party shareholders or their joint actors prior to completing the related party transaction. Since directors and officers of the Company, who are related parties as defined in MI 61-101, are expected to participate in the

Private Placement, the issuance of Common Shares to such related parties constitutes a “related party transaction” within the meaning of MI 61-101.

MI 61-101 provides for exemptions from the valuation requirement and minority approval requirement in certain circumstances. As the Company is a “venture issuer” (as such term is defined in National Instrument 51-102), it qualifies for an exemption from the valuation requirement under section 5.5(c) of MI 61-101, since no securities of the Company are listed or quoted on any of the markets specified in that section. The Company has determined to obtain minority approval for the Private Placement insofar as it involves the issuance of Common Shares to the related parties.

Votes attaching to a total 2,748,511 Common Shares owned, controlled or directed by directors and officers of the Company shall be excluded from voting on the Private Placement. See “Election of Directors” for details of the directors and officers of the Company and their respective shareholdings.

Pursuant to MI 61-101, the resolution approving the Private Placement must be approved by a simple majority of the votes cast thereon by minority shareholders of the Company present in person or voting by proxy at the Meeting. Accordingly the Company is seeking approval at the Meeting of the following resolution by a majority of the votes cast by the minority shareholders of the Company:

“BE IT RESOLVED THAT:

1. the sale of Units to the related and non-related parties as identified and described in the Circular dated May 16, 2013, pursuant to the Private Placement of the Company is hereby approved; and
2. any director or executive officer of the Company be, and is hereby authorized for and on behalf of the Company, to execute, deliver and file all such documents, whether under the corporate seal of the Company or otherwise, and to do all such things as may be necessary or desirable in connection with such approval.”

The Board recommends that the shareholders vote for the adoption of the resolution approving the Private Placement. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ABOVE RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE VOTED AGAINST THE RESOLUTION. In the event that approval is not obtained, the Private Placement to the related parties will not proceed except in accordance with any available exemption from the minority approval requirements under applicable securities laws and the policies of the TSXV and NEX available to the Company.

Settlement of Debt

As at April 30, 2013, the Company had accounts and notes payable of approximately \$1,089,600, which continue to increase. Under the policies of NEX the Company must use at

least \$400,000 of the proceeds of a private placement completed in 2010 to satisfy accounts payable. Upon satisfying certain of the accounts payable, management of the Company has determined to propose to some of the Company's remaining creditors to settle their outstanding indebtedness through the issuance by the Company of Common Shares at a price of \$0.05 per Common Share. In particular, the Company proposes to settle amounts owing to various creditors through the issuance of Common Shares in satisfaction of repayment of an aggregate of approximately \$884,588, which is owed to insiders of the Company and an aggregate of approximately \$205,012 which is owed to arm's length creditors. It is expected that the aggregate Debt Settlement will result in the satisfaction of up to \$900,000 of indebtedness, through the issuance of up to 18,000,000 Common Shares. Shareholders of the Company are being asked to pass a resolution authorizing the Company to issue Common Shares to creditors in satisfaction of indebtedness.

The policies of NEX (the "Policy") provides that an issuer may settle its outstanding debts by issuing shares if the issuer has no funds or immediate source of funds or if all available funds have been otherwise committed. The price per share at which any debt may be converted to shares shall be not less than \$0.05 per share and shall be calculated as provided in the Policy. The Policy provides that the approval of the disinterested shareholders of an issuer must be obtained in order for that issuer to settle debt by issuing shares where the transaction will result in the creation of a new Control Person of the Company. A Control Person is defined as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

It is expected that certain insiders of the Company, including its directors and officers will participate in the Debt Settlement on the same terms as the other creditors. Currently, insiders intend to settle up to \$884,588, of indebtedness through the issuance of up to 17,691,760 Common Shares as part of the Debt Settlement. As a result, the Debt Settlement is a related party transaction (See "Particular Matters to be Acted Upon at the Meeting – Private Placement"). The Company has determined to obtain minority approval for the Debt Settlement insofar as it involves the issuance of Common Shares to the related parties.

Accordingly, shareholders of the Company, other creditors who are insiders of the Company, are being asked to approve of the issuance of up to 18,000,000 Common Shares in settlement of up to \$900,000 of outstanding indebtedness.

In order for the Debt Settlement to proceed, shareholders of the Company will be asked to consider, and if deemed advisable, approve and pass the following resolution:

“BE IT RESOLVED THAT:

1. the Company be and it is hereby authorized to issue up to 18,000,000 Common Shares to creditors of the Company, both related and non-related to the Company, to settle up to an aggregate of \$900,000 outstanding indebtedness through the issuance of Common Shares at a price of \$0.05 per share as identified and described in the Circular dated May 16, 2013.”

Management does not have any alternative plans in the event shareholder approval is not granted. In order to approve the resolution the majority of the votes cast at the meeting, without taking into consideration the 2,748,511 Common Shares held by the insiders of the Company or the creditors who are also shareholders and their associates, must be voted in favour of the resolution. In the event approval is not obtained the Company will continue to be indebted to its creditors.

The Board recommends that shareholders vote for the adoption of the resolution approving the Debt Settlement. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE RESOLUTION APPROVING THE DEBT SETTLEMENT UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Confirmation of Stock Option Plan

The Company has a “rolling” Stock Option Plan whereby a maximum of 10% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance pursuant to the exercise of options.

The purpose of the Stock Option Plan is to encourage Common Share ownership in the Company by directors, senior officers, employees and consultants of the Company and its affiliates and other designated persons. Options may be granted under the Stock Option Plan only to directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of Common Shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares as at the date of the grant of options.

The maximum number of Common Shares which may be reserved for issuance to any one individual during any 12 month period under the Stock Option Plan is 5% of the Common Shares. In addition, the maximum number of Common Shares which may be reserved for issuance to any consultant of the Company during any 12 month period under the Stock Option Plan is 2% of the Common Shares. The maximum number of Common Shares which may be reserved for issuance to employees conducting investor relations activities during any 12 month period under the Stock Option Plan is 2% of the aggregate number of Common Shares.

Any Common Shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the closing price of the Common Shares on the day immediately preceding the day upon which the option is granted, less any discount permitted by the policies of the NEX. The options are non-assignable and non-transferable. Options granted under the Stock Option Plan can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within a reasonable period (set by the Board in each case) after ceasing to be an eligible optionee, or, if the optionee dies, within one year from the date of the optionee’s death. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable. The Stock Option Plan contains provisions for

adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution approving the confirmation of the Stock Option Plan, substantially in the following form:

“BE IT RESOLVED THAT:

1. the Company's stock option plan as described in the Management Information Circular of the Company dated May 16, 2013, be and it is hereby confirmed and approved.”

The Stock Option Plan is subject to receipt of NEX acceptance of its filing. Reference should be made to the full text of the Stock Option Plan which will be made available at the registered office of the Company at 1100 Burloak Drive, Suite 300, Burlington, Ontario L7L 6B2, until the business day immediately preceding the date of the Meeting.

In order to confirm and approve the Stock Option Plan a majority of votes cast at the Meeting by Shareholders must be voted in favour of the Stock Option Plan.

The board recommends that the shareholders vote for the confirmation of the stock option plan. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE CONFIRMATION OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL. In the event shareholder approval is not given the Stock Option Plan will not be confirmed.

Other Matters Which May Come Before the Meeting

Management of the Company knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Company properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Company will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The Company currently has the following two NEOs: Wayne Maddever, Chief Executive Officer and President and Alex Falconer, Chief Financial Officer.

Compensation Discussion and Analysis

When determining the compensation of the NEOs, the Board considers the limited resources of the Company and the objectives of: (i) recruiting and retaining the executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Company; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. In order to achieve these objectives, the compensation paid to the NEOs consists of the following two components:

- (a) base fee or salary; and
- (b) long-term incentive in the form of stock options.

Base Fee or Salary

The base fee or salary of each particular NEO is determined by an assessment by the Board of such executive’s performance, a consideration of competitive compensation levels in companies similar to the Company and a review of the performance of the Company as a whole and the role such executive officer played in such corporate performance.

Long-Term Incentive

The Company provides a long-term incentive by granting options to executive officers under the Stock Option Plan. The objective of granting options is to encourage executives to acquire an ownership interest in the Company over a period of time, which acts as a financial incentive for such executive to consider the long-term interests of the Company and its shareholders.

Option Based Awards

The Board reviews the performance of the Company's management and advisors from time to time, and recommends option-based awards and other compensation awards or adjustments. These decisions take into consideration corporate and individual performance and industry standards. Previous grants of option-based awards are also taken into consideration in making this determination. The experience of the Board members who are also involved as management of, or Board members or advisors to, other companies also informs decisions concerning compensation.

Option based awards are issued under the Stock Option Plan, the terms of which are set out under "Stock Option Plan".

Summary Compensation Table

NEO Name and Principal Position	Year	Salary (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensa- -tion (\$)	Total compensation (\$)
					Annual incentive plans	Long- term incentive plans ⁽¹⁾			
Judy Baker ⁽²⁾ CEO and President	2012	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2011	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Wayne Maddever	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alex Falconer Chief Financial Officer	2012	36,000	Nil	Nil	Nil	Nil	Nil	Nil	36,000
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) "LTIP" or "long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.
- (2) Wayne Maddever resigned as CEO and President on December 30, 2010, and Judy Baker was appointed in his stead.

Incentive Plan Awards

Outstanding Option-Based and Share-based Awards

There were no incentive stock options (option-based awards) or share-based awards outstanding for any NEO as at December 31, 2012.

Value Vested or Earned During the Year

No incentive plan awards vested for any NEO during the year ended December 31, 2012.

Pension and Retirement Plans

The Company does not have any pension or retirement plans that provide for payment or benefits at, following, or in connection with retirement or provide for retirement or deferred compensation plans.

Termination and Change of Control Benefits

The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO, in connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of such person.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth the compensation paid, payable or otherwise provided to the individuals who were non-executive directors of the Company during the year ended December 31, 2012:

COMPENSATION OF DIRECTORS⁽¹⁾⁽²⁾				
Name	Fees earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total (\$)
Chris Irwin	Nil	Nil	Nil	Nil

Notes:

- (1) Table does not include any amount paid as reimbursement for expenses.
- (2) Compensation paid to the NEOs who served as directors of the Company is disclosed in the Summary Compensation Table. See "Executive Compensation".

Option-based and Share Based Awards to Directors

There were no incentive stock options (option-based awards) or share-based awards granted by the Company to the directors of the Company outstanding as of December 31, 2012.

Long-term Incentive Plan (LTIP) Awards

The Company currently has no Long-term Incentive Plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Stock Appreciation Rights and Restricted Shares

No stock appreciation rights or restricted shares of the Company were granted by the Company to the NEOs of the Company during the year ended December 31, 2012.

Compensation of Directors

Directors of the Company are not entitled to any fees for attending meetings of the Board, committees of the Board and shareholders of the Company.

During the most recently completed financial year Irwin Lowy LLP, a company controlled by Mr. Irwin, billed \$27,822 in legal fees and disbursements. These amounts have been accrued by the Company, however, they remain unpaid.

EQUITY COMPENSATION PLANS

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Company's Shareholders and all equity plans not approved by the Company's Shareholders.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders ⁽¹⁾	Nil	Not Applicable	2,361,558
Equity compensation plans not approved by securityholders	Nil	Not Applicable	Nil
Total	Nil		2,361,558

Notes:

- (1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. As at the date hereof, 2,361,558 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As of the date hereof, there was no indebtedness owing to the Company by any individuals who at any time during the fiscal period ended December 31, 2012 were directors, executive officers or senior officers of the Company or associates of the foregoing. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

AUDIT COMMITTEE

Multilateral Instrument 52-110 (“**MI 52-110**”) requires that certain information regarding the Audit Committee of an issuer be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting.

Audit Committee Charter

The full text of the charter of the Company’s Audit Committee is attached hereto as Schedule “B”.

Composition of the Audit Committee

Following the Meeting, it is anticipated that the Audit Committee members will be Judy Baker (Chair), Frederick Nielsen and George Langdon, each of whom is a director, financially literate and independent (with the exception of Judy Baker) in accordance with sections 1.4 and 1.5 of MI 52-110.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

Judy Baker: Ms. Baker has over seventeen years of experience in the mining and mineral exploration sector including equity analysis, fund management, and exploration and mining company activity. Judy Baker also serves on the board of directors of Abcourt Mines and Nemaska Exploration. Judy Baker holds an Honours B.Sc. Geological Engineering in Mineral Resources Exploration from Queen’s University (1990) and a M.B.A. from Western Business School (1995).

Frederick Nielsen: Mr. Nielsen is an accredited geologist with over 30 years of worldwide mineral exploration and development experience. Since 2008, Mr. Nielsen has been working as a senior industry consultant to mining exploration companies working with a variety of commodities in various countries and geological environments. From 2003 to 2008, Mr. Nielsen was the V.P. Exploration of Nevsun Resources Ltd. Mr. Nielsen received a B.A.Sc. in 1973 from the University of Western Ontario and is a member of the Association of Professional Engineers and Geoscientists, Manitoba, Canadian Institute of Mining, Geological Association of Canada and Association of Applied Geochemists.

George Langdon: Dr. Langdon is President and Chief Executive Officer of Shoal Point Energy Ltd. Dr. Langdon joined the petroleum industry as a geologist in 1980, and worked domestically and internationally until 1987 with Hudson's Bay Oil and Gas, Saudi Aramco, and Mobil Oil Canada Ltd. In the 1990's he consulted for and joined management teams of several junior oil and gas companies, and presently is a Director of Gulf Shores Resources Ltd., and is President and a Director of Monarch Energy Ltd. He is also a former Director of Contact Exploration Inc. He has been involved in west Newfoundland petroleum prospect geology since his early education at Memorial University of Newfoundland, where in 1996 he took a doctorate in

seismic-based basin analysis of the western Newfoundland and adjacent Maritimes Basin areas. He is President of the Corporation and was President of Shoal Point since co-founding the company in December 2006.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section 7 of the Charter.

Audit Fees

The following table provides detail in respect of audit, audit related, tax and other fees payable by the Company to the external auditors for professional services:

	Audit Fees	Audit-Related Fees	Tax Fee	All Other Fees
Year ended December 31, 2011	\$11,822	Nil	\$889	Nil
Year ended December 31, 2010	\$9,804	Nil	\$647	Nil

Audit Fees – payable for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – payable for professional services rendered by the auditors and were comprised primarily of the review of quarterly financial statements and related documents.

Tax Fees – payable for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – payable for professional services which included accounting advice and advice related to relocating employees.

CORPORATE GOVERNANCE

The Company's Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board has confirmed the strategic objective of the Company is seeking out and exploring mineral bearing deposits with the intention of developing and mining the deposit or proving the feasibility of mining the deposit for others.

National Instrument 58-101 (*Disclosure of Corporate Governance Practices*) (“**NI 58-101**”) requires the Company to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F2. NI 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

Board of Directors

The Board is currently composed of three directors. Following the Meeting the Board will be composed of five directors. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under Multilateral Instrument 52-110 (“**MI 52-110**”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees: Judy Baker, President and Chief Executive Officer, and Alex Falconer, Chief Financial Officer, are "inside" or a management director and accordingly are considered not “independent”. Frederick Nielsen, George Langdon and Chris Irwin are considered by the Board to be "independent", within the meaning of MI 52-110. In assessing Form 58-101F1 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

Please see “Election of Directors” above for more information about each director, including other directorships.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board’s continuing education is typically derived from correspondence with the Company’s legal counsel to remain up to date with developments in relevant corporate and securities’ law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct; but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board of directors are reviewed by the entire Board.

Other Board Committees

The Board have established an Audit Committee and a Compensation Committee.

Assessments

Currently the Board has not implemented a formal process for assessing directors.

RISK FACTORS

The following outlines certain risk factors associated with the Proposed COB. The following risks, as they relate to the Proposed COB, shall be applicable to the extent that the Company completes the Proposed COB as contemplated by this Circular.

Exchange may not approve the Proposed COB.

The Proposed COB constitutes a “change of business” pursuant to the policies of the Exchange. Although the Company has received conditional approval from the Exchange, there can be no assurance that the Company be able to satisfy the requirements of the Exchange such that the Exchange will provide final approval of the Proposed COB and issue the Final Exchange Bulletin.

Fluctuating Gold Prices

The Company’s profitability depends upon the world market price of gold and other metals. Prices fluctuate widely and are affected by numerous factors beyond the Company’s control. The prices of metals are influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of gold and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of gold and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

If the market prices for gold or other metals fall below the Company’s targeted production costs and remain at such levels for any sustained period of time, it may not be economically feasible to commence or continue production on the Company’s projects. This would materially and adversely affect the decision to proceed and the ability to finance the development of properties, production, profitability and the Company’s financial position. The Company may, depending on hedging practices, experience losses and may decide to discontinue exploration activities,

operations or development of a project or mining at one or more of its properties. If the price of gold drops significantly, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic.

Gold prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold and other metals are produced, a profitable market will exist for them.

A decline in the market price of gold or other metals may also require the Company to write down its mineral reserves and resources, which would have a material and adverse effect on the Company's value, earnings and profitability. Should any significant write-down in reserves and resources be required, a material write-down of the Company's investment in the affected mining properties may be required.

Financial Capability and Additional Financing

The Company will have sufficient financial resources to undertake its presently planned exploration and development programs as discussed herein. However, the Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that the Company will be able to obtain sufficient financing in the future to carry out exploration and development work on the Hurdman Property. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of exploration, development or production on any or all of its properties or even a loss of property interest.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Additional funds will be required for future exploration and development of the Hurdman Property.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

Limited Operating History

The Company has not yet recorded any revenues from its operations nor has the Company commenced commercial production on the Hurdman Property. The Company does not expect to generate revenues from operations in the foreseeable future. The Company expects to continue to incur losses unless and until such time as the Hurdman Property enters into commercial production and generates sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability or that any of the properties it may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate. There can be no assurance that

significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial productions of its properties are added. The amount and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

Mining Exploration and Development

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The Company's exploration and production may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies. The success of the Company also depends on the delineation of economically recoverable reserves, the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to its exploration and mining tenements as well as obtaining all necessary consents and approvals for the conduct of its exploration and production activities. The effect of these factors or a combination thereof, cannot be accurately predicted and could have an adverse impact on the Company.

Risks involved in mining operations include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of any material, any of which could result in damage to life or property, environmental damage and possible legal liability. Further, weather conditions over a prolonged period can adversely affect exploration, production, mining and drilling operations and the timing of earning revenues.

Whether income will result from any of the Company's projects will depend on the successful establishment of mining operations. Factors including costs, actual mineralization, consistency and reliability of ore grades and commodity prices affect successful project development, future cash flow and profitability, and there can be no assurance that current estimates of these factors will reflect actual results and performance. The design and construction of efficient processing facilities, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants also can affect successful project development. These factors and events may materially affect the financial performance of the Company.

The recoverability of amounts for mineral properties and related deferred exploration costs is dependent upon the confirmation of the Company's interest in the underlying claims, the Company's ability to obtain necessary financing to complete development, future profitable production or, alternatively, upon disposition of such properties at a profit.

Resource Estimates

The mineral resource figures included herein are estimates only and no assurance can be given that any particular level of recovery of gold or other mineral from resources will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Any material change in the quantity of mineralization, grade or stripping ratio, or the gold price may affect the economic viability of any property held by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. Until mineral resources are actually mined and processed, the quantity of mineral and resource grades must be considered as estimates only.

No History of Earnings or Dividends

The Company has no history of earnings and as such the Company has not paid dividends on its common shares since in Company and does not anticipate doing so in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including operating results, the financial conditions of the Company and anticipated cash needs.

Limited Property Portfolio

The Company's only material mineral project is the Hurdman Property. Unless the Company acquires or develops additional material properties or projects, the Company will be solely dependent upon the Hurdman Property.

Aboriginal Title and Rights Claims

Aboriginal title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been formally asserted or any legal actions relating to aboriginal issues having been instituted with respect to the Hurdman Property. There can be no assurance that such events will not occur or that title and rights claims will not be asserted in the future in respect of the Company's properties. In addition, other parties may dispute the Company's title to its properties and its properties may be subject to prior unregistered agreements or transfers or land claims by aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

Third Party Claims on the Hurdman Property

Title to, and the area of, resource claims may be disputed and additional amounts may be paid to surface rights owners in connection with any development of mining activity. Although the Company is satisfied, based on due diligence conducted by the Company, that its rights to the Hurdman Property are valid and exist as set out in this Prospectus, there may be valid challenges, including aboriginal land claims, on the Hurdman Property which, if successful, could impair development and/or operations.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Insurance and Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the

Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.

Competitive Conditions

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for the technical expertise to find, develop, and produce such properties, the labour to operate the properties and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results of operation and business.

Management

The success of the Company is currently largely dependent on the performance of its Management. Shareholders will be relying on the good faith, experience and judgment of the Company's Management and advisors in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its Management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

Conflict of Interest

Certain directors and officers of the Company also serve as directors and officers of other companies involved in natural resource exploration, development and production, such as

Greencastle. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving these other companies will be made in accordance with applicable laws and the duties and obligations to deal fairly and in good faith with the Company and these other companies. In addition, such directors must declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

The Company entered into non-competition and non-disclosure agreements with Management and has no current plans to do so. The Company may hire consultants and other geologists and technical expertise but there is no guarantee that the Company will be able to retain personnel with sufficient technical expertise to carry out future development, of the Company's properties.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing for the Common Shares.

Permits and Government Regulation

The Company's planned mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. There is no assurance that the Company can obtain, or that there will not be delays in obtaining, the permits necessary to develop the Hurdman Property. Government approvals and permits will be required, and may in the future be required, in connection with the Company's operations. To the extent such approvals are required and are delayed or not obtained, the Company may be curtailed or prohibited from continuing mining operations or from proceeding with planned exploration or development of the Hurdman Property. Neither can any assurance be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required

to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

Absence of Public Trading Market for the Common Shares

Currently, there is no public market for the Common Shares, and there can be no assurance that an active market for the Common Shares will develop or be sustained after the Proposed COB and restructuring. The Share Price has been determined by the Company based upon several factors, including the history of, and prospects for, the Company's business and the industry in which it competes, and an assessment of the Company's management, operations and financial results, and may bear no relationship to the price that will prevail in the public market. If an active public market for the Common Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline below the Share Price, as applicable.

The price of the Common Shares is likely to be significantly affected by short-term changes in gold prices or in the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following:

1. the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;
2. the limited trading volume and general market interest in the Company's securities may affect an investor's ability to trade the common shares of the Company; and
3. a substantial decline in the Company's share price that persists for a significant period of time could cause its securities to be delisted from any stock exchange upon which they may be listed, further reducing market liquidity.

Lack of Dividends

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

As a result of any of these factors, the market price of the common shares of the Company at any given point in time may decline below the Share Price and may not accurately reflect the Company's long-term value.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of Shares upon the exercise of stock options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional Shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Environmental Liabilities

The Company is not aware of any other environmental liabilities or obligations associated with its exploration property interests. The Company's exploration and evaluation activities are subject to various Federal, and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

EXEMPTIONS FROM CERTAIN REQUIREMENTS

Pursuant to the Acquisition Agreement the Company will acquire the Hurdman Property from Eloro. The acquisition of the Hurdman Property, might be considered a "significant acquisition" pursuant to section 8.2 of National Instrument 51-102, which would require the Company to provide three years of carve-out financial statements with respect to the Hurdman Property in the business report to be filed following completion of the acquisition of the Hurdman Property. The Company intends to seek relief from the requirement to include audited carve-out financial statements with respect to the Hurdman Property for the years ended December 31, 2012, 2011 and 2010 on the basis that:

- (a) Eloro has not conducted any exploration on the Hurdman Property since January 2010, no exploration expenditures have been incurred and, therefore, there would be no exploration expenditures or capitalized exploration assets presented in such financial statements;
- (b) there are no liabilities, contingent liabilities or asset-retirement obligations that would have been recorded or disclosed on the balance sheet or in the notes to the financial statements for the three years of carve-out financial statements with respect to the Hurdman Property;

- (c) there are no liabilities, contingent liabilities or asset-retirement obligations that are recorded or disclosed on the balance sheet or in the notes to the financial statements of Eloro for the periods ended December 31, 2011, 2010 and 2009 in respect of the Hurdman Property; and
- (d) the Company has conducted satisfactory due diligence to determine that there are no liabilities present on the Hurdman Property, including confirmation by the Company that there are no liens or encumbrances registered against the Hurdman Property.

As the carve-out financial statements would be nil statements, no additional information would be provided to shareholders of the Company by including such statements in the business acquisition report to be filed in connection with the acquisition of the Hurdman Property.

LEGAL PROCEEDINGS

Management knows of no legal proceedings, contemplated or actual, involving the Company, which could materially affect the Company.

DIVIDEND POLICY

The Company has no fixed dividend policy and no dividends have been declared on any class of shares of the Company since the date of incorporation. The payment of dividends is subject to the discretion of the Board and will depend on, among other factors, earnings, capital requirements and operating and financial condition. The Company does not intend to pay dividends in the foreseeable future but instead intends to retain future earnings, if any, to finance the growth and development of the Company's business.

SPONSORSHIP

Subject to meeting certain conditions prescribed by the Exchange, the Company will be exempt from the sponsorship requirements of the Exchange. The Company has applied for and received conditional exemption from the sponsorship requirements in connection with the Proposed COB.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Company is of Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

EXPERTS

The following professional persons have prepared reports or have provided opinions that are either included in or referred to in this Circular:

S.R. McCutcheon, PhD, P. Geo.
Collins Barrow Toronto LLP, Chartered Accountants

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Circular or as having prepared or certified a report or valuation described or included in this Circular holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate, as those terms are defined in the Exchange Policies, of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Securityholders may contact the Company in order to request copies of the Company's consolidated financial statements at the offices of Irwin Lowy LLP, Suite 1010, 130 Adelaide Street West, Toronto, Ontario, Tel: (416) 361-2516. Financial information about the Company may be found in the Company's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

DIRECTORS' APPROVAL

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Company.

DATED at Toronto, Ontario, this 16th day of May, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS
OF BLUE VISTA TECHNOLOGIES INC.**

"Judy Baker" (Signed)
Judy Baker, President & Chief Executive Officer

CERTIFICATE OF BLUE VISTA TECHNOLOGIES INC.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated as of May 16, 2013.

"Judy Baker" (Signed)
Judy Baker, President
& Chief Executive Officer

"Alex Falconer" (Signed)
Alex Falconer, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Chris Irwin" (Signed)
Chris Irwin, Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any items in the attached Circular that are analogous to items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Form 3D1 of the Exchange, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B to the Corporate Finance Manual of the Exchange) pursuant to Form 3D1 of the Exchange; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated as of May 16, 2013.

BLUE VISTA TECHNOLOGIES INC.

Per: “Judy Baker” (Signed)
Judy Baker, President & Chief Executive Officer

SCHEDULE “A”

**PRO FORMA FINANCIAL STATEMENTS OF
BLUE VISTA TECHNOLOGIES INC.
AS AT DECEMBER 31, 2012
(Unaudited)**

Blue Vista Technologies Inc.
Pro Forma Statement of Financial Position
As December 31, 2012
(Unaudited - see Compilation Report)

	Blue Vista December 31, 2012	Note	Pro Forma Adjustments	Pro Forma
Current assets				
Cash	\$245,400	2(1) 2(3a) 2(4) 2(5)	\$1,000,000 (\$40,000) (\$188,597) (\$100,000)	\$916,803
Accounts receivable	\$2,721			\$2,721
GST/HST Receivable	\$7,393			\$7,393
	<u>\$255,514</u>		<u>\$671,403</u>	<u>\$926,917</u>
Property, Plant and equipment	\$2,915	2(3) 2(3a)	\$250,000 \$40,000	\$292,915
	<u>\$258,429</u>		<u>\$961,403</u>	<u>\$1,219,832</u>
Accounts payable and accrued liabilities	\$902,029	2(2)	(\$900,000)	\$2,029
Notes Payable	\$188,597	2(2) 2(4)	(\$-) (\$188,597)	\$2,029
	<u>\$1,090,626</u>		<u>(\$1,088,597)</u>	
Capital stock	\$8,676,763	2(1) 2(2) 2(3) 2(5) 2(6) 2(7)	\$1,000,000 \$900,000 \$250,000 (\$50,000) \$4,800 (\$58,000)	\$10,723,563
Preferred A	\$10,880	2(6)	(\$10,880)	
Preferred B	\$2,176	2(6)	(\$2,176)	
Contributed surplus	\$152,527	2(6) 2(7)	\$8,256 \$58,000	\$218,783
Retained earnings (deficit)	<u>(\$9,674,543)</u>	2(5)	<u>(\$50,000)</u>	<u>(\$9,724,543)</u>
Total shareholders' equity (deficiency)	<u>(\$832,197)</u>		<u>\$2,050,000</u>	<u>\$1,217,803</u>
Total liabilities and shareholders' equity	<u>\$258,429</u>		<u>\$961,403</u>	<u>\$1,219,832</u>

**Blue Vista Technologies Inc.
Notes to Pro Forma Financial Statements
As December 31, 2012
(Unaudited - see Compilation Report)**

1. Basis of presentation

The unaudited pro-forma balance sheet of Blue Vista Technologies Inc ("Blue Vista" or the "Company") has been prepared by its management to give effect to the proposed acquisition (the "Acquisition") of the Hurdman Property ("Hurdman") from Eloro Resources Ltd., ("Eloro") by the Company on the basis of the assumptions and adjustments described in Note 2.

It is management's opinion that the pro-forma balance sheet includes all adjustments necessary for the fair presentation, in all material respects, of the transactions described in Notes 2 and 3 in accordance with IFRS applied on a basis consistent with the Company's accounting policies.

The unaudited pro-forma balance sheet should be read in conjunction with the audited financial statements and notes of Blue Vista for the years ended December 31, 2012 and 2011, included as part of the filing statement.

The unaudited pro-forma balance sheet may not be indicative either of the results that actually would have occurred if the events reflected herein had taken place on the dates indicated or of the financial position that may be obtained in the future. The unaudited pro-forma balance sheet should be read in conjunction with the unaudited financial statements of Blue Vista and the related Blue Vista Filing Statement.

2. Pro forma assumptions and adjustments

The pro forma consolidated financial statements have been prepared as if the transactions described above occurred on December 31, 2012.

Following Completion of the Qualifying Transaction:

- (a) Blue Vista will have issued 5,000,000 shares (pre-consolidation) for the Hurdman property;
- (b) the corporate name will be changed;
- (c) the former shareholders of Blue Vista will hold 23,615,576 shares (pre-consolidation), representing approximately 35% of the outstanding Common Shares;
- (d) Eloro Resources Ltd. will hold 5,000,000 common shares (pre-consolidation) representing approximately 7.5% of the Issuer;
- (e) There will be an additional two more independent, of both Eloro and Blue Vista, directors appointed to the board;
- (f) Blue Vista will consolidate its issued and outstanding common shares on the basis of one post consolidation Common share for each four common shares then outstanding.
- (g) There is \$50,000 of Transaction Costs for the Change of Business ("COB"), including legal and TSXV expenses and also \$40,000 and 5,000,000 shares issued in the property purchase .

Blue Vista Technologies Inc.
Notes to Pro Forma Financial Statements
As December 31, 2012
(Unaudited - see Compilation Report)

The Qualifying Transaction will constitute a purchase of a property. In accordance with purchase:

Pro forma adjustments are as follows:

- (1) to record proceeds of issuance of 20,000,000 common shares for \$1,000,000 in a private placement;
- (2) to record proceeds of the Common Shares to be issued in debt conversion, being \$900,000;
- (3) to record proceeds of the Common Shares to be issued in property acquisition, being \$250,000;
(a) to record a cash payment of \$40,000 for the property acquisition
- (4) To record payment of Notes Payable of \$188,597;
- (5) to record share issuance costs related to the 20,000,000 shares described in (1) above, being \$50,000 and to record COB costs of \$50,000 relating to legal and TSXV expenses;
- (6) to eliminate Blue Vista's Preferred A and Preferred B of \$13,056 and charge to Contributed Surplus the amount that is in excess of the Fair Market Value (FMV), being \$8,256 and issuance of common shares, being \$4,800;
- (7) To record the fair value of 10,000,000 warrants issued as part of the \$1,000,000 financing (see (1) above). It has been estimated using the Black-Scholes pricing model and this value has been disclosed as a separate component of shareholders' equity. The assumptions used for the valuation of warrants are as follows: Risk-free interest rate - 1.01%; Time to maturity - 1.0 year; Estimated volatility in the market price of the common shares - 80%

Blue Vista Technologies Inc.
Notes to Pro Forma Financial Statements
As December 31, 2012
(Unaudited - see Compilation Report)

3. Pro forma share capital - resulting issuer

	Number of shares	Value
<u>Common shares</u>		
Blue Vista's shares issued and outstanding at September 30, 2012	23,615,576	\$8,676,763
Effect of pro forma transactions:		
- shares to be issued in private placement	20,000,000	\$1,000,000
- shares to be issued in debt conversion	18,000,000	\$900,000
- shares to be issued in property acquisition	5,000,000	\$250,000
- shares issuance costs		(\$50,000)
- Black Scholes value attached to warrants		(\$58,000)
- preferred A conversion	80,000	\$4,000
- preferred B conversion	16,000	\$800
	<u>66,711,576</u>	<u>\$10,623,563</u>
Consolidated on a 1:4 Basis	<u>16,677,894</u>	<u>\$10,623,563</u>
<u>Warrants</u>		
Blue Vista's warrants issued and outstanding at September 30, 2012	-	\$-
Effect of pro forma transactions:		
- warrants to be issued in private placement	10,000,000	\$58,000
Consolidated on a 1:4 Basis	<u>2,500,000</u>	<u>\$58,000</u>

4. Income taxes

The pro forma effective income tax rate applicable to the consolidated operations will be 32%.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Name

There shall be a committee of the board of directors (the “Board”) of Blue Vista Technologies Inc. (the “Company”) known as the Audit Committee (the “Committee”).

Purpose

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management’s Discussion and Analysis (“MD&A”);
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;
- monitor the integrity of the Company’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- resolve disagreements between management and the external auditor regarding financial reporting;
- receive the report of the external auditors, who must report directly to the Committee; and
- provide an avenue of communication among the Company’s external auditors, management, and the Board.

Composition and Qualifications

All Committee members shall meet all applicable requirements prescribed under the *Business Corporations Act* (Ontario), as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. A majority of the members shall be independent directors who are free from any direct or indirect relationship that would, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, all members of the Committee shall be "financially literate" so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Company's financial statements. A director who is not financially literate may be appointed to the Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment, and provided that the Board has determined that such appointment will not materially adversely affect the ability of the Committee to act independently.

Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A notification for each of the meetings shall be disseminated to Committee members two days prior to each meeting. A majority of the members of the Committee shall constitute a quorum for meetings.

An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with management of the Company, the Company's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.

Specific Responsibilities and Duties

Specific responsibilities and duties of the Committee shall include, without limitation, the following:

General Review Procedures

1. Review and reassess the adequacy of this Charter at least annually and submit any proposed amendments to the Board for approval.
2. Review the Company's annual audited financial statements, related MD&A, and other documents prior to filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
3. Annually, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
4. Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board of Directors.
5. Review with financial management the Company's quarterly financial results, related MD&A and other documents prior to the filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Discuss any significant changes to the Company's accounting principles. The Chair of the Committee may represent the entire Committee for purposes of this review.

External Auditors

6. The external auditors are ultimately accountable to the Committee, as representatives of the shareholders. The external auditors must report directly to the Committee, who shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Committee shall approve the compensation of the external auditors.
7. The Committee must approve all non-audit services to be provided to the Company or its subsidiary entities, unless such non-audit and services are

reasonably expected to constitute not more than five (5) percent of the total fees paid by the Company to the external auditor during the particular fiscal year.

8. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence.
9. Review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.
10. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss any matters that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
11. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

Legal Compliance

12. On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Other Miscellaneous Responsibilities

13. Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.
14. Prepare and disclose a summary of the Mandate to shareholders.
15. Perform any other activities consistent with this Mandate, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Authority

The Committee shall have the authority to:

1. delegate approval-granting authority to pre-approve non-audit services by the external auditor to one or more of its members;
2. engage independent counsel and other advisors as it determines necessary to carry out its duties;

3. set and pay the compensation for any advisors employed by the Committee;
4. communicate directly with the external auditors;

Reporting

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

Resources

The Committee shall have full and unrestricted access to all of the Company's books, records, facilities and personnel as well as the Company's external auditors and shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Company's expense, such special legal, accounting or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Company or the Company's external counsel or auditors to attend a meeting of the Committee.

Limitation on the Oversight Role of the Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.

BLUE VISTA TECHNOLOGIES INC.

Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters

1. The Company shall inform employees on the Company's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

Procedures for Approval of Non-Audit Services

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;

- (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.